



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #472

### Crime Victim Compensation Program (Justice)

[LFB 2003-05 Budget Summary: Page 290, #11]

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#### CURRENT LAW

The Department of Justice's crime victim compensation program compensates crime victims and their dependents for the cost of medical treatment (both physical and mental), lost wages, funeral and burial expenses, loss of support to dependents of a deceased victim, and replacement costs of any clothing or bedding that is held for evidentiary purposes. In addition, victims who are homemakers may be compensated for expenses related to securing homemaker services when someone must be hired to perform these services. Under s. 949.06(2) of the statutes, the maximum award for any one injury or death is \$40,000. This amount is in addition to a \$2,000 maximum reimbursement of burial expenses that may be awarded.

Funding for the crime victim compensation program is provided from the following: a GPR appropriation, "Part A" of the crime victim and witness assistance surcharge, and federal grants awarded under the federal Victims of Crime Act (VOCA), as amended. Base level funding for the program is \$2,390,700 annually (\$1,258,000 GPR, \$643,900 FED and \$488,800 PR).

#### GOVERNOR

Make the following changes to the crime victim compensation program:

*Diversion of Restitution Payment Revenues from the General Fund.* Provide that restitution payments received by the state from defendants to offset awards made to victims under the crime victim compensation program, would no longer be deposited to the general fund but instead would be credited to two new PR appropriations created under DOJ. Currently, the Department estimates that \$297,100 annually is credited to the general fund from restitution

payments. The proposed diversion of these funds to the new program revenue accounts would result in a corresponding GPR-Earned decrease of \$297,100 annually. The bill does not reflect this revenue decrease.

*Subrogation Payments Appropriation Created.* Create a PR continuing subrogation payments for awards for victims of crimes appropriation to receive these restitution payments and provide expenditure authority of \$200,000 PR annually. Authorize DOJ to: (1) expend these funds to pay for crime victim compensation awards; and (2) transfer a portion of these funds to the following new narcotics purchase appropriation. The narcotics purchase appropriation would be a first draw on revenues deposited to this appropriation.

*Narcotics Purchase Appropriation Created.* Create a PR annual narcotics purchase appropriation and provide expenditure authority of \$25,000 annually. The appropriation would be funded from amounts transferred from the new subrogation payments appropriation. Authorize the Department to expend these funds to purchase controlled substances in investigating violations of Chapter 961 (the Uniform Controlled Substances Act).

## **DISCUSSION POINTS**

### **Subrogation Payments Appropriation**

1. Restitution payments received by the state from defendants to offset awards previously made by the Department to victims under the crime victim compensation program, are deposited to the general fund. Under SB 44, GPR-Earned collections are increased by \$297,100 annually to account for these restitution payments from defendants.

2. The bill would create a PR continuing subrogation payments appropriation under DOJ to receive these restitution payments from defendants and would provide expenditure authority of \$200,000 PR annually. The appropriation would authorize DOJ to: (a) expend these funds to pay for crime victim compensation awards; and (b) transfer a portion of these funds to a new narcotics purchase appropriation. The narcotics purchase appropriation would be a first draw on revenues credited to this appropriation.

3. Because Senate bill 44 increases GPR-Earned by \$297,100 annually to account for restitution payments from defendants, adoption of the proposal to credit these subrogation payments instead to a PR appropriation would reduce GPR-Earned amounts under the bill by a corresponding \$297,100 annually (\$594,200 over the biennium).

4. If the Governor's recommendation were adopted, awards to crime victims would be increased by more than the \$200,000 PR annually of additional funding provided under the bill. This is because the state receives federal funding under the federal Victims of Crime Act (VOCA) to provide awards to crime victims. Under the federal VOCA program, a 60% federal match is provided to state funding for crime victim compensation. As a result, the proposed expenditure increase of \$200,000 PR annually would increase federal VOCA funding received by the state for crime victim awards by \$120,000 FED annually.

5. It could be argued that crediting defendant restitution payments in a new PR appropriation under DOJ for crime victim payments would be appropriate. Defendants are ordered by courts to pay restitution to provide reparation to victims. Under the recommended change in the bill, these restitution payments would be retained by the Department and distributed as additional compensation to victims. If the Committee believes that this argument has merit, it could approve the Governor's recommendation.

