

CRIME VICTIM'S RIGHTS FUND: EXPANDED USES

House Bill 5666 (Substitute H-1)

Sponsor: Rep. Joan Bauer

Committee: Judiciary

Complete to 3-2-10

A SUMMARY OF HOUSE BILL 5666 AS REPORTED FROM COMMITTEE

House Bill 5666 (H-1) amends the Crime Victims Rights Services Act under which the Crime Victim's Rights Fund was established in 1989.

In current law there are three ordered priorities for using the 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, 2009, 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 and FY 2008-09.

House Bill 5666 (H-1) extends the October 1, 2009 sunset for the third priority uses of the Fund by one year to October 1, 2010, and authorizes the use of up to \$3.5 million of the Fund to establish and maintain a statewide trauma system also as a third priority use of the Fund but without a sunset date.

FISCAL IMPACT:

FY 2009-10: Without a statutory change to the October 1, 2009 sunset date, FY 2009-10 enacted appropriations of this Fund for DHS and MSP programs cannot be expended, and funds from another source may be needed, or services reduced. The appropriations are enacted in the Department of Community Health (DCH) budget as interdepartmental grants of \$1,300,000 to DHS and \$1,053,300 to MSP.

Additionally, the bill allows for up to \$3.5 million of the Fund to be appropriated annually for a statewide trauma system.

FUND: Since FY 2002-03, expenditures of the Crime Victim's Rights Fund have exceeded revenues deposited to the Fund and a longstanding Fund balance is declining. The projected

revenue to the Fund and available balance from the prior year together are not sufficient to support the programs proposed in HB 5666 (H-1) for the current fiscal year, FY 2009-10, falling about \$2.0 million short of total expenditures of \$18.6 million (see chart on page 2).

If HB 5666 (H-1) is enacted with immediate effect, the statute's priorities of usage will effectively suspend funding for the MSP, DHS, and trauma system programs sometime this fiscal year unless additional Fund revenues become available. This will likely occur in FY 2010-11 even without the bill. Subsequently, DCH 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 Fund balance carried forward at the end of FY 2008-09 into the current fiscal year was \$7.4 million.

The following table shows recent Crime Victim's Rights Fund history. Projected spending for the current year includes costs of HB 5666 (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	9,242,900	16,625,000	12,772,000	2,353,300	3,500,000	18,625,300

* FY 2009-10 revenue estimated at 2% increase over FY 2008-09, and 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.