



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0289 Amended by Senate Judiciary on March 21, 2017
Author: Shealy
Subject: South Carolina Crime Victim Services Act
Requestor: Senate Judiciary
RFA Analyst(s): Gardner, Heineman, and Kokolis
Impact Date: March 24, 2017 - Updated for Additional Agency Response

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	See Below	\$0
Other and Federal	See Below	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill consolidates several programs of other agencies within a new division of the Attorney General’s Office. The transfer and consolidation of programs is not expected to have a significant overall expenditure impact, at least initially, as all the employees, funds, and property of the various programs transfer with the programs. The bill does not impact General Fund, Other Funds, or Federal Funds revenue as revenue sources and receipts are unchanged. This impact statement is updated to include clarification from the Department of Public Safety and information for the Attorney General’s Office.

Explanation of Fiscal Impact

Amended by Senate Judiciary on March 21, 2017

Updated for Additional Agency Response

State Expenditure

This bill creates the South Carolina Crime Victim Services (SCCVS) Division within the Office of the Attorney General. The following entities and their functions are transferred to the new division: (a) the State Office of Victim Assistance, including the Victim’s Compensation Fund and Crime Victims Advisory Board; (b) the South Carolina Crime Victim Ombudsman; and (c) the part of the Department of Public Safety, Office of Highway Safety and Justice Programs that administers specified crime victim assistance grants. The Attorney General appoints the director of the new division. The division is divided into four departments, each with a deputy director appointed by the division director. The Department of Crime Victim Compensation administers the Crime Victim Compensation Fund, which provides financial assistance to crime victims or eligible family members for medical services, loss of earnings or support, employment oriented

training or rehabilitation, burial expenses, and other services required as a direct result of injury from a crime. Awards by the department's deputy director are subject to appeal to the 11 member Crime Victim Advisory Board or a panel of the board. Pursuant to this bill, the board is appointed by the Attorney General, rather than the Governor, in conformity with transfer of the program. The Department of Crime Victim Services Training, Provider Certification, and Statistical Analysis oversees training, education, and certification of victim assistance programs; approves standards and curricula for provider training programs with approval of the Victim Services Coordinating Council; certifies victim service providers who complete initial and continuing education requirements; and collects, analyzes, and publishes relevant statistical data. The Department of Crime Victim Ombudsman refers crime victims to the appropriate elements of the criminal and juvenile justice system; serves as liaison between the systems, victim assistance programs, and victims; and attempts to resolve victim complaints against victim assistance programs and the criminal and juvenile justice system. The Department of Crime Victim Assistance Grants administers grants providing financial support to eligible crime victim assistance programs. These grants are supported primarily with federal funds available as grants to the state through the Victims of Crime Act and the Violence Against Women Act. In conformity with the restructuring and consolidation of victim services in the Attorney General's Office, the bill redirects funds currently distributed to the State Office of Victims Assistance to the SCCVS Division's Department of Crime Victim Compensation, Victim's Compensation Fund. Earmarked Other Funds and Federal Funds of the Department of Public Safety programs would also transfer with the programs to the Attorney General's Office to be administered by the Department of Crime Victim Assistance Grants.

The bill also establishes a procedure for review of complaints against the SCCVS Division, which includes appointment of a three-person review panel by the Ombudsman and appeal of the panel's decision to the State Inspector General. The panel is appointed on a rotating basis from the revised 22 member Crime Victim Services Coordinating Council, whose members consist of representatives of agencies and groups involved in victim and domestic violence services.

Currently, an independent external audit of the financial records of each municipality and county is conducted annually. The audit must include a review of fines and assessments collected at the court level, the amounts retained by the county treasurer, the amounts remitted to the State Treasurer, the funds allocated to victim services, and the use of the victim services funds. This bill requires the SCCVS Division to develop a Uniform Supplemental Schedule Form to present this data and be included in the external auditor's report.

