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| 2008-09 Spending Plan | Crime Victims Board |
| | Tina M. Stanford, Chairwoman |

A. Overview of Proposed Plan

A.1 Overall Approach

The Crime Victims Board continues to focus its efforts on improving its internal operations, such that victims' claims can be processed in a more timely, efficient and consistent manner, through implementation of its Business Process Improvement Project (BPIP). Under the purview of the BPIP, the Crime Victims Board is in the midst of implementing a new Claims Processing System. Essential Personal Property claims and Forensic Rape Exam Direct Reimbursement claims are processed on Claims Assistant. In February, Personal Injury and Death claim processing began on Claims Assistant and now all of our Crime Victim Specialists are processing claims on Claims Assistant and finishing up the processing of all manual claims. Our overall approach to addressing this year's spending reduction will be to capitalize on efficiencies achieved through implementation of Claims Assistant, as well as some other technology initiatives. These efficiencies will extend to other units as well, as they, too, move their functions onto Claims Assistant. In fact, by the end of the current fiscal year, the Additional Medical Unit's work and the Legal Unit's functions will be operational on Claims Assistant. The efficiencies realized through Claims Assistant will result in both personal service and nonpersonal service savings. In addition to our primary approach to realizing recurring savings, we will maximize General Fund savings by using federal administrative dollars and restitution funding as appropriate and to their greatest advantage.

A.2 Achievement of Savings on a Recurring Basis

A tremendous benefit of the BPIP and roll-out of Claims Assistant is that significant efficiencies in claims processing will be achieved. These efficiencies will reduce certain state operations costs and do so on a recurring, rather than one-time basis. For example:

- Claims Assistant stores all pertinent information necessary for processing claims on the computer system. Therefore, it is no longer necessary to ship hundreds of files between CVB's three offices each month. This will allow CVB to eliminate all GF charges for the courier. **An annual GF savings of \$10,500. The full annual value of this savings will be achieved in 2008- 09.**
- It is anticipated that eventually CVB will realize comparable reductions in processing time for personal injury and death claims as those that were achieved by processing essential personal property claims on Claims Assistant. As a result, claims will be processed faster and there should be no ongoing need for overtime for Crime Victims Specialists. In recent years, the CVB has incurred significant overtime costs to address high caseloads and backlogs; these work loads should become manageable during a traditional 37.5 hour work week and the need for overtime should be significantly reduced. **In 2008-09, savings through reduction in paid GF overtime are projected at \$60,000 and are annualized at \$80,000.**
- Implementation of Claims Assistant has or will reduce the volume of certain job duties in the agency, but has, of course, added new functions that need to be absorbed by existing staff. The agency is currently examining how best to distribute these new duties among existing

units/staff. For example, with the enormous reduction in agency-wide reliance on paper files, the file room will have significantly less work related to pulling and refiling claims files. Filing will reduce even more as the Additional Medical Unit moves to Claims Assistant later this fiscal year. However, while there is less filing, now thousands of documents will need to be scanned into Claims Assistant each month. This new functionality will have to be absorbed by existing staff; we anticipate that this function will largely become the responsibility of the file room staff. The opportunity to achieve savings through increased attrition and reduced staffing cannot be pinpointed to specific titles and locations until the agency can fully assess where the greatest workload reductions and increases will be realized after full implementation of Claims Assistant. Nonetheless, recognizing that efficiencies must be realized, the agency proposes to stay at a minimum of 1 FTE below the GF target of 70 positions. **This will result in 2008-09 savings of \$52,000 based on the agency's average salary, which will annualize at \$54,000 in 2009-10.**

Recurring savings will also be achieved through implementation of other technological advances, such as:

- Reducing travel through holding intra-office meetings through video conferencing capabilities, where possible. **2008-09 GF savings will total \$5,000 annually;**
- Moving CVB off of the OFT mainframe (anticipated in June 2008) will eliminate monthly OFT charges of \$2,300. **GF savings of \$23,000 will be achieved in 2008-09 and will be annualized at \$28,000;** and
- Encouraging allied professionals, victim assistance programs and claimants to avail themselves of our publications on-line from our newly enhanced website, rather than request we ship them hard copies of these documents. **This should reduce GF printing costs by over 30 percent, resulting in \$22,000 in savings for 2008-09 and \$24,000 annually thereafter.**

A.3 Protecting Key Priorities

The Crime Victims Board key priorities are stated in its mission statement: To provide compensation to innocent victims of crime in a timely, efficient and compassionate manner; to fund direct services to crime victims via a network of community-based programs; and to advocate for the rights and benefits of all innocent victims of crime. It is critical that CVB safeguard these three priorities. Agency activities over the past few years have positioned the agency well to protect these key priorities even in this time of fiscal crisis.

