

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-0063/1		Introduction Number AB-0536		
Description Awards for dependents of deceased victims of crime				
Fiscal Effect				
State:				
<input type="checkbox"/> No State Fiscal Effect				
<input type="checkbox"/> Indeterminate				
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues		
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues		
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<input type="checkbox"/> Decrease Costs				
Local:				
<input type="checkbox"/> No Local Government Costs				
<input type="checkbox"/> Indeterminate				
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected				
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities		
<input type="checkbox"/> Counties		<input type="checkbox"/> Others		
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts		
Fund Sources Affected		Affected Ch. 20 Appropriations		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS				
Agency/Prepared By		Authorized Signature		Date
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Fiscal Estimate Narratives

DOJ 3/6/2008

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Description Awards for dependents of deceased victims of crime					

Assumptions Used in Arriving at Fiscal Estimate

Under Chapter 949 of the Wisconsin Statutes, the Department of Justice administers the Crime Victim Compensation (CVC) program. The CVC program compensates victims and their dependents of certain crimes for costs that include medical treatment, lost wages, funeral/burial expenses, and replacement costs of clothing or bedding held for evidentiary purposes. The maximum compensation award for any one injury or death is \$40,000, and another \$2,000 for burial expenses. The CVC program is a "payer of last resort", meaning it only covers expenses remaining after all other payment sources, such as insurance, worker's & unemployment compensation, restitution, etc., have been exhausted.

Under 949.08 (2) DOJ is prohibited from awarding compensation if the victim is included on the statewide child support lien docket. 2007 Assembly Bill 536 eliminates this prohibition in cases where the claimant is a victim of homicide.

In each of the past several years, the department has received qualified applications for compensation from crime victims that exceed the CVC program's annual budgeted amount. For example, in fiscal year 2006-07, \$2,750,800 (\$1,258,000 GPR, \$1,004,000 FED and \$488,800 PR) was appropriated to this program to make awards to victims of crime. In that same year, the CVC program received 1,652 applications that it determined to be eligible for compensation. Though the precise amount of eligible claims is still yet to be determined because all expenses may not have been incurred or because of the potential for collateral source compensation, the amount of eligible claims annually exceeds the annual appropriation, requiring the agency to withhold payments in part or in whole until additional appropriations are made. Given the appropriation shortfall, the CVC program will often make partial payments during a given year to a particular victim or service provider. This has the effect of maximizing the number of claimants who receive some compensation during a given year, but delaying full payment to some victims or their service providers. As a result of the shortfall, currently, there is a total of approximately \$1.5 million in accumulated unpaid eligible claims yet to be paid out. Should eligible claims continue to exceed appropriations, at some point in the future, the amount of accumulated unpaid claims from previous years will approach annual appropriations, causing additional significant delays in compensation. The compensation backlog creates conditions where a significant new appropriation will be required to pay all claimants with an entitlement to payment.

This legislation would increase the number of claims eligible for compensation. In fiscal year 2006-2007, the CVC program denied 14 claims involving homicide due to the victims' placement on the child support lien docket. Homicide claims are often eligible for the compensation that reaches the statutory maximum, and thus each of the claims in this category could reach the \$40,000 award limit. As a result, under AB 536 last fiscal year, the CVC program would have received applications potentially eligible for approximately \$560,000 in additional awards. Though the number of claims in any given year and the availability of collateral sources will make the total amount eligible for compensation vary from year to year, the Department estimates the amount of newly eligible claims will range from a few hundred thousand to several hundred thousand dollars annually.

Long-Range Fiscal Implications