6. However, the state already appropriates \$1,258,000 GPR annually in base funding to provide compensation to victims under the crime victim compensation program. It could be argued that defendant restitution payments received by the state to offset awards previously made under the crime victim compensation program are appropriately deposited to the general fund to provide a partial offset for the annual GPR funding provided by the state for crime victim awards. If the Committee believes that this argument has merit, it could delete the Governor's recommendation to establish a new subrogation payments appropriation.

### **Narcotics Purchase Appropriation**

7. Senate Bill 44 would create a PR annual narcotics purchase appropriation and provide expenditure authority of \$25,000 PR annually. This appropriation would receive funding from crime victim restitution payments deposited to the proposed subrogation payments appropriation. This narcotics purchase appropriation would be a first draw on such revenues credited to the subrogation payments appropriation. The Department would have the authority to expend these funds to purchase controlled substances in investigating violations of Chapter 961 (the Uniform Controlled Substances Act).

8. It could be argued that if crime victim restitution payments are not to be deposited to the general fund to reimburse the state for GPR funding provided for awards under the crime victim compensation program, that such funds should be used exclusively to provide awards to victims under the recommended subrogation payments appropriation.

9. On the other hand, it could be argued that if these funds can appropriately be deposited to the general fund under current law, rather than being paid to victims, it would not be inappropriate to deposit some of these funds to a new narcotics purchase appropriation.

10. Alternatively, the Committee could provide that restitution recovered in narcotics cases, and not restitution received by the state to offset awards made to victims, be credited to the recommended narcotics purchase appropriation. During 2001-02, the Department credited \$16,900 in restitution in narcotics cases to the general fund. GPR-Earned estimates under the bill have been increased by \$16,900 annually to reflect the continued deposit of restitution payments in these narcotics cases to the general fund.

11. The Committee could consider reducing the expenditure authority in the narcotics purchase appropriation by \$8,100 PR annually to \$16,900 PR annually and provide that restitution in narcotics cases be credited to this appropriation rather than to the general fund. This change would also decrease estimated GPR-Earned estimates under the bill by a corresponding \$16,900

annually.

12. The narcotics purchase appropriation recommendation was specifically included in the bill to assist the agency in managing GPR reductions to the Department by providing a new source of PR-supported expenditure authority. As a result, the Committee could approve this change. On the other hand, the proposals to divert either defendant restitution payments or restitution payments in narcotics cases from the general fund to this new PR appropriation will result in a decrease in GPR-Earned under the bill.

## ALTERNATIVES

1. Approve the Governor's recommendations to: (a) provide that restitution payments received by the state from defendants to offset awards made to victims under the crime victim compensation program, no longer be deposited to the general fund but instead be credited to two new PR appropriations created under DOJ; (b) create a PR continuing subrogation payments for awards for victims of crimes appropriation to receive these restitution payments and provide expenditure authority of \$200,000 PR annually; (c) authorize DOJ to expend these funds to pay for crime victim compensation awards and transfer a portion of these funds to a new narcotics purchase appropriation; (d) create a PR annual narcotics purchase appropriation and provide expenditure authority of \$25,000 PR annually, funded from amounts transferred from the new subrogation payments appropriation; and (e) authorize the Department to expend these funds to purchase controlled substances in investigating violations of Chapter 961 (the Uniform Controlled Substances Act). In addition, include a technical correction reducing GPR-Earned collections under DOJ by \$297,100 annually.

<u>Alternative 1</u>	<u>GPR</u>
2003-05 REVENUE (Change to Bill)	- \$594,200

2. Modify the Governor's recommendation by: (a) deleting the diversion of crime victim restitution payments from the general fund to a new subrogation payments appropriation; (b) deleting the subrogation payments appropriation; (c) reducing the expenditure authority in the narcotics purchase appropriation from \$25,000 annually to \$16,900 PR annually; (d) providing that restitution payments received by DOJ in narcotics cases be credited to this appropriation; and (e) reducing GPR-Earned under the bill by \$16,900 annually to reflect the diversion of narcotics restitution payments from the general fund to the narcotics purchase appropriation.

<u>Alternative 2</u>	<u>GPR</u>	<u>PR</u>
2003-05 REVENUE (Change to Bill)	- \$33,800	- \$560,400
2003-05 FUNDING (Change to Bill)	\$0	- \$416,200

3. Delete provision.

<u>Alternative 3</u>	<u>PR</u>
<b>2003-05 REVENUE</b> (Change to Bill)	- \$594,200
<b>2003-05 FUNDING</b> (Change to Bill)	- \$450,000

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