The investment of agency resources, including staff time and funding, into development and implementation of Claims Assistant has been a wise and successful endeavor. As noted above, implementation of Claims Assistant is resulting in efficiencies in claims processing and is reducing certain state operations costs. Most importantly, we expect to soon realize the anticipated gains in providing timely, efficient and compassionate processing of compensation claims through complete implementation of Claims Assistant. As the new system is rolled out across all three CVB offices, the following benefits seen in the EPP implementation are expected:

- Increased quality of services to victims with the use of an automated workflow management system;
- More timely compensation to crime victims;
- Improved efficiencies in each phase of the claims process;
- Minimized opportunities for human error; and
- Furthered consistency in procedures and outcomes.

Consequently, funding supporting this endeavor cannot be compromised, particularly as implementation of Phase II comes to a close. The agency's current funding, even with this General fund reduction of 3.35 percent, will allow it to fully support this key priority.

Despite reductions to local assistance appropriations, CVB believes it can honor current three-year contracts with its nearly 200 local victim assistance programs. The federal 2008 award for the Victim and Witness Program has not yet been determined and federal funding projections call for a major reduction in this year's award. However, the agency has four years to spend its federal grant award and careful management of these funds should allow the agency to live up to its commitments. Nonetheless, to conserve federal and state cash supporting these contracts, the agency plans to scrutinize all current year requests from victim assistance programs for budget amendments. All amendments that propose to move funding between line items will be examined closely and if not strongly defensible may be denied and the funding recovered. This review and analysis will be careful to balance fiscal concerns with ensuring that services to victims are not compromised.

Five percent of both the Victim and Witness federal grant and the Compensation federal grant are used for state operations costs in support of these services. To the extent that we can, we will maximize the use of these federal dollars for state operations costs. Any unavoidable costs for activities we've proposed for reduction from the General Fund will be absorbed as appropriate by federal administration dollars. For instance, while courier costs will be sharply reduced with implementation of Claims Assistant, CVB will, of course, still incur some courier charges. These will be paid with federal administration funds.

CVB will continue to advocate for the rights and benefits of innocent victims of crime. These efforts will be fostered through many of the innovations CVB has deployed in the last few years. For example, our newly updated, state-of-the art public website, now provides victims with a wealth of information. This victim-centered website hosts our informative publications, includes search capabilities that allows victims to identify a funded Victim Assistance program by a zip code or county search, and offers a web forum whereby victim service professionals can have "on-line" discussions on victims' issues.

A.4 Treatment of New Initiatives

Efforts to advance the BPIP will continue under current levels of funding. Assessment of the BPIP to-date, clearly indicates that this agency initiative has and will continue to mean improved services to victims and more efficient state operations. These efforts have a return on investment not only in improved processing time and operational savings, but also in providing important, timely and compassionate services to one of the State's most vulnerable populations – innocent victims of crime. Future enhancements include on-line entry of claim applications and on-line and/or phone inquiries into claim status. Investments to continue the BPIP to its next logical step would be a wise investment and would generate efficiencies and savings. For instance, on-line claims applications would populate the database directly and result in significant reductions in the volume of data entry for our Claims Intake Unit. Any spending to begin this initiative that cannot be absorbed with General Fund dollars will be funded through the CVB's restitution account; this account is funded through the agency's own revenue-generating activities. It would be appropriate to use these funds in support of this critical service to victims.

