

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1540-01
Bill No.: SB 332
Subject: Victims of Crime; Labor and Industrial Relations Department; Public Safety
 Department
Type: Original
Date: February 16, 2007

Bill Summary: This proposal transfers the administration of the Crime Victims' Compensation Fund from the Department of Labor and Industrial Relations to the Department of Public Safety.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Crime Victims Compensation Fund	\$18,450	\$22,694	\$23,261
Workers Compensation Fund	(\$18,450)	(\$22,694)	(\$23,261)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume this proposal would not fiscally impact their agency.

Officials from the **Office of Administration - Administrative Hearing Commission** state they assume this proposal will not significantly alter its caseload. However, if other similar bills also pass, there will be fiscal impact. If there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Department of Public Safety (DPS)** assume an "unknown" fiscal impact from this bill as DPS does not know at this time what the requirements will be as to where the individuals who are now housed at the Department of Labor and Industrial Relations will be housed after this change of oversight. It is DPS' assumption that they would be moved to the Office of the Director at some point, and this would involve additional space requirements and moving costs on our budget.

Also, this program operates on the AS 400 system on the Department of Labor and Industrial Relations computer system. We believe we will need a Memorandum of Understanding between ITSD, DPS and MOLIR to keep this system set-up in place.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state the legislation would show a cost savings for the Division of Workers' Compensation as a result of the transfer of the program to the Department of Public Safety. That savings would be in the elimination from the Division's budget of 9 FTE in the Crime Victims Compensation Program and those funds appropriated to the program to pay claims for crime victims whose applications are approved for benefits.

Currently there is also 0.25 FTE Administrative Law Judge funded from the Crime Victims' Compensation Fund. This funding will no longer be appropriated and will be transferred to the Workers' Compensation Administrative Fund.

The cost savings in PS, E&E and claims payments, both federal and state, is based on the budgeted appropriations for FY 2008 since those are the potential liabilities of the Crime Victims' Compensation Fund. The same is true for the 0.25 FTE Administrative Law Judge.

ASSUMPTION (continued)

Other costs included in the fiscal note is the approximate number of positions in the DOLIR Director and Staff supported by the Crime Victims' Compensation Fund (CVCF). These positions provide administrative support to the program, including fiscal, human resources and forms management; as well, as the sharing in the costs of the Director's Office, Public Information and Planning and Legislative Affairs. The charges to the CVCF for these services are handled via transfer to the DOLIR Administrative Fund. The amounts represent the transfers into that fund from the CVCF for DOLIR services and for services provided by ITSD-DOLIR and OA FMDC based on a federally approved cost allocation plan.

Officials from the **Office of Administration - Budget and Planning** state the two departments would operate under an interagency agreement until the program funding is transferred in the FY '09 budget. There should not be any additional cost to the state as a result of this bill.

Oversight assumes there will be no net fiscal impact to the state from this proposal. Therefore, Oversight will show a savings to the Department of Labor and Industrial Relations and an offsetting cost to the Department of Public Safety. Oversight will also show the 1/4 FTE Administrative Law Judge funding being transferred from the Crime Victims Compensation Fund to the Workers Compensation Fund as assumed by DOLIR. Oversight assume the administrative saving (.5 FTE) that DOLIR anticipates to realize as a result of this proposal will be able to be absorbed within existing appropriations of the Department of Public Safety.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
CRIME VICTIMS COMPENSATION FUND			
<u>Savings- DOLIR</u>			
Personal Service (.25 FTE)	<u>\$18,450</u>	<u>\$22,694</u>	<u>\$23,261</u>
<u>Total Savings - DOLIR</u>	<u>\$18,450</u>	<u>\$22,694</u>	<u>\$23,261</u>
<u>Savings - DOLIR</u>			
Personal Service (9 FTE)	\$243,146	\$299,068	\$306,546
Fringe Benefits	\$110,048	\$135,358	\$138,743
Expense and Equipment	<u>\$95,029</u>	<u>\$117,454</u>	<u>\$120,977</u>
<u>Total Savings - DOLIR</u>	<u>\$448,223</u>	<u>\$551,880</u>	<u>\$566,266</u>
<u>Costs - DPS</u>			
Personal Service (9 FTE)	(\$243,146)	(\$299,068)	(\$306,546)
Fringe Benefits	(\$110,048)	(\$135,358)	(\$138,743)
Expense and Equipment	<u>(\$95,029)</u>	<u>(\$117,454)</u>	<u>(\$120,977)</u>
<u>Total Costs - DPS</u>	<u>(\$448,223)</u>	<u>(\$551,880)</u>	<u>(\$566,266)</u>
ESTIMATED NET EFFECT TO THE CRIME VICTIMS COMPENSATION FUND	<u>\$18,450</u>	<u>\$22,694</u>	<u>\$23,261</u>
 WORKERS COMPENSATION ADMINISTRATIVE FUND			
<u>Costs - DOLIR</u>			
Personal Service (.25 FTE)	<u>(\$18,450)</u>	<u>(\$22,694)</u>	<u>(\$23,261)</u>
ESTIMATED NET EFFECT TO THE WORKERS COMPENSATION ADMINISTRATIVE FUND	<u>(\$18,450)</u>	<u>(\$22,694)</u>	<u>(\$23,261)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

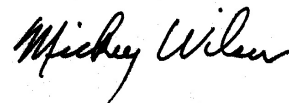
This proposal transfers the administration of the Crime Victims' Compensation Fund from the Department of Labor and Industrial Relations to the Department of Public Safety. Any party to a decision of the department on a claim heard may file a petition for review with the Administrative Hearing Commission, rather than the Labor and Industrial Relations Commission.

The Department of Public Safety may receive gifts for the benefit of crime victims, which shall be credited to the Crime Victims' Compensation Fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Department of Public Safety
Department of Revenue
Office of Administration



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Director
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