

**Joint Legislative Committee on Performance
Evaluation and Expenditure Review (PEER)**

Report to
the Mississippi Legislature



A Review of the Department of Health's Administration of the Victims of Domestic Violence Fund, FY 2005-FY 2013

In 1985, the Legislature created the Victims of Domestic Violence Fund and charged the Department of Health with using monies in the fund for administering domestic violence shelters. Money for the fund is derived from fees received from marriage licenses, assessments associated with traffic violations, implied consent law violations, game and fish law violations, other misdemeanors and felonies, and criminal bonds.

From FY 2005 through FY 2013, the Victims of Domestic Violence Fund received approximately \$5.5 million in total revenues and expended approximately \$3.9 million. The majority of the expenditures from the fund are in the form of grants to the state's domestic violence shelters that are qualified to receive state funding. For FY 2014, thirteen domestic violence shelters received money from the fund.

Although the Department of Health provided grants totaling approximately \$3.4 million to domestic violence shelters from the Victims of Domestic Violence Fund from FY 2005 through FY 2013, the department did not grant approximately \$1.6 million that had accumulated in the fund over that period. Following are the reasons why the \$1.6 million balance accumulated in the fund and was not disbursed as grants to domestic violence shelters:

- The Department of Health has not created a special fund in the State Treasury for the Victims of Domestic Violence Fund, as required by state law.
- Department of Health officials have not taken into consideration the revenue from criminal bond fees, which began yielding monies for the Victims of Domestic Violence Fund in FY 2010, when determining the amount available for grants to domestic violence shelters.
- State law caps the amount an individual shelter may receive from the fund annually at \$50,000. This amount has not been revised by the Legislature since it was set in 1983.
- From FY 2009 through FY 2013, domestic violence shelters did not expend approximately \$102,000 of funds awarded as grants from the Victims of Domestic Violence Fund.

PEER: The Mississippi Legislature's Oversight Agency

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U. S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

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PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, special investigations, briefings to individual legislators, testimony, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, and the agency examined.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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The Mississippi Legislature

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December 11, 2013

Honorable Phil Bryant, Governor
Honorable Tate Reeves, Lieutenant Governor
Honorable Philip Gunn, Speaker of the House
Members of the Mississippi State Legislature

On December 11, 2013, the PEER Committee authorized release of the report entitled **A Review of the Department of Health's Administration of the Victims of Domestic Violence Fund, FY 2005-FY 2013.**

A handwritten signature in cursive script that reads "Ray Rogers".

Representative Ray Rogers, Chair

This report does not recommend increased funding or additional staff.

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A Review of the Department of Health's Administration of the Victims of Domestic Violence Fund, FY 2005-FY 2013

Executive Summary

Introduction

During its 2013 Regular Session, the Legislature enacted Senate Bill 2631 to create a Domestic Violence Task Force to provide recommendations and advice regarding domestic violence issues in the state. Senate Bill 2631 required the PEER Committee to provide support and recommendations to the task force.

While performing tasks outlined in Senate Bill 2631, task force members requested information from Department of Health (DOH) staff regarding state funds available for distribution to domestic violence shelters. Upon receiving the information from DOH staff, task force members considered the information to be incomplete in providing a full accounting of available funds and requested that PEER authorize a project to review the department's distribution of monies designated for domestic violence shelters.

Background

According to the U. S. Department of Justice, *domestic violence* is a pattern of abusive behavior in any relationship that is used by one partner to gain or maintain power and control over another intimate partner. The U. S. Bureau of Justice Statistics reported that in 2012 there were 1.3 million cases of domestic violence victimization involving intimate partners and family members. This number represents 4.8 victimization cases for every 1,000 persons age twelve or older.

According to its most recent strategic plan, the Mississippi Department of Health provides specific resources for the prevention of family violence, rape prevention, and crisis intervention through contracts with domestic violence shelters and sexual assault/rape crisis centers. Located within the department's Office of Women's Health, the goal of the department's Domestic Violence Program is to reduce the incidence of domestic violence through prevention education and direct intervention with victims. Specifically, the program's purpose is to provide safe

facilities, temporary food and shelter, family counseling, and related services to the victims of domestic violence and their children.

Funding for the Department of Health's victims of domestic violence program is derived from fees received from marriage licenses, assessments associated with traffic violations, implied consent law violations, game and fish law violations, other misdemeanors and felonies, and criminal bonds.

The Department of Health's Administration of the Victims of Domestic Violence Fund

From FY 2005 through FY 2013, the Victims of Domestic Violence Fund received approximately \$5.5 million in total revenues. During the same period, the fund expended approximately \$3.9 million. The majority of the department's annual expenditures from the Victims of Domestic Violence Fund are in the form of grants to the state's domestic violence shelters that are qualified to receive state funding. For FY 2014, thirteen domestic violence shelters received funding from the Victims of Domestic Violence Fund.

Although the Department of Health provided grants totaling approximately \$3.4 million to domestic violence shelters from the Victims of Domestic Violence Fund from FY 2005 through FY 2013, the department did not grant approximately \$1.6 million that had accumulated in the fund over that period. Following are the reasons why the \$1.6 million balance accumulated in the fund and was not disbursed as grants to domestic violence shelters:

- The Department of Health has not created a special fund in the State Treasury for the Victims of Domestic Violence Fund, as required by state law.
- Department of Health officials have not taken into consideration the revenue from criminal bond fees, which began yielding monies for the Victims of Domestic Violence Fund in FY 2010, when determining the amount available for grants to domestic violence shelters.
- State law caps the amount an individual shelter may receive from the fund annually at \$50,000. This amount has not been revised by the Legislature since it was set in 1983.
- From FY 2009 through FY 2013, domestic violence shelters did not expend approximately \$102,000 of funds awarded as grants from the Victims of Domestic Violence Fund.