The bill also codifies, with relevant conforming language, two FY 2016-17 appropriation act provisos, 93.35 and 117.51, as follows. The codified part of proviso 93.35 requires the Department of Crime Victim Assistance Grants to offer training and technical assistance to each municipality and county annually on acceptable use of priority one and priority two funds, and funds available for competitive bid. Proviso 117.51 consists of provisions related to ensuring the proper expenditure of crime victim funds through audits and budget submissions and includes authority for the SCCVS Division to assess a penalty on an entity or nonprofit organization for failure to cooperate with a review or rectify an unauthorized expenditure. The penalty, equal to the amount of the improper expenditure plus \$1,500, is credited to the General Fund.

Department of Public Safety. The department's expenditures will decrease by the expenditures of the Victim Services program, which is transferred to the Attorney General's Office. Based on the department's FY 2017-18 budget request and transition plan, the department would transfer 10 FTEs and three temporary grant positions and \$912,465 in Other and Federal Funds authority for personal service and operating expenses. In addition, the department would transfer \$28,165,000 in Other and Federal Funds spending authority for victim assistance grants. In total, by source of funds, the department would transfer \$767,465 in Earmarked Other Funds spending authority and \$28,310,000 in Federal Funds spending authority.

The department indicates there may be an expenditure impact to the General Fund because department staff whose duties only partially involved victim services will remain with the department performing other duties, while part of their funding transfers to the Attorney General's Office. This expenditure impact would be \$31,196. In addition, two of the positions transferring from the department to the Attorney General's office are funded with a combination of General Funds, Other Funds, and Federal Funds. The General Fund portion of these two positions' salary and employer contributions is \$22,962. At this point, the transfer of the \$22,962 in General Funds to the Attorney General's Office is pending. If the department retains the General Fund appropriation, it will be a partial offset of the \$31,196 in Other and Federal Funds that previously funded the department employees remaining with DPS. As the amounts are small relative to the overall agency budgets, the Revenue and Fiscal Affairs Office expects the resolution of this matter to have a minimal impact on the budgets of either the department or the Attorney General's Office. This section is updated to include clarification from the department regarding the potential impact of this bill for staff who may remain with the department when their programs transfer.

Attorney General's Office. The Attorney General's Office has not provided information regarding the expenditure impact of this bill. However, the Revenue and Fiscal Affairs Office expects an increase in the office's expenditures approximating the expenditures of the transferred programs before their transfer. Based on this assumption, expenditures of the Attorney General's Office would increase by approximately \$120,000 in General Funds, \$11,338,500 in Other Funds, and \$32,954,771 in Federal Funds. Of these amounts, \$1,788,220 in earmarked Other Funds and \$455,000 in Federal Funds would be expended for salaries of 54 transferred FTEs and 3 grant positions, and \$681,085 in earmarked Other Funds and \$145,000 in Federal Funds for their employer contributions. These figures do not include a change in expenditures, if any, for the cost of implementing the transition or office space. The figures also do not reflect any reduction in expenditures that may be achieved as a result of consolidating activities. This section is updated to provide information about the expected expenditure impact of this bill on the Attorney General's Office, as estimated by the Revenue and Fiscal Affairs Office.

Office of the State Treasurer. The agency reports that the implementation of this bill will have minimal expenditure impact and any costs can be absorbed within existing resources.

Department of Administration. The agency's expenditures will be reduced by expenditures that would be made by the State Office of Victim's Assistance and Crime Victims Ombudsman in the performance of their responsibilities, as these entities are transferred to the Attorney General's Office. Based on the agency's FY 2017-18 budget request, the agency would transfer

44 positions and \$15,335,806 of budget authority to the Attorney General's office. The \$15,335,806 includes \$120,000 in General Fund appropriations, \$10,571,035 in Other Funds authority and \$4,644,771 in Federal Funds authority. The agency reports that activities associated with implementing the transfer of the State Office of Victim's Assistance and Crime Victims Ombudsman to the Attorney General's Office will have minimal expenditure impact that can be absorbed within existing resources.

