

CRIME VICTIM'S RIGHTS FUND - EXPANDED USES

Senate Bill 1003 Substitute (H-1) as Reported from Committee

Sponsor: Senator Roger Kahn

Committee: Appropriations

Date of Analysis: 12/1/10

BRIEF SUMMARY OF THE BILL:

Senate Bill 1003 (H-1) amends the Crime Victims Rights Services Act under which the Crime Victim's Rights Fund was established in 1989. The bill is tie barred to House Bills 5661 and 5667, and takes effect April 1, 2011.

In current law there are 3 ordered priorities of usage of the Crime Victim's Rights Fund.

- First, for crime victim services.
- Second, amounts in excess of the necessary revenues for services may be used for crime victim compensation.
- Third, effective until October 1, 2010, any additional excess revenue that has not been used for victim compensation may be used to provide any of the following services: the sex offender registry, amber alert missing child notification system, polygraph tests, and forensic science expert witness testimony programs in the Michigan Department of State Police (MSP), and rape and sexual assault victim treatment services programs in the Michigan Department of Human Services (DHS). These uses of the Fund were established by PA 396 of 2008 effective December 26, 2008, allowing appropriations in FY 2007-08 through FY 2009-10.

SB 1003 (H-1) eliminates the October 1, 2010 sunset date for the third priority uses of the Fund, and eliminates all of the existing MSP and DHS uses of the Fund as listed above. The bill replaces these with a new third priority use of the Fund by authorizing the use of up to \$3.5 million of the Fund to establish and maintain a statewide trauma system.

The bill also caps trauma system expenditures from the Fund at 50% of the maximum allowable beginning October 1, 2014 unless expenditures are proportional to crime victims' utilization of the statewide trauma system.

FISCAL IMPACT:

FY 2010-11 DHS and MSP programs do not rely on the Crime Victim's Rights Fund in the FY 2010-11 budget, so there is no fiscal impact in removing related language. The bill allows for up to \$3.5 million of the Fund to be appropriated in FY 2010-11 and subsequent years for a statewide trauma system, until FY 2013-14.

FUND Since FY 2002-03, expenditures of the Crime Victim's Rights Fund have exceeded revenues deposited to the Fund and a long-standing Fund balance is declining. The projected revenue to the Fund (not including any proposed fee increases per HB 5661) and available balance from the prior year together are not sufficient to support the programs proposed in SB 1003 (H-1) for the current fiscal year, FY 2010-11, falling about \$2.3 million short of total expenditures of \$14.8 million (see chart on page 2).

If SB 1003 (H-1) is enacted and effective in the current fiscal year, the statute's priorities of usage will effectively limit funding for the statewide trauma system to about \$1.2 million unless additional Fund revenues become available. In subsequent years, there will not be funds available for the statewide trauma system and DCH crime victim program expenditures will also need to be reduced unless annual Fund revenue is increased or additional funding is identified from another source. Revenue to the Fund is from fees assessed against convicted criminal defendants.

The following table shows recent Crime Victim's Rights Fund history. Projected spending for the current year includes costs of SB 1003 (H-1).

Fiscal Year	Balance Available from Prior Year	Revenues	TOTAL Funds Available	DCH Costs	DHS and MSP Costs	Proposed State Trauma System Costs	TOTAL Expenditures
2006-07	\$11,988,500	\$9,720,600	\$21,709,100	\$9,984,000	\$0		\$9,984,000
2007-08	11,725,100	10,103,000	21,828,100	9,683,200	2,111,500		11,794,700
2008-09	10,033,400	9,061,700	19,095,100	9,719,900	1,993,100		11,713,000
2009-10	7,382,100	9,435,800	16,817,900	11,713,000	2,238,400		13,951,400
2010-11*	2,866,500	9,624,500	12,490,900	11,305,200	0	3,500,000	14,805,200

* FY 2010-11 revenue estimated at 2% increase over FY 2009-10, and does not reflect the impact of any proposed increase in fees collected for the Fund per HB 5661; expenditures shown are as appropriated.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.