Pages 14 through 19 of the report contain explanations of each of the preceding points.

Recommendations

To comply with the specific requirements of statute, the Department of Health should:

1. Establish a Victims of Domestic Violence Fund as a special fund in the State Treasury.
2. At the conclusion of FY 2014, transfer the balance in the Department of Health's Victims of Domestic Violence sub-fund to the Victims of Domestic Violence special fund in the State Treasury minus the amount of FY 2014 direct and indirect expenses and any encumbrances for prior fiscal years' indirect expenses.

The Legislature should:

3. Amend MISS. CODE ANN. Section 93-21-117 (3) (1972) to limit administration expenditures, for both direct and indirect administration, to ten percent of the amount granted annually to domestic violence shelters from the revenue sources listed in MISS. CODE ANN. Section 93-21-117 (1972).
4. Regarding the establishment of special funds by the Department of Health, or any other agency, the Legislature should:
 - require that any agency that has been directed to establish a special fund in legislation, but has not done so, to establish such fund within ninety days of the effective date of this act;
 - require the Department of Finance and Administration to hold any funds that should be deposited to such special fund or funds in suspense if the agency fails to establish the fund as required by law;
 - require that any special fund established in legislation adopted after 2015 shall be established as soon as practicable after the legislation creating the fund is enacted;
 - require the Department of Finance and Administration to hold any funds to be paid to such fund in suspense until such time as the agency establishes the fund as required by law; and,

- provide that no agency that has failed to establish special funds in conformity with this act shall be authorized to expend or obligate funds that are to be paid to such fund until the agency has complied with this act.

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A Review of the Department of Health's Administration of the Victims of Domestic Violence Fund, FY 2005-FY 2013

Introduction

Authority

The PEER Committee reviewed the Department of Health's administration of monies in the Victims of Domestic Violence Fund for the period FY 2005 through FY 2013. The Committee acted in accordance with MISS. CODE ANN. Section 5-3-51 et seq.

Problem Statement

During its 2013 Regular Session, the Legislature enacted Senate Bill 2631 to create a Domestic Violence Task Force to provide recommendations and advice regarding domestic violence issues in the state. Senate Bill 2631 required the PEER Committee to provide support and recommendations to the task force.

While performing tasks outlined in Senate Bill 2631, task force members requested information from the Department of Health (DOH) staff regarding state funds available for distribution to domestic violence shelters. Upon receiving the information from DOH staff, task force members considered the information to be incomplete in providing a full accounting of available funds and requested that PEER authorize a project to review the department's distribution of monies designated for domestic violence shelters.

Purpose and Scope

Although the Legislature established the Victims of Domestic Violence Fund in 1985, PEER limited the scope of this review to fiscal years 2005 through 2013. PEER specifically sought to determine the fiscal year-end balances of the Victims of Domestic Violence Fund and the uses of monies received by the fund during this period.

Method

During the course of this review, PEER:

- interviewed Department of Health staff;
- obtained Victims of Domestic Violence Fund revenue and expenditure data from the state's accounting system; and,
- obtained and reviewed the Department of Health's financial information regarding the Victims of Domestic Violence Fund.

Background

This chapter includes a:

- definition of domestic violence;
- description of the domestic violence program administered by the Department of Health; and,
- description of the Victims of Domestic Violence Fund.

What is domestic violence?

According to the U. S. Department of Justice, *domestic violence* is a pattern of abusive behavior in any relationship that is used by one partner to gain or maintain power and control over another intimate partner.

According to the U. S. Department of Justice, *domestic violence* is a pattern of abusive behavior in any relationship that is used by one partner to gain or maintain power and control over another intimate partner. Domestic violence can be physical, sexual, emotional, economic, or psychological actions or threats of action that influence another person. This includes any behaviors that intimidate, manipulate, humiliate, isolate, frighten, terrorize, coerce, threaten, blame, hurt, injure, or wound someone.

Domestic violence can happen to anyone regardless of race, age, sexual orientation, religion, or gender. Domestic violence affects people of all socioeconomic backgrounds and education levels. Domestic violence not only affects those who are abused, but also has a substantial effect on family members, friends, co-workers, other witnesses, and the community at large.

The U. S. Bureau of Justice Statistics reported that in 2012 there were 1.3 million cases of domestic violence victimization involving intimate partners and family members. This number represents 4.8 victimization cases for every 1,000 persons age twelve or older.

What program does the Department of Health administer to address Mississippi's domestic violence issues?

According to its most recent strategic plan, the Department of Health provides specific resources for the prevention of family violence, rape prevention, and crisis intervention through contracts with domestic violence shelters and sexual assault/rape crisis centers.

According to its most recent strategic plan, the Department of Health provides specific resources for the prevention of family violence, rape prevention, and crisis intervention through contracts with domestic violence shelters and sexual assault/rape crisis centers. Located within the department's Office of Women's Health, the goal of the department's Domestic Violence Program is to reduce the incidence of domestic violence through prevention education and direct intervention with victims. Specifically, the program's purpose is to provide safe facilities, temporary food and shelter, family counseling, and related services to the victims of domestic violence and their children. Through the program, counseling services and/or referrals are offered to the offender and educational programs relating to battered spouses and domestic violence are provided to the community and specialized professional groups.