Office of the State Auditor. The agency reports that the implementation of this bill will not have an expenditure impact to the General Fund, Other Funds, or Federal Funds, as the agency's responsibilities are unchanged. The State Auditor is required to randomly examine the records of county and municipal treasurers, county clerks of court, magistrates, and municipal courts to determine if fines, fees, assessments, and surcharges imposed in family court, circuit court, magistrates courts, and municipal courts were properly collected and remitted to the state. This bill only changes the agency the State Auditor notifies upon finding an error by a county or municipals treasurer's office relating to the crime victim portion of the collections.

Office of Inspector General. The agency reports that the implementation of this bill will not have an expenditure impact to the General Fund, Other Funds, or Federal Funds, as review of complaints regarding the SCCVS Division is within its scope of work.

State Revenue

Revenue is distributed to different agencies by this bill to conform to the transfer of programs, but the sources, receipts and uses of revenue are unchanged.

Local Expenditure

N/A

Local Revenue

N/A

Introduced on January 24, 2017

State Expenditure

This bill creates the South Carolina Crime Victim Services (SCCVS) Division within the Office of the Attorney General. The following entities and their functions are transferred to the new division: (a) the State Office of Victim Assistance, including the Victim's Compensation Fund and Crime Victims Advisory Board; (b) the South Carolina Crime Victim Ombudsman; and (c) the part of the Department of Public Safety, Office of Highway Safety and Justice Programs that administers specified crime victim assistance grants. The Attorney General appoints the director of the new division. The division is divided into four departments, each with a deputy director appointed by the division director. The Department of Crime Victim Compensation administers the Crime Victim Compensation Fund, which provides financial assistance to crime victims or eligible family members for medical services, loss of earnings or support, employment oriented training or rehabilitation, burial expenses, and other services required as a direct result of injury from a crime. Awards by the department's deputy director are subject to appeal to the 11 member Crime Victim Advisory Board or a panel of the board. Pursuant to this bill, the board is appointed by the Attorney General, rather than the Governor, in conformity with transfer of the program. The Department of Crime Victim Services Training, Provider Certification, and

Statistical Analysis oversees training, education, and certification of victim assistance programs; approves standards and curricula for provider training programs with approval of the Victim Services Coordinating Council; certifies victim service providers who complete initial and continuing education requirements; and collects, analyzes, and publishes relevant statistical data. The Department of Crime Victim Ombudsman refers crime victims to the appropriate elements of the criminal and juvenile justice system; serves as liaison between the systems, victim assistance programs, and victims; and attempts to resolve victim complaints against victim assistance programs and the criminal and juvenile justice system. The Department of Crime Victim Assistance Grants administers grants providing financial support to eligible crime victim assistance programs. These grants are supported primarily with federal funds available as grants to the state through the Victims of Crime Act and the Violence Against Women Act. In conformity with the restructuring and consolidation of victim services in the Attorney General's Office, the bill redirects funds currently distributed to the State Office of Victims Assistance to the SCCVS Division's Department of Crime Victim Compensation, Victim's Compensation Fund. Earmarked Other Funds and Federal Funds of the Department of Public Safety programs would also transfer with the programs to the Attorney General's Office to be administered by the Department of Crime Victim Assistance Grants.

The bill also establishes a procedure for review of complaints against the SCCVS Division, which includes appointment of a three-person review panel by the Ombudsman and appeal of the panel's decision to the State Inspector General. The panel is appointed on a rotating basis from the revised 22 member Crime Victim Services Coordinating Council, whose members consist of representatives of agencies and groups involved in victim and domestic violence services.

Currently, an independent external audit of the financial records of each municipality and county is conducted annually. The audit must include a review of fines and assessments collected at the court level, the amounts retained by the county treasurer, the amounts remitted to the State Treasurer, the funds allocated to victim services, and the use of the victim services funds. This bill requires the SCCVS Division to develop a Uniform Supplemental Schedule Form to present this data and be included in the external auditor's report.

