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Senate Bill 1003 (as enrolled)
Sponsor: Senator Roger Kahn, M.D.
Senate Committee: Appropriations
House Committee: Appropriations

Date Completed: 12-6-10

CONTENT

The bill would amend Public Act (P.A.) 196 of 1989, which provides for the Crime Victim's Rights Fund, to allow excess revenue in the Fund to be spent on a statewide trauma system.

Revenue for the Crime Victim's Rights Fund comes from assessments, treated as fee revenue, imposed on individuals convicted of felonies or certain misdemeanors. Assessments also are imposed on individuals with deferred sentences and those assigned to youthful trainee status.

The revenue is used, pursuant to P.A. 223 of 1976, for a variety of crime victim services. These include awards to victims (maximum of \$15,000), awards to cover funeral expenses and grief counseling (maximum of \$2,000), awards to cover lost wages (maximum of \$200 per week), and psychological counseling (maximum of 26 hourly sessions, maximum reimbursement of \$95 per hour).

Priority for funding is set in Section 4 of P.A. 196 of 1989 (MCL 780.904). Until October 1, 2010, any excess revenue, after the awards described in P.A. 223 of 1976, could be used to support the sex offender registry, the Amber Alert program, treatment services for victims of sexual assault, polygraph examinations, and expert witness testimony from forensic scientists.

Ongoing annual revenue from the assessments has been in the range of \$9.0 million to \$10.0 million over the past few years. Due to the carry-forward of past surpluses, total available funds (including

ongoing revenue and the surplus) exceeded \$16.0 million in FY 2009-10.

Expenditures from the Fund, excluding the additional priorities set in MCL 780.904, exceeded \$12.0 million in FY 2009-10. (The additional priorities exceeded \$2.3 million per year.)

While there is sufficient revenue, given the carry-forward revenue, to cover costs in FY 2009-10 and in FY 2010-11, it is clear that, without any changes, the expenditures will be large enough that the Fund's surplus will disappear by the beginning of FY 2011-12. Making changes would not necessarily mean an increase in assessments; awards could be reduced as the statute only specifies maximums, or the services covered could be scaled back.

Senate Bill 1003 would eliminate provisions for funding the sex offender registry, Amber Alert, sexual assault victim services, polygraph examinations, and forensic expert witness testimony. Those provisions sunsetted on October 1, 2010.

The bill also would permit the use of up to \$3.5 million in excess crime victim services revenue, in any fiscal year, to establish and maintain a statewide trauma system. That maximum would decrease to \$1.75 million beginning in FY 2014-15, unless the amount spent were reasonably proportional to crime victims' use of the system.

The bill is tie-barred to House Bill 5661 and House Bill 5667. House Bill 5661 would increase the assessments for felonies from \$60 to \$130, for serious or specified

misdemeanors from \$50 to \$75, and for juvenile offenses from \$20 to \$25. The House bill also would expand the offenses covered to include all misdemeanors. House Bill 5667 would increase the maximum payouts for services to crime victims.

MCL 780.904

FISCAL IMPACT

The Crime Victim's Rights Fund had a surplus of \$7.4 million at the beginning of FY 2009-10. Spending exceeded \$12.0 million in FY 2009-10. Anticipated revenue, without any changes in the statute, is projected to be about \$9.2 million. As such, if one assumes no changes in policy, the surplus will be exhausted by the beginning of FY 2011-12. In effect, there is a structural deficit between the revenue and the expenditures, with an ongoing surplus available to allow for three more years of deficit spending in the program.

Senate Bill 1003 would retain the October 1, 2010, sunset, and eliminate provisions that allowed funding for the sex offender registry, Amber Alert, polygraph examinations, forensic expert witness testimony, and sexual assault victim services. Funding these priorities cost \$2.3 million in FY 2009-10.

The bill also would allow a statewide trauma system to be established with up to \$3.5 million in ongoing expenditures. This increase in expenditures could exacerbate the balance between revenue to and expenditures from the Fund.

The tie-bar to House Bill 5661 and House Bill 5667 would lead to additional revenue and could potentially impose additional costs. Because the revenue from the assessment increases in House Bill 5661 and the increased costs due to the increases in maximum payouts in House Bill 5667 cannot precisely be estimated, the fiscal impact is indeterminate. If the trauma system in Senate Bill 1003 were funded fully and the maximum payouts in House Bill 5667 were implemented, the structural deficit would likely increase.

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