On September 12, 2012, the National Network to End Domestic Violence conducted a one-day census of domestic violence programs. The 1,646 identified domestic violence programs in the United States that participated in the census (86% of such programs) reported that they served 64,324 domestic violence victims on the day of the census. More than half of the domestic violence victims—i. e., 35,323—found refuge in emergency shelters or transitional housing provided by local domestic violence programs. The Mississippi domestic violence shelters that participated in the survey reported serving 227 domestic violence victims in their shelters on the day of the census.

How does the Department of Health fund its victims of domestic violence program?

Funding for the Department of Health's victims of domestic violence program is derived from fees received from marriage licenses, assessments associated with traffic violations, implied consent law violations, game and fish law violations, other misdemeanors and felonies, and criminal bonds.

Enactment of a Program to Support Domestic Violence Shelters

In its 1983 Regular Session, the Legislature enacted Chapter 502, *Laws of 1983*, to address the problem of domestic violence. Later codified and subsequently amended on several occasions, MISS. CODE ANN. Section 93-21-103 through 93-21-115 (1972) established a program for victims of domestic violence through domestic violence shelters. While the law did not specify a funding source for the support of domestic violence shelters, the chapter based funding of such shelters on the following criteria:

- the geographic distribution of shelters throughout the state, with at least one shelter in each of the nine Mississippi Highway Safety Patrol districts as such districts existed on July 1, 1982, prior to funding more than one shelter in a highway safety patrol district, with additional shelters to be funded upon a showing of a documented need;
- a shelter's ability to provide services;
- a shelter's ability to secure community support, including written endorsements of local officials and organizations; and,
- a shelter's administrative design and efficiency.

The chapter also stated that in order to receive funding, a domestic violence shelter must be incorporated in the state or recognized by the Secretary of State as a private or public nonprofit corporation and have designed or developed a program to provide specified basic services to victims of domestic violence and their children.

The chapter further stipulated that not less than twenty-five percent of the operational cost of a domestic shelter shall be derived from local revenue sources of the local community served by the program. In addition, the legislation stated that no domestic violence shelter could receive more than \$50,000 annually from state funding.

Creation of the Victims of Domestic Violence Fund

In its 1985 Regular Session, the Legislature enacted Chapter 461, *Laws of 1985*, which created the Victims of Domestic Violence Fund. Later codified as MISS. CODE ANN. Section 93-21-117 (1972), the law stated that there was created in the State Treasury a special fund known as the "Victims of Domestic Violence Fund." The law requires the Department of Health to use monies in the fund only for funding and administering domestic violence shelters. The law also states that not more than ten percent of the monies in the fund shall be appropriated to the department for the administration of domestic violence shelters.

Since the fund's creation, the Legislature has established three dedicated revenue sources of monies to be deposited in the fund.

- MISS. CODE ANN. Section 25-7-13 (2) (i) (1972) requires circuit court clerks to deposit \$14 of each \$20 collected for taking and recording applications for marriage licenses in the Victims of Domestic Violence Fund on a monthly basis.
- MISS. CODE ANN. Section 99-19-73 (1), (2), (3), and (5) (1972) require each person upon whom a court imposes a fine or other penalty to pay an assessment of forty-nine cents on traffic violations, implied consent law violations, game and fish law violations, other misdemeanors, and other felonies. The section requires the Department of Finance and Administration to collect such assessments on a monthly basis and deposit them in the Victims of Domestic Violence Fund.
- MISS. CODE ANN. Section 83-39-31 (7) (1972) requires a clerk of the court to collect and deposit in the Victims of Domestic Violence Fund an assessment of \$10 from every criminal defendant charged with a criminal offense who posts a cash bail bond, a surety bail bond, a property bail bond, or a guaranteed arrest bond.

MISS. CODE ANN. Section 93-21-117 (1972) states that the Victims of Domestic Violence Fund may also receive monies appropriated by the Legislature, accrued interest, federal funds, and donations.

The Department of Health's Administration of the Victims of Domestic Violence Fund

This chapter includes:

- an accounting of revenue deposited in the Victims of Domestic Violence Fund for the period FY 2005 through FY 2013;
- an accounting of amounts expended from the Victims of Domestic Violence Fund for the period FY 2005 through FY 2013;
- a description of the method used by the Department of Health to determine amounts to be granted from the Victims of Domestic Violence Fund; and,
- a determination as to whether the department granted available balances from the fund to domestic violence shelters during the period of FY 2005 through FY 2013.

How much revenue was deposited into the Victims of Domestic Violence Fund from FY 2005 through FY 2013?

From FY 2005 through FY 2013, the Victims of Domestic Violence Fund received approximately \$5.5 million in total revenues.

As stated on page 6, state law established three dedicated revenue sources of monies--e. g., marriage license fees, criminal assessments, and criminal bond fees--to be deposited into the Victims of Domestic Violence Fund. As illustrated in Exhibit 1, page 8, the fund received total revenues of \$5,530,463 for the period FY 2005 through FY 2013.

What amounts were expended by the Department of Health from the Victims of Domestic Violence Fund from FY 2005 through FY 2013?

From FY 2005 through FY 2013, the Victims of Domestic Violence Fund expended approximately \$3.9 million.