Implementation of Claims Assistant is designed to speed up claims processing time. Consequently, we anticipate that there may be a corresponding increase in total annual payments to victims under our local assistance appropriation for the Payments to Victims program. Our federal award is determined by formula, therefore, any compensation payments beyond the federal grant award, must be absorbed by the State local assistance Criminal Justice Improvement Account appropriation. In

addition, to improved processing time, the Crime Victims Board has increased its publicity efforts through implementation of Chapter 173 and a variety of press and public relations advertising during National Crime Victims Rights week. This, too, may result in more claims applications and more payments to victims. For example, the compensation payments to victims in April, 2008 increased 34 percent over the compensation payments made in April, 2007. This increase is mainly due to staff working overtime and closing old cases to prepare for all processing on claims assistant. We anticipate that with reduced processing time payments to victims will increase. Therefore spending in the Payment to Victims Program must be closely monitored this year. We are confident we will have sufficient appropriation authority to handle payments to victims in 2008-09, but we need to ensure that we are adequately funded in 2009-10 to meet all of these payments which are mandated by statute.

B. Summary of General Fund Financial Impacts

| GENERAL FUND -- SAVINGS SUMMARY | | | |
|--|-------------------------------|----------------------------|----------------------------|
| | <u>Required Reduction</u> | <u>2008-09 Savings</u> | <u>2009-10 Savings</u> |
| Personal Service | N/A | 112,000 | 134,000 |
| Non-personal Service | N/A | 60,500 | 67,500 |
| Total State Operations | 200,000 | 172,500 | 201,500 |
| TOTAL | | | |

| GENERAL FUND -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS | | | |
|---|---------------------------|-------------------------------|---------------------------|
| | <u>2007-08 Actual</u> | <u>Revised Projection</u> | <u>Percent Change</u> |
| Personal Service | 3,318,149 | 3,656,000 | +10% |
| Non-personal Service | 698,334 | 896,000 | +28.3% |
| Total State Operations | 4,016,483 | 4,552,000 | |
| TOTAL | | | |
| | 4,016,483 | 4,552,000 | +13.33% |

C. Identification of Proposed General Fund Actions

| | 2008-09 Cash | 2009-10 Cash | 2010-11 Cash |
|--|-----------------|-----------------|-----------------|
| GENERAL FUND | | | |
| State Operations | | | |
| 1. Complete implementation of Personal Injury and Death Claims on Claims Assistant, reducing the need for overtime to process manual claims | 60,000 | 80,000 | 82,000 |
| 2. Remain under GF fill level by 1 FTE | 52,000 | 54,000 | 55,000 |
| 3. Eliminate monthly CIO/OFT charge for Z/OS sys admin mainframe | 23,000 | 28,000 | 28,000 |
| 4. Eliminate all courier charges from the GF and reduce overall courier costs through sharp decrease in reliance on paper files and limited need to transport files between three CVB offices | 10,500 | 10,500 | 10,500 |
| 5. Reduce GF printing costs by over 30%. Maximize use of on-line publications. Rely on federal funds to print appropriate materials as necessary. | 22,000 | 24,000 | 24,000 |
| 6. Reduce GF travel by 50% by capitalizing on video conferencing capabilities, eliminating travel to regional conferences and moving costs for essential travel for claims assistant training, advisory council meetings and chairwoman travel to the appropriate federal account. | 5,000 | 5,000 | 5,000 |

D. Summary of Impact on Other Funds

| OTHER FUNDS -- SAVINGS SUMMARY | | | |
|---------------------------------------|-----------------------|--------------------|--------------------|
| | Required Reduction | 2008-09 Savings | 2009-10 Savings |
| Local Assistance | 514,000 | 514,000 | 514,000 |
| Personal Service | N/A | | |
| Non-personal Service | N/A | | |
| Total State Operations | | | |
| Capital | | | |
| TOTAL | 514,000 | 514,000 | 514,000 |

E. Identification of Proposed Other Fund Actions

| | 2008-09 Cash | 2009-10 Cash | 2010-11 Cash |
|---|-----------------|-----------------|-----------------|
| OTHER FUNDS (Note the fund/s affected by each proposal, in parentheses at the end of each entry) | | | |
| Local Assistance | | | |
| 1. Criminal Justice Improvement Account (339) for victim compensation and funded victim assistance programs | 514,000 | 514,000 | 514,000 |

