EXHIBIT 3
DATE 1/21/05
HB 264

DEPARTMENT OF JUSTICE
HB 264: Restitution Collected by Crime Victim Compensation

Background
The 1995 Legislature passed legislation directing the Crime Victim Program (CVP) to establish a program to monitor and collect restitution from defendants whose victims received benefits from the program. Restitution collected is now deposited directly into the state's general fund.

CVP pays medical, mental health, funeral and wage-loss expenses for innocent victims of crime who cooperate with law enforcement and meet other criteria. The number of claims received from victims in Montana increases every year.

CVP has a full-time restitution officer whose efforts to collect funds owed to the state improve every year. This individual works actively with Department of Corrections staff and clerks of court to secure the funds owed to CVP. With one exception, the amount collected has increased each year since 1995.

Increasing Medical Costs Strain Funding
The state's contribution to CVP has remained basically unchanged since 2000, while medical costs have increased substantially. The program runs out of money earlier and earlier each year. For the past two years, CVP has exhausted all available funds before the end of the year. Victims and providers were forced to wait until the start of the next fiscal year to be paid, starting the cycle of insufficient funding all over again.

CVP is caught in a cycle of stagnant revenue, increasing claims and increasing costs.

Advantages of HB 264
One way to make additional dollars available for victims without tapping the general fund is for CVP to use funds recovered from offenders to pay compensation claims. HB 264 would:

- **Increase federal matching funds** –The federal government matches any dollars contributed by the State of Montana to CVP at the rate of 60%. Recovered funds deposited in the general fund are **not** now matched. If CVP were allowed to use recovered dollars to pay claims, federal funds **would** match those dollars, significantly increasing funding for the program.
- **Use funds from offenders, not taxpayers** – CVP recovers funds from offenders who are being held accountable for their actions and uses that money to reduce the suffering of innocent victims of crime. Passage of this bill would not place any additional burden on taxpayers. Nor would it involve any kind of surcharge.

Summary
Some means of increasing financial assistance to innocent crime victims is needed to keep pace with rising medical costs. Given the success of existing restitution staff, it makes sense to use recovered funds to pay compensation claims and take advantage of the accompanying 60% federal match. HB 264 proposes a cost-effective and workable solution.