As illustrated in Exhibit 2, page 9, the Department of Health expended \$3,923,252¹ from the Victims of Domestic Violence Fund during the period FY 2005 through FY 2013. The department expended the majority

¹This amount represents \$3,873,252 in total expenditures from the fund plus a \$50,000 budget reduction resulting from a directive of former Governor Haley Barbour.

of the funds--i. e., 86%--as grants to domestic violence shelters. (See page 11 for a further discussion of the department's grants process.) The other significant portion of the expenditures--i. e., 9%--was in the form of expenditures for indirect costs to cover overhead expenses associated with the department's administration of the fund (e. g., human resources, utilities). The remaining portion of the expenditures was in the form of expenditures for direct costs, such as salaries, associated with the department's administration of the fund and a \$50,000 deduction from the fund as a result of a FY 2010 state agency budget reduction directive from former Governor Haley Barbour.

Exhibit 1: Victims of Domestic Violence Fund Revenues, FY 2005 through FY 2013

Fiscal Year	Marriage License Fees and Criminal Assessments*	Criminal Bond Fees**	Total
2005	\$528,866		\$ 528,866
2006	429,505		429,505
2007	478,776		478,776
2008	485,107		485,107
2009	498,411		498,411
2010	493,323	\$154,742	648,065
2011	499,880	268,714	768,594
2012	491,362	306,369	797,731
2013	555,143	340,265	895,408
Total	\$4,460,373	\$1,070,090	\$5,530,463

*Marriage license fees are derived from a fourteen-dollar fee added to each marriage license issued by a circuit clerk. Criminal assessments are derived from a forty-nine-cent assessment on each traffic violation, Implied Consent Law violation, game and fish law violation, and other misdemeanors and felonies.

**Criminal bond fees are derived from a ten-dollar fee imposed on each criminal bond issued.

SOURCE: PEER analysis of state accounting data.

Exhibit 2: Victims of Domestic Violence Fund Expenditures, FY 2005 through FY 2013*

Fiscal Year	Salaries	Travel	Contractual Services	Commodities	Equipment	Subsidies, Loans and Grants	Indirect Expenses	Total Expenditures
2005	\$ 0	\$ 194	\$ 127	\$0	\$ 0	\$ 221,257	\$ 22,158	\$ 243,736
2006	0	0	98	0	0	252,128	25,223	277,449
2007	0	1,210	6,303	121	0	415,853	42,349	465,836
2008	10,218	1,403	92	405	0	399,418	41,154	452,690
2009	16,851	17	10,037	7,634	0	398,320	43,286	476,145
2010	20,788	0	10,845	136	45	375,097	45,691	452,602
2011	20,813	0	1,353	0	0	377,566	39,973	439,705
2012	14,883	287	1,479	0	0	469,807	48,646	535,102
2013	12,873	26	755	663	0	469,243	46,427	529,987
Total	\$96,426	\$3,137	\$31,089	\$8,959	\$45	\$3,378,689	\$354,907	\$3,873,252

The state accounting system accounts for these revenues as one source of funds.

* Excludes a deduction of \$50,000 from the fund as a result of a FY 2010 state agency budget reduction directive from former Governor Haley Barbour. The total of fund expenditures plus that \$50,000 is \$3,923,252.

SOURCE: PEER analysis of state accounting data.

Calculation of Indirect Costs

MISS. CODE ANN. Section 93-21-117 (1972) limits the Department of Health's administration charges to ten percent of the monies in the Victims of Domestic Violence Fund.

MISS. CODE ANN. Section 93-21-117 (3) (1972) states:

Not more than ten percent (10%) of the monies in the "Victims of Domestic Violence Fund" shall be appropriated to the State Department of Health for the administration of domestic violence shelter.

Although this CODE section limits the Department of Health's administration charges to ten percent of the monies in the fund, the law does not specify when the balance of the fund is to be determined. For example, the balance could be at the end of a fiscal year or the end of a calendar year, which would be closer to the time the Legislature appropriates funds during a regular legislative session. The law also does not specify whether the fund balance should include only current year revenues minus grants or include funds carried over from previous years.

For this review, PEER defined the fund's balance as:

Fiscal year beginning balance
+ Fiscal year's revenues
- Fiscal year's grant amounts

Fund balance for determining amount available for administration charges

The Department of Health's administration charges consist of direct and indirect expenses. Direct expenses include salaries for departmental personnel overseeing the administration of the grants and travel, contractual services, commodities, and equipment associated with the grants to domestic violence shelters. Indirect administration expenses include overhead items such as executive administration, human resources, information technology, and utilities. When calculating indirect expenses, the department charges ten percent of direct expenses and ten percent of grants. However, in FY 2013, the department's indirect charges equaled ten percent of grants to shelters and did not include ten percent of the direct expenses.

Using the above definition of fund balance, the department's total administration expenses assessed to the Victims of Domestic Violence Fund from FY 2005 through FY 2013 exceeded the ten percent cap only in FY 2009. The department's total direct and indirect administration charges ranged from 3.6% in FY 2013 to 13.4% in FY 2009. However, total administration expenses

assessed to the fund equaled ten percent in FY 2007 and FY 2010.

Although PEER agrees that the department is entitled to recover indirect expenses, PEER questions the department's assessment of ten percent of both direct expenses and grant awards as indirect expenses. The assessment of direct and indirect expenses to the Victims of Domestic Violence Fund must be determined in a fair and reasonable manner in order to ensure the maximum amount of funds available to support the state's domestic violence shelters.