F. Plan to Manage the Workforce

F.1 Overall Approach

As discussed in A2., it is difficult to assess the full impact of Claims Assistant on the agency's staffing needs until all functionalities are moved on to the system. Implementation of Claims Assistant has decreased the volume of certain job duties, such as filing, while sharply increasing others, such as scanning. How best to deploy staff resources can be best ascertained after rollout is complete. In addition, as a small agency with a critical mission, adequate staffing is critical to ensuring we achieve our goals of serving the State's innocent victims of crime. Recent efforts to achieve improved services to victims through implementation of Claims Assistant would be compromised with reduced staffing in mission-critical units such as Investigations and Additional Medical. Limited support staff to ensure that payments to claimants go out as quickly as claims are processed, that victim assistance programs receive their quarterly payments in compliance with prompt contracting requirements, and that our computer infrastructure is operational are all also critical. Therefore, the agency is reluctant to target any particular titles or positions for reduction. Instead, we will carefully assess our need to fill on a case-by-case basis and ensure that we remain one FTE below our GF fill level throughout the entire fiscal year.

F.2 Plan for Refill of Vacant Positions (both current and anticipated vacancies)

| Workforce Impact – All Funds | |
|---|---------------|
| a. Initial Target: | 103.00 |
| b. Current Fills PP# 3 | 89.80 |
| c. Recurring impact of proposed actions (see Parts C & E) | -1.00 |
| d. Recurring impact of vacancy-refilling plan (see F.2) | 12.00 |
| e. Total FTEs March 31, 2009 (line b minus line c, plus/minus line d) | 100.80 |
| f. Change from Initial 2008-09 Target (line a minus line e) | 2.20 |

G. Monthly Projections: All Funds Workforce; General Fund State Operations/Local/Capital
See Attachment A

H. Assumptions Underlying the Proposed Plan

- Full implementation of Claims Assistant for PI and Death Claims has the anticipated results of improved processing time.
- All functionalities targeted for roll-out on Claims Assistant this fiscal year will be operational and we will spend all budgeted funds for project costs. (Spending in prior years was lower than anticipated as there was slippage in the schedule and budgeted payments to the vendor were not made.)
- Spending against the Restitution Account (SRO) remains at the budgeted level.
- Number of claims received annually does not increase dramatically as a result of publicity activities and effectiveness of Chapter 173 victim notification cards. Should there be a dramatic increase in claims received, there would be pressure to increase staff. More claims would result in more spending for local assistance under the Payment to Victims Program.

I. Management of Risks Inherent in the Plan

- Management of the project and the vendor's schedule will be emphasized to ensure that the project remains on the correct implementation track.
- Training on Claims Assistant procedures for all impacted staff will be mandatory and readily available on an "as needed" basis.
- Procedure manuals for all Claims Assistant functionalities will be available on-line for staff.
- Efforts to increase restitution and subrogation collections will continue to be an agency priority.

J. Additional Savings Opportunities for 2008-09

Shifting of State Operation costs to funds other than the GF is an option.

K. Potential Future Savings Opportunities/Operational Improvements (indicate if statutory change is required)

- Implementation of a fee schedule for all medical services that would serve as payment in full with no other financial obligation on the part of the claimant. For example, it would arguably be reasonable to tie CVB's fee to the Worker's Compensation fee schedule. Currently, CVB must pay what the claimant's out-of-pocket expenses would be regardless of the reasonableness of the bill. Local assistance savings could be achieved through this measure. **This would require a statutory change.**
- Amending the Forensic Rape Exam (FRE) Direct Reimbursement program amount from the flat rate of \$800 regardless of costs, to actual costs up to \$800. **This would require a statutory change.**
- Requiring all additional medical bills to be submitted to the Crime Victims Board within a year of the expense being incurred. This would result in both local assistance and personal service savings. **This would require statutory change.**

Fiscal Note: All savings in compensation dollars only result in 40 percent savings as our Federal award is based on 60 percent of what we paid in compensation two years prior.

- Add restitution to the items allowed to be paid by credit card. **This would require a statutory change.**

