SENATE FINANCE & CLAIMS
Exhibit No. 1
Date 3-20-09
Bill No. HB 108

DEPARTMENT OF JUSTICE
HB 108: 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 offenders 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 average cost of claims 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. For the past six 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.

Fiscal Year	General Funds Rec'd	Benefits Paid	Benefit Shortage	Restitution Collected
FY 03	$581,300	$766,088	$91,709	$204,964
FY 04	$589,398	$903,016	$226,106	$136,715
FY 05	$579,398	$924,169	$113,433	$190,552
FY 06	$589,397	$906,061	$147,745	$174,099
FY 07	$589,397	$727,225	$309,360	$181,507
FY 08	$589,397	$930,229	$579,702	$247,253

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

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Advantages of HB 108

One way to make additional dollars available for victims is for CVP to use funds recovered from offenders to pay compensation claims. HB 108 would:

- **Increase federal matching funds** – The federal government matches any dollars contributed by the State of Montana to CVP at the rate of 60 percent. Recovered funds deposited in the general fund reduce the CVP base funding eligible for the federal match. If CVP were allowed to use recovered dollars to pay claims, the base funding eligible for the federal match would be greater, significantly increasing funding for the program by approximately $120,000 a year, based on restitution collections of $200,000 a year.

- **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 percent federal match. HB 108 proposes a cost-effective and workable solution.

2009 Legislature
January 19, 2009