How does the Department of Health determine the amount of the Victims of Domestic Violence Fund to be granted to domestic violence shelters each fiscal year?

The Department of Health bases total grants to domestic violence shelters on the approximate amount granted to shelters the previous fiscal year, rather than on the balance available in the Victims of Domestic Violence Fund.

As stated on page 7, the majority of the department's annual expenditures from the Victims of Domestic Violence Fund are in the form of grants to the state's domestic violence shelters that are qualified to receive state funding. For FY 2014, thirteen domestic violence shelters received funding from the Victims of Domestic Violence Fund. (See Exhibit 3, page 12.)

Prior to the beginning of each state fiscal year, the Department of Health provides a request for proposals (RFP) to each domestic violence shelter requesting that it submit an application to the department should it want to receive domestic violence program funds. In the "availability of funds" category, the RFP states the approximate dollar amount of funds from the Victims of Domestic Violence Fund that will be available to support contracts with domestic violence shelters during the upcoming fiscal year. For example, the FY 2011 request for proposals stated that a total of approximately \$400,000 would be available for such contracts.

In determining the amount to include in the RFP as the approximate amount to be granted each year, the Department of Health program manager told PEER that she contacts the department's finance and administration office to ascertain the amount. She stated that she is typically told to include the amount included in the previous fiscal year's RFP. The program manager said that she is not privy to the actual cash balance in the fund that could be granted each fiscal year. Therefore, the amount in the "availability of funds" category is not derived from an

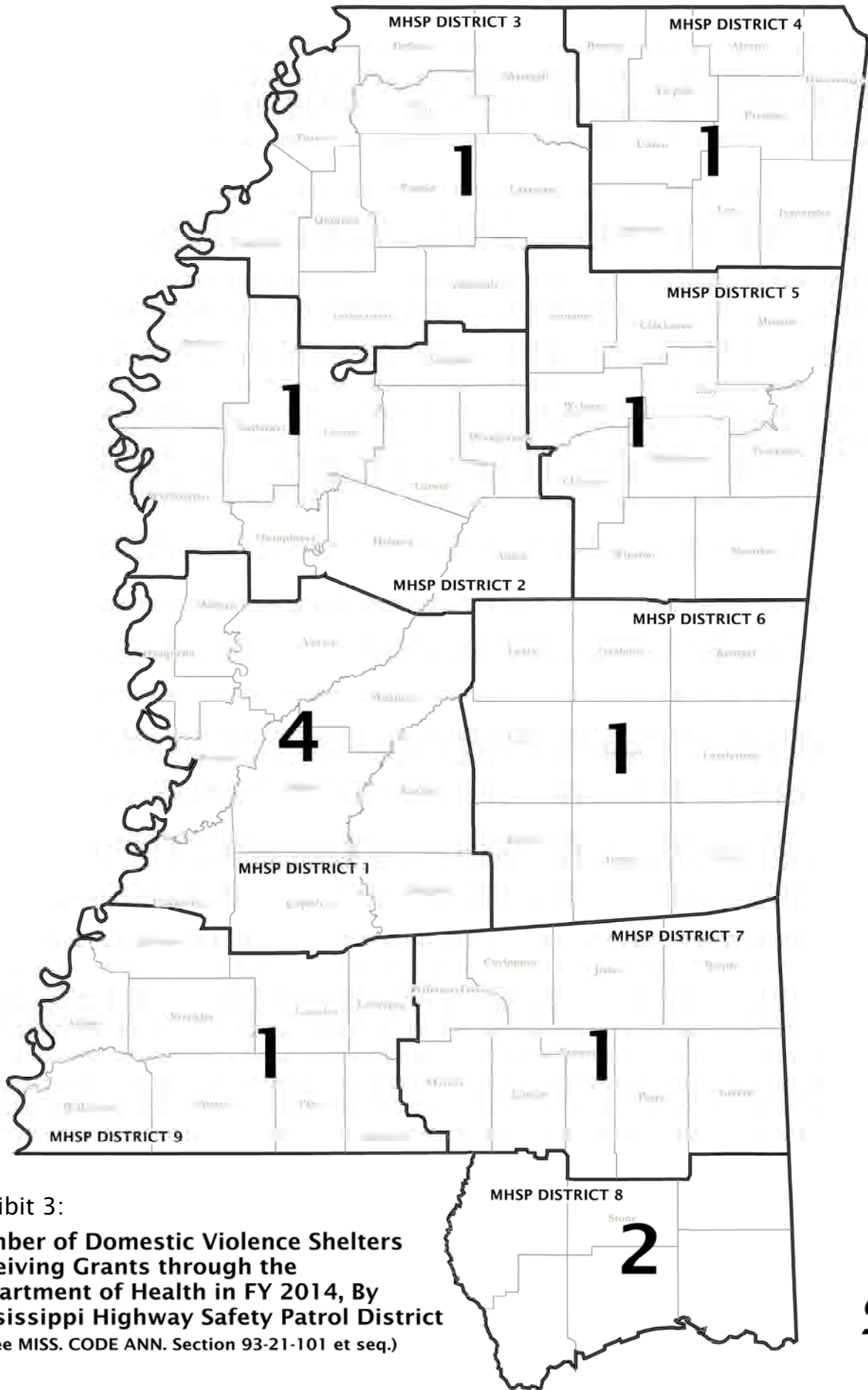


Exhibit 3:
Number of Domestic Violence Shelters
Receiving Grants through the
Department of Health in FY 2014, By
Mississippi Highway Safety Patrol District
 (See MISS. CODE ANN. Section 93-21-101 et seq.)