The bill also codifies, with relevant conforming language, three FY 2016-17 appropriation act provisos. Specifically, the bill codifies provisos 93.35, 117.51, and 117.95. Under specified conditions, proviso 93.35 requires a county or municipality to remit certain unspent funds to the SCCVS Division's Department of Crime Victim Assistance Grants and specifies how those funds may be used. Proviso 117.51 consists of provisions related to ensuring the proper expenditure of crime victim funds through audits and budget submissions and includes authority for the SCCVS Division to assess a penalty on an entity or nonprofit organization for failure to cooperate with a review or rectify an unauthorized expenditure. The penalty, equal to the amount of the improper expenditure plus \$1,500, is credited to the General Fund. Proviso 117.95 requires the Department of Corrections to transfer \$20,500 each month to the SCCVS Division's State Victim Assistance Program.

Department of Public Safety. The department's expenditures will decrease by the expenditures of the Victim Services program, which is transferred to the Attorney General's Office. Based on the department's FY 2017-18 budget request and transition plan, the department would transfer

10 FTEs and three temporary grant positions and \$912,465 in Other and Federal Funds authority for personal service and operating expenses. In addition, the department would transfer \$28,165,000 in Other and Federal Funds spending authority for victim assistance grants. In total, by source of funds, the department would transfer \$767,465 in Earmarked Other Funds spending authority and \$28,310,000 in Federal Funds spending authority.

The department indicates there may be an expenditure impact to the General Fund because department staff whose duties only partially involved victim services will remain with the department performing other duties, while part of their funding transfers to the Attorney General's Office. This expenditure impact would be \$31,196. In addition, two of the positions transferring from the department to the Attorney General's office are funded with a combination of General Funds, Other Funds, and Federal Funds. The General Fund portion of these two positions' salary and employer contributions is \$22,962. At this point, the transfer of the \$22,962 in General Funds to the Attorney General's Office is pending. If the department retains the General Fund appropriation, it will be a partial offset of the \$31,196 in Other and Federal Funds that previously funded the department employees remaining with DPS. As the amounts are relatively insignificant, the Revenue and Fiscal Affairs Office expects the resolution of this matter to have a minimal impact on the budgets of either the department or the Attorney General's Office.

Attorney General's Office. The agency reports that the implementation of this bill will have minimal expenditure impact and any costs can be absorbed within existing resources.

Office of the State Treasurer. The agency reports that the implementation of this bill will have minimal expenditure impact and any costs can be absorbed within existing resources.

Department of Administration. The agency's expenditures will be reduced by expenditures that would be made by the State Office of Victim's Assistance and Crime Victims Ombudsman in the performance of their responsibilities, as these entities are transferred to the Attorney General's Office. Based on the agency's FY 2017-18 budget request, the agency would transfer 44 positions and \$15,335,806 of budget authority to the Attorney General's office. The \$15,335,806 includes \$120,000 in General Fund appropriations, \$10,571,035 in Other Funds authority and \$4,644,771 in Federal Funds authority. The agency reports that activities associated with implementing the transfer of the State Office of Victim's Assistance and Crime Victims Ombudsman to the Attorney General's Office will have minimal expenditure impact that can be absorbed within existing resources.

Office of the State Auditor. The agency reports that the implementation of this bill will not have an expenditure impact to the General Fund, Other Funds, or Federal Funds, as the agency's responsibilities are unchanged. The State Auditor is required to randomly examine the records of county and municipal treasurers, county clerks of court, magistrates, and municipal courts to determine if fines, fees, assessments, and surcharges imposed in family court, circuit court, magistrates courts, and municipal courts were properly collected and remitted to the state. This bill only changes the agency the State Auditor notifies upon finding an error by a county or municipals treasurer's office relating to the crime victim portion of the collections.

Office of Inspector General. The agency reports that the implementation of this bill will not have an expenditure impact to the General Fund, Other Funds, or Federal Funds, as review of complaints regarding the SCCVS Division is within its scope of work.

State Revenue

Revenue is distributed to different agencies by this bill to conform to the transfer of programs, but the amount of revenue and its use are unchanged.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director