

Crime Victims Programs Performance Audit

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Today's Presentation

- Overview of programs for crime victims
- Why we did this audit
- Audit objectives
- Audit results
- Recommendations

Background: Crime Victims Programs

- Washington has nine crime victims programs administered by six agencies.
- The state spent \$57 million in fiscal year 2010.
- This audit evaluated four programs:
 - **Crime Victims Compensation** (CVC) program at the Department of Labor & Industries: \$19.6 million
 - **Office of Crime Victims Advocacy** (OCVA) at the Department of Commerce: \$24.8 million
 - **Domestic Violence Emergency Shelter** program at the Department of Social and Health Services: \$10.7 million
 - **Domestic Violence Services for Marginalized Populations** at the Department of Social and Health Services: \$0.7 million

Why we did this audit

- The Crime Victims Compensation program has faced major financial challenges in recent years. In 2010, lawmakers temporarily reduced benefits to ensure it remained financially viable.
- When we began the audit, CVC benefit levels were scheduled to return to pre-2010 levels in 2015, which raised questions about long-term funding requirements.
- The recent economic downturn created interest among legislators in consolidating at least some crime victims programs to reduce administrative costs and improve service delivery.

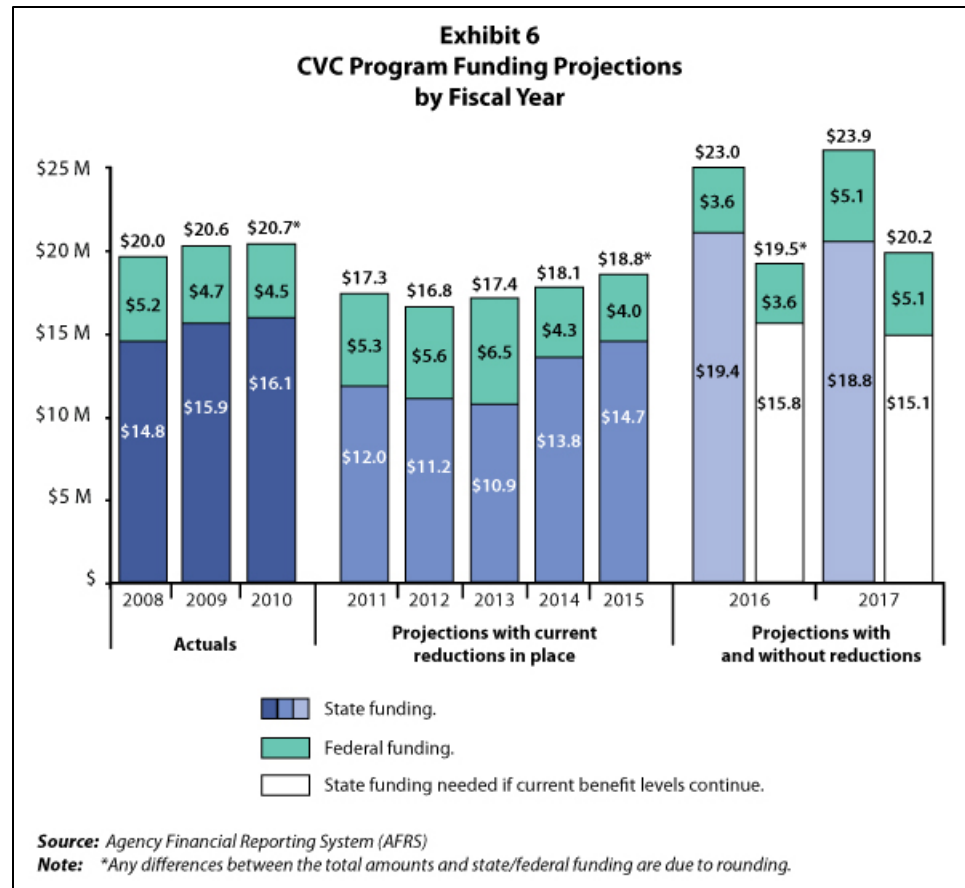
Audit Objectives

We designed the audit to answer the following questions:

- What is the long-term financial stability of the CVC program at the Department of Labor & Industries? Does the state have opportunities to increase revenue and lower costs?
- Could consolidation or other reorganization of programs that serve victims of crime and domestic violence reduce administrative costs and/or improve services to victims?

Key Results: Crime Victims Compensation

- The CVC program should be financially stable through the 2011-13 biennium, primarily because of lawmakers' decision in 2010 to reduce crime victim benefit levels.
- Projections indicate the state will need to substantially increase funding in 2014 to counteract decreased federal funding and again in 2016 if benefit reductions expire.