Source: MARIS, US BUREAU OF THE CENSUS, PEER

analysis of the fund's actual cash balance, but is simply an amount based on grants awarded in prior fiscal years.

The request for proposals provides information regarding the allocation formula that the department will use to determine contract awards for the shelters, as follows:

- Primary shelter (the first shelter program established within a Highway Safety Patrol District) that has met all funding requirements will receive 100% of available funding for an individual shelter. (The RFP states a specific amount for that level of funding--e. g., \$30,445 for FY 2011.)
- Secondary shelter (the second shelter program established within a Highway Safety Patrol District) that has met all funding requirements will receive 90% of available funding for an individual shelter. (The RFP states a specific amount for that level of funding--e. g., \$27,415 for FY 2011.)
- Third shelter (the third shelter program established within a Highway Safety Patrol District) that has met all funding requirements will receive 85% of available funding for an individual shelter. (The RFP states a specific amount for that level of funding--e. g., \$25,890 for FY 2011.)
- New domestic violence shelters that have been in operation for three or more years and have met all funding requirements will receive 75% of available funding for an individual shelter. (The RFP states a specific amount for that level of funding--e. g., \$22,870 for FY 2011.)
- New domestic violence shelters that have been in operation for two years and have met all funding requirements will receive 50% of available funding for an individual shelter. (The RFP states a specific amount for that level of funding--e. g., \$14,529 for FY 2011.)
- New domestic violence shelter program applicants that are in operation and will have met all funding requirements for the first year will receive 25% of available funding for an individual shelter. (The RFP states a specific amount for that level of funding--e. g., \$7,575 for FY 2011.)

As noted previously, MISS. CODE ANN. Section 93-21-107 (1972) states that no domestic violence shelter may receive more than \$50,000 annually from state funding.

The department's program manager told PEER that the department established its funding criteria (as stated above) in 1988. The primary purpose for establishing the criteria was to ensure that a shelter would be placed in each of the Highway Safety Patrol Districts and that as

many other shelters as possible could be funded in those districts.

Exhibit 4, page 15, provides information regarding grants made by the Department of Health to domestic violence shelters for the period FY 2009 through FY 2013. To receive amounts awarded to them from the Victims of Domestic Violence Fund, the shelters must first incur expenses and then seek reimbursement from the department. Department of Health staff review the shelter's documentation of expenditures--e. g., invoices--and authorize a payment to be issued to cover those expenditures. (PEER notes that in addition to amounts from the Victims of Domestic Violence Fund, the shelters also typically receive contributions from cities, counties, advocacy organizations, and federal grants.)

For fiscal years 2005 through 2013, did the Department of Health grant to domestic violence shelters the available balance in the Victims of Domestic Violence Fund for each year?

Although the Department of Health provided grants totaling approximately \$3.4 million to domestic violence shelters from the Victims of Domestic Violence Fund from FY 2005 through FY 2013, the department did not grant approximately \$1.6 million that had accumulated in the fund over that period.

As shown in Exhibit 1, page 8, from FY 2005 through FY 2013, revenue deposited in the Victims of Domestic Violence Fund totaled approximately \$5.5 million. During the same period, grants to domestic violence shelters totaled approximately \$3.4 million. The department charged approximately \$495,000 in direct and indirect expenses to the fund and the department deducted \$50,000 in FY 2010 from the fund as a result of a directive from former Governor Haley Barbour.

Exhibit 5, page 16, illustrates how the increasing cash balances in the fund for the period of this review accumulated to more than \$1.6 million in FY 2013. The following pages provide explanations as to how the \$1.6 million balance accumulated in the fund and was not disbursed as grants to domestic violence shelters:

- The Department of Health has not created a special fund in the State Treasury for the Victims of Domestic Violence Fund, as required by state law.
- Department of Health officials have not taken into consideration the revenue from criminal bond fees, which began yielding monies for the Victims of Domestic Violence Fund in FY 2010, when determining the amount available for grants to domestic violence shelters.

Exhibit 4: Grants to Domestic Violence Shelters, FY 2009 through FY 2013

Domestic Violence Shelter	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Angel Wings	\$22,725	\$22,725	\$50,755*	\$35,189	\$35,189
Care Lodge	30,300	30,300	30,300	42,764	42,764
Catholic Charities of Jackson	30,300	30,300	30,300	42,764	42,764
Center for Violence Prevention	25,755	25,755	25,755	38,219	38,219
DAFS	30,300	30,300	30,300	42,764	42,764
Domestic Violence Project	30,300	30,300	30,300	0	0
Guardian Shelter	30,300	30,300	30,300	42,764	42,764
Gulf Coast Women's Center	30,300	30,300	30,300	42,764	42,764
Haven House	27,270	27,270	27,270	39,734	39,734
House of Grace	27,270	27,270	27,270	30,981	30,981
Our House	30,300	30,300	30,300	42,764	42,764
S.A.F.E., Inc.	30,300	30,300	30,300	42,764	42,764
Safe Haven	30,300	30,300	30,300	42,764	42,764
Salvation Army	27,270	27,270	0	0	0
Ann Beardshall	0	10,000	0	0	0
Total	\$402,990	\$412,990	\$403,750	\$486,235	\$486,235

NOTE: These amounts represent grants awarded to domestic violence shelters. Actual reimbursed expenditures for these fiscal years may be less than grant awards for some shelters.

