

Legislative Analysis



CRIME VICTIM'S RIGHTS FUND: EXTEND SUNSET FOR TRAUMA SYSTEM FUNDING

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House Bill 4915 (reported without amendment)

Sponsor: Rep. Matt Lori

Committee: Judiciary

Complete to 9-15-14

A SUMMARY OF HOUSE BILL 4915 AS REPORTED BY COMMITTEE 9-11-14

House Bill 4915 would amend the Crime Victim's Rights Services Act under which the Crime Victim's Rights Fund is established. Until September 30, 2014, up to \$3.5 million per year may be allocated from the Fund for the establishment and maintenance of a statewide trauma system. Beginning October 1, 2014, trauma system expenditures from the fund will be capped at 50 percent of the maximum allowable unless the amount expended is reasonably proportional to crime victims' utilization of the statewide trauma system.

The bill extends by four years the sunset date for the maximum allowable expenditure of \$3.5 million per year from the Fund to be allocated to the statewide trauma system. Beginning October 1, 2018, the yearly cap would be reduced as described above.

MCL 780.904

BACKGROUND INFORMATION:

Revenue for the Crime Victim's Rights Fund comes from assessments, treated as fee revenue, imposed on individuals convicted of felonies and misdemeanors, including juveniles and those assigned to youthful trainee status or those with deferred sentences. The revenue is used for a variety of crime victim services, including awards to victims and assistance with funeral expenses, psychological counseling, grief counseling, and lost wages.

In current law there are three 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, 2014, any additional excess revenue up to \$3.5 million a year that has not been used for victim compensation may be used to establish and maintain a statewide trauma system. After that date, the maximum allowable yearly expenditure for this purpose is reduced by half or an amount proportional to crime victims' utilization of the statewide trauma system.

In 2004, legislation was enacted to establish a statewide trauma system that would regionalize care, coordinate services, and improve communication between service providers. The legislation aimed at improving a fragmented and inefficient system of emergency and trauma care that resulted in emergency response times in some areas of the state being too slow to adequately treat emergencies such as stroke, heart attack, and serious accidents. However, funding was not provided until Public Act 280 of 2010, which allowed for expenditures from the Crime Victim's Rights Fund to establish and maintain a statewide trauma system.

FISCAL IMPACT:

House Bill 4915 allows for up to \$3.5 million of state restricted Crime Victim's Rights Fund to be appropriated in FY 2014-15 through FY 2017-18 annually in the Department of Community Health (DCH) budget for the establishment and maintenance of a statewide trauma system. If the sunset is not extended or eliminated, beginning October 1, 2014, the funding will be capped at \$1.75 million, unless a higher appropriation can be shown to be proportional to crime victims' use of the statewide trauma system.

The current DCH budget for FY 2013-14 includes an appropriation of the maximum allowed of \$3.5 million, and the enacted FY 2014-15 budget provides continuation funding at the same level. HB 4915 is needed in order to implement the enacted FY 2014-15 DCH budget and provide statutory authority for continued statewide trauma system funding of \$3.5 million.

State restricted Crime Victim's Rights Funds revenue is sufficient to continue to support this funding at a level of \$3.5 million, as a third priority after funding needs are met for crime victim services and crime victim compensation. Revenue to the Fund is from fees assessed against convicted criminal defendants. Crime Victim's Rights Fund monies available through FY 2013-14 are projected at \$25.5 million with total expenditures of \$19.0 – \$19.5 million. In addition to the \$3.5 million for the statewide emergency medical services trauma system, expenditures of the Fund in FY 2013-14 for the crime victim program are estimated as follows: \$1.5 million for state administration and education; \$7.0 million for grants to county prosecutors, courts, and other organizations for training and local advocacy and other victim services; \$5.0 million for victim compensation; \$1.0 million for provider reimbursement for victim forensic exams related to sexual assault (SAFE Response); and \$1,761,400 for state information technology services.

BRIEF DISCUSSION OF THE ISSUES:

A trauma care system develops and coordinates the delivery of trauma care services within a state's borders. Michigan is said to remain one of only two states that does not currently have a statewide trauma care system. Critics say that the result is that some die unnecessarily while others suffer from long-term disabilities that may have been prevented had appropriate care been received in a timely manner. It is known that appropriate treatment and stabilization within the first hour of a traumatic injury, known

as the "golden hour", can significantly increase a patient's chance of survival and decrease the potential for long-term disability. Therefore, lives could be saved and economic costs associated with loss of productivity could be reduced if the needs of trauma victims were quickly evaluated and each patient sent to the hospital equipped to provide the medical care needed, rather than be sent to the closest facility as is the current practice.

Work has been progressing on setting up the statewide trauma system over the past few years, but it is not yet completed. Continuing funding the system at the current level for an additional four years should provide sufficient time to finish building it. According to a representative of the Michigan Trauma Coalition, the eventual goal is to move away from the Crime Victim's Rights Fund (CVRF) as a revenue source. However, at this time, there is sufficient money in the fund to provide for crime victim services and crime victim compensation as well as continuing the full expenditure of \$3.5 million to the trauma system. Since many crime victims would also benefit from a statewide trauma system, some see diverting some CVRF money to establish the system as appropriate and connected to the intent of helping victims of crimes.

However, the proposal to continue funding the statewide trauma system from the CVRF does have its detractors. One reason is that the CVRF is funded through a provision in the State Constitution that authorizes assessments against criminals convicted of crimes with the revenue going to pay for crime victims' rights. It could be argued that using the assessments to fund a statewide trauma system, especially when it is not known how many crime victims would make use of such a system, is outside of the meaning of "victims' services" as defined in statute. Some say that the bill appears, therefore, to continue to set a precedent for the Legislature to "raid" a fund that has a surplus to pay for other projects or to shore up the General Fund, even a fund with a constitutionally-authorized purpose. This is not to say that establishing a statewide trauma system is not a worthy endeavor; just that the CVRF may not be the most suitable source of funding.

POSITIONS:

Representatives of the Department of Community Health and the Governor's Office testified in support of the bill. (3-6-14)

A representative of the Michigan Trauma Coalition testified in support of the bill. (3-6-14)

The American Heart Association indicated support for the bill. (9-11-14)

The Michigan Coalition to End Domestic and Sexual Violence indicated support for the bill. (9-11-14)

The Emergency Nurses Association indicated support for the bill. (9-11-14)

The Michigan Trauma Coalition/MidMichigan Health indicated support for the bill. (9-11-14)

The Michigan Health & Hospital Association indicated support for the bill. (9-11-14)

Ascension Health-Michigan indicated support for the bill. (9-11-14)

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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.