Improving CVC Financial Stability

Practices in other states and other Washington programs suggest several ways to improve the CVC program's long-term financial stability:

- Extending the 2010 benefit reductions. Most states cap benefits at \$10,000 to \$50,000.
- Authorizing the L&I director to reduce benefit levels when funding falls short.
- Capping reimbursements for sexual assault exams. Several states limit payments to medical providers at \$400 to \$800.
- Simplifying and streamlining L&I's benefit claims process.
- Requiring local police departments to submit crime reports to the CVC program in a timely manner.
- Automating certain processes and reducing the need to retain and store paper copies of crime files.

2011 Crime Victims Legislation

As we completed the audit, lawmakers enacted SSB 5691, which addresses several of the issues we audited. The bill:

- Eliminates permanent partial disability and home modification benefits.
- Caps total benefits at \$50,000 per claim.

As passed by the Legislature, the bill also would have restored victims benefits to pre-2010 levels in July 2015, which would have significantly increased future program costs.

The Governor vetoed several sections to make permanent the 2010 benefit reductions. But the partial veto left in place a separate statutory provision that will restore victims' medical benefits to \$150,000 in July 2015.

Further legislative action will be required to make benefit amounts consistent in state law.

Recommendations for the CVC program

The Legislature should:

- Extend or make permanent the 2010 crime victims benefit reductions.
- Authorize the L&I director to reduce benefit levels when CVC funding levels fall short.
- Cap the amount paid for sexual assault exams.
- Require local police departments to submit, upon request, crime reports to the CVC program within a specified period of time.

The Department of Labor & Industries should:

- Streamline the benefit claims process.
- Automate the medical billing system and updates to medical provider fee schedules.
- Work with DSHS to obtain access to DSHS data systems that will enable CVC staff to learn whether victims have other state insurance.
- Develop an affordable document imaging system that meets the Secretary of State's archiving standards.

Key Results: Consolidating Grant Programs

- There is significant overlap among the grant programs at Commerce and DSHS that serve victims of crime and domestic violence.
- Consolidation would eliminate duplication, reduce costs, improve the alignment of program goals and agency missions, and improve service delivery to providers.
- Even if the programs weren't merged, benefits could be achieved through better cooperation between DSHS and Commerce.
- At this time, it would not be cost-effective to merge the Crime Victims Compensation program with the three grant programs.

Overlap Among Crime Victims Grant Programs

	Commerce	DSHS	DSHS
Program Customers and Activities	Crime Victims Assistance	Emergency Shelter	Marginalized Populations
Serves victims of:			
Domestic violence	✓	✓	✓
Child abuse	✓		
Assault	✓		
Sexual assault	✓		
Homicide (serves surviving dependents)	✓		
Vehicular assault	✓		
Robbery	✓		
Primary program activities:			
Information and referral phone line	✓	✓	✓
Administers grants	✓	✓	✓
Provides information and referrals	✓	✓	✓
Advocacy and education	✓	✓	✓

Benefits to Consolidation

Consolidating the three grant programs at DSHS would:

- Reduce duplication and ongoing costs by \$188,000 per year after a one-time moving cost of \$25,500.
- Better align program goals with agency missions.
- Unify budgeting and planning to maximize efficiency.
- Improve service to providers by eliminating the need to deal with two agencies' grant monitors and program requirements.

Other Opportunities for Grant Programs

Even if the grant programs are not consolidated, program managers could:

- Streamline the application process.
- Establish similar procedures for all of the programs to clarify expectations for providers.
- Coordinate monitoring between OCVA and the domestic violence programs at DSHS.

Costs of merging CVC and grant programs

It would not be cost-effective to merge the CVC program at L&I with the grant programs, especially in the current state budget environment.

Estimated Cost of Consolidating CVC and Grant Programs at DSHS

Costs	Consolidate and move benefit payment system to DSHS	Consolidate but leave benefit payment system at L&I
IT system reprogramming	\$9.9 million	\$2 million
Maximum moving costs	\$0.6 million	\$0.6 million
Total	\$10.5 million	\$2.6 million

Key Recommendations for Consolidation

The Legislature should:

- Consolidate the Commerce and DSHS grant programs into a single program at DSHS.

Commerce and DSHS should:

- Streamline the grant application process, develop a unified procedure manual and simplify the monitoring process to improve efficiency and reduce duplication.
- Solicit ideas from providers and other interest groups on how best to consolidate grant programs and use that information in their transition planning.

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