*An expenditure relating to FY 2010 was not reimbursed to the shelter until FY 2011, thereby increasing the shelter's fiscal year reimbursements beyond the \$50,000 limit as specified by MISS. CODE ANN. Section 93-21-107 (6) (1972).

SOURCE: PEER analysis of Department of Health grant award data.

- State law caps the amount an individual shelter may receive from the fund annually at \$50,000. This amount has not been revised by the Legislature since it was set in 1983.
- From FY 2009 through FY 2013, domestic violence shelters did not expend approximately \$102,000 of funds awarded as grants from the Victims of Domestic Violence Fund.

Exhibit 5: Victims of Domestic Violence Fund Accumulated Cash Balance, FY 2005 through FY 2013

Fiscal Year	Revenues	Expenditures	Difference	Accumulated Cash Balance
2005	\$ 528,866	\$ 243,736	\$285,130	\$ 285,130
2006	429,505	277,449	152,056	437,186
2007	478,776	465,837	12,939	450,125
2008	485,107	452,689	32,418	482,543
2009	498,411	476,145	22,266	504,809
2010*	648,065	502,602	145,463	650,272
2011	768,594	439,705	328,889	979,161
2012	797,732	535,101	262,631	1,241,792
2013	895,408	529,987	365,421	\$1,607,213
Total	\$5,530,464	\$3,923,251		

* FY 2010 expenditures include a \$50,000 reduction from the fund as a result of a FY 2010 state agency budget reduction directive from former Governor Haley Barbour.

SOURCE: PEER analysis of state accounting data.

Failure to Establish a State Treasury Special Fund

Although required by state law in 1985 to create a special fund in the State Treasury for revenues to be used by the Department of Health for the funding and administering of domestic violence shelters, the department's staff has not created such a special fund.

Although required by MISS. CODE ANN. Section 93-21-117 (1972) to create the Victims of Domestic Violence Fund as a special fund in the State Treasury effective October 1, 1985, Department of Health staff at that time instead created a special reporting category (a sub-fund) to receive

revenues in the Victims of Domestic Violence Fund. Currently, the fund continues to be one of 296 sub-funds comprising the department's primary special funds master fund--i. e., 3301.

As a result of being part of a larger fund instead of an individual special fund, determining the balance of the Victims of Domestic Violence Fund is difficult and time-consuming. Although the balance in the Victims of Domestic Violence Fund special reporting category--i. e., sub-fund--may be ascertained at any time by researching data in the state's accounting system, such information has not been readily available to the department's financial staff without a specific inquiry and research of departmental accounting data.

Another factor that contributed to the increasing balance in the Victims of Domestic Violence Fund is the department's practice of not involving the program manager in monitoring the fund's balance. As stated on page 11, the department's financial staff typically tells the program manager to use last year's grant total as the amount to be granted in the upcoming fiscal year without analyzing the balance in the fund to determine an amount available to be granted.

The department's officials acknowledged to PEER that the balance of the Victims of Domestic Violence Fund grew by a significant amount due to the staff's inattention to the sub-fund's receiving revenues that were not made available for granting purposes. If domestic violence funds had been maintained in a separate State Treasury fund as required by state law, department staff could have easily detected the increasing fund balance and increased efforts to issue grants to shelters, thereby enhancing the state's efforts to meet critical needs related to victims of domestic violence.

Addition of Criminal Bond Fees as a Revenue Source

Department of Health officials have not taken into consideration the revenue from criminal bond fees, a revenue source for the Victims of Domestic Violence Fund that began yielding monies in FY 2010, when determining the amount available for grants to domestic violence shelters.

Department of Health officials have not taken into consideration the revenue from criminal bond fees that began as a new revenue source in FY 2010 when determining the amount available for grants to domestic violence shelters. As illustrated in Exhibit 1, page 8, the Victims of Domestic Violence Fund began receiving revenues from criminal bond fees in FY 2010. For the period FY 2005 through FY 2013, the fund received a total of \$1,070,090 from such fees. During the period of this review, the criminal bond fees represented nineteen percent of all revenues deposited into the fund.

Despite the new funding source that added a significant amount of available cash each fiscal year, department staff continued to operate the domestic violence grants program based on an approximate amount of \$400,000 being available annually. The department's staff did not take into account that the increasing balance could have allowed the department to provide larger grant amounts (up to the statutory limit) to domestic violence shelters.

Statutory Limitation on Grant Amounts

MISS. CODE ANN. Section 93-21-107 (6) (1972) states that no domestic violence shelter may receive more than \$50,000 annually from state funding. This grant amount limit became effective in April 1983 and has not been revised by the Legislature since that time.

As noted previously, MISS. CODE ANN. Section 93-21-107 (6) (1972) states that no domestic violence shelter may receive more than \$50,000 annually from state funding. As discussed on page 13, the department uses tiered criteria to determine the percentages of available funds to be disbursed in grants, with the grant percentages ranging from 100% to 25% of available funding for individual shelters, depending on a shelter's establishment date. As shown in Exhibit 4, page 15, with the exception of one domestic violence shelter, for the period FY 2009 through FY 2013, none of the shelters received a \$50,000 grant as allowed by state law. (Department staff stated that the one shelter that received more than \$50,000 in a year had been allowed to carry over funds from a previous fiscal year.)

The \$50,000 annual grant limit became effective in April 1983 and has not been revised by the Legislature since that time. Although having a maximum grant amount is prudent to ensure that grant funds are available and widely distributed to shelters, the \$50,000 limit is thirty years old and has not been indexed to take into consideration the effects of inflation on the value of a dollar.

PEER analyzed grant amounts provided to domestic violence shelters in FY 2013 to determine whether the \$50,000 maximum grant amount would have resulted in funds remaining in the Victims of Domestic Violence Fund's cash balance and not being granted. The department awarded grants totaling \$486,235 to twelve domestic violence centers in FY 2013. Had the department based the grant awards on net funds available in the Victims of Domestic Violence Fund (i. e., total monies received during the fiscal year minus the department's direct and indirect expenses) in FY 2013, the department's total grant awards would have amounted to \$834,664 and each domestic shelter's grant amount would have exceeded the \$50,000 maximum amount allowed by state

law, some by as much as \$23,000. Because the individual domestic violence shelters each received less than the statutorily capped amount of \$50,000, approximately \$348,000 in revenues received in the Victims of Domestic Violence Fund in FY 2013 remained in the fund and became part of the increasing cash balance.

Shelters' Failure to Expend all of Their Grant Awards

From FY 2009 through FY 2013, domestic violence shelters did not expend approximately \$102,000 of funds awarded as grants from the Victims of Domestic Violence Fund.

As stated on page 14, to receive monies from the Victims of Domestic Violence Fund, domestic violence shelters must incur expenses and then seek reimbursement from the Department of Health that is subtracted from their particular grant award. The department provided PEER with additional detail on grants awarded to shelters from FY 2009 through FY 2013. For those fiscal years, domestic shelters did not expend approximately \$102,000 of funds awarded as grants from the Victims of Domestic Violence Fund.

Although not a significant contributing factor to the Victims of Domestic Violence Fund's large cash balance, shelters not expending their entire grant award had an impact on the increasing balance. Department staff told PEER that they communicate with shelter staff on an ongoing basis regarding unexpended grant funds, but some shelters do not request expenditure reimbursement totaling the full amount of their grant awards. However, in task force meeting discussions, shelter representatives stated that they submit reimbursement documentation to the department and in some cases do not receive reimbursement in a timely manner prior to the expiration of the grant.

Recommendations

To comply with the specific requirements of statute, the Department of Health should:

1. Establish a Victims of Domestic Violence Fund as a special fund in the State Treasury.
2. At the conclusion of FY 2014, transfer the balance in the Department of Health's Victims of Domestic Violence sub-fund to the Victims of Domestic Violence special fund in the State Treasury minus the amount of FY 2014 direct and indirect expenses and any encumbrances for prior fiscal years' indirect expenses.

The Legislature should:

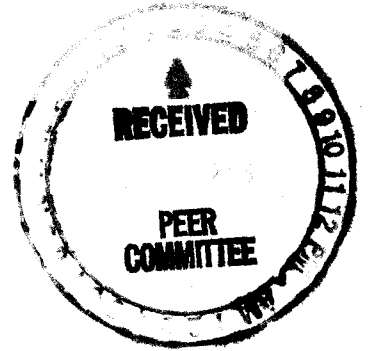
3. Amend MISS. CODE ANN. Section 93-21-117 (3) (1972) to limit administration expenditures, for both direct and indirect administration, to ten percent of the amount granted annually to domestic violence shelters from the revenue sources listed in MISS. CODE ANN. Section 93-21-117 (1972).
4. Regarding the establishment of special funds by the Department of Health, or any other agency, the Legislature should:
 - require that any agency that has been directed to establish a special fund in legislation, but has not done so, to establish such fund within ninety days of the effective date of this act;
 - require the Department of Finance and Administration to hold any funds that should be deposited to such special fund or funds in suspense if the agency fails to establish the fund as required by law;
 - require that any special fund established in legislation adopted after 2015 shall be established as soon as practicable after the legislation creating the fund is enacted;
 - require the Department of Finance and Administration to hold any funds to be paid to such fund in suspense until such time as the agency establishes the fund as required by law; and,
 - provide that no agency that has failed to establish special funds in conformity with this act shall be

authorized to expend or obligate funds that are to be paid to such fund until the agency has complied with this act.

Agency Response



MISSISSIPPI STATE DEPARTMENT OF HEALTH



December 3, 2013

Max K. Arinder, PhD, Executive Director
Joint Committee on Performance Evaluation and Expenditure Review
Post Office Box 1204
Jackson, MS 39215-1204

Dear Dr. Arinder:

After a review of the report on the Mississippi State Department of Health's management of the Victims of Domestic Violence Fund, I am submitting the following as the agency's response.

The Mississippi State Department of Health maintains the highest integrity in the management of all programs the Department has responsibility to manage. Although a separate fund was not maintained, all revenue and expenses were documented by the PEER staff. As recommended by the PEER staff, a new fund number has been established (Fund Number 3307). Additionally, funds in Reporting Category 038S have been moved to Fund Number 3307.

As noted by PEER staff, the Finance and Accounting staff will report fund balances to all programs on a quarterly basis.

I want to thank you and your staff for the professional review of the Victims of Domestic Violence Fund and stand ready to answer any additional questions you or your staff might have.

Sincerely,

Mary Currier, MD, MPH
State Health Officer

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