



ANNUAL REPORT FISCAL YEAR 2008



MINNESOTA CRIME VICTIMS REPARATIONS BOARD

OFFICE OF JUSTICE PROGRAMS
MINNESOTA DEPARTMENT OF PUBLIC SAFETY

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LETTER FROM THE CHAIRMAN

As chairman of the Board, I am honored to present the annual report of the Minnesota Crime Victims Reparations Board for fiscal year 2008. This report covers the Board's activities for the period from July 1, 2007 through June 30, 2008.

This past year has been a time of growth and stabilization for the Reparations Board. The cost-cutting measures implemented by the Board during 2007 successfully averted a fiscal crisis by reducing the Board's expenditures. The Board also collected a record amount of restitution from offenders during 2007 and 2008 which further strengthened the Board's financial position. At the same time, the Board worked hard to ensure that victims of violent crime continued to receive assistance to meet their needs. The Board provided financial aid to 1,870 victims who suffered losses as a direct result of violent crime.



The number of claims received by the Board continued to increase steadily. During fiscal year 2008, the Reparations Board received 1,819 new claims, a small increase from the previous year. In twenty percent of the new claims, the victim was less than 17 years old. A majority of the claims received resulted from assaults, homicides, robberies, child abuse, sexual assault or drunk driving. Claims received for victims of child sexual abuse increased significantly this year. Also, as in past years, over twenty percent of the claims received were related to domestic violence.

The total amount of claims approved during fiscal year 2008 was \$3 million. The types of expenses paid with these funds included medical care, counseling, funeral and burial services, lost wages, loss of support for survivors, and other costs. This funding helped victims in all geographic areas of the state. Several counties showed increasing numbers of claims, particularly Carver, Hennepin, Hubbard, Lyon, Martin, Morrison, Otter Tail, Pennington, Ramsey, Redwood and Scott counties.

Throughout the year, the Board listened carefully to many victims and their family members who described devastating losses, as well as inspiring stories of healing and recovery. The Board worked very diligently to make fair and consistent decisions on claims in accordance with the laws and rules which govern the Board. Board members personally reviewed and decided 308 claims, and heard 42 appeals.

It has been a pleasure to work in collaboration with our Board members, as well as Marie Bibus, Executive Director, and her experienced staff, to provide a truly excellent service to crime victims throughout Minnesota.

Robert Goodell, Chairman

PROGRAM OVERVIEW

History

Prior to the enactment of victim compensation programs, many innocent victims of crime were left with devastating medical bills, lost wages, and other expenses. The first victim compensation programs were established during the 1960s to provide critical financial assistance and restore the losses sustained by victims of crime. Today, every state and many other countries have programs to provide financial compensation to crime victims.

In Minnesota, the Crime Victims Reparations Board was created by the legislature in 1974 to help victims with their financial losses and aid in their recovery from a violent crime. The legislature recognized that many victims incur expenses they cannot afford to pay, and most are unable to collect full restitution from criminal offenders. As a result of the Reparations Board, victims are able to receive the assistance they need to put them on the path to healing.

During the program's 34 years of operations, over 33,800 victims of crime have applied for assistance. The mission of the program has remained the same during that time—to help crime victims and their family members recover their health and economic stability by providing compensation for losses incurred as a direct result of a crime.

Board Members

The Reparations Board is composed of five members appointed by the Commissioner of the Department of Public Safety. Under Minnesota law, one member of the Board must be a physician, and at least one member must have been a victim of a crime. The terms for board members are four years, and they may serve more than one term.



Current Board membership includes: (left to right) Lt. Kimberly Lund, Minneapolis Police; Mary Waldkirch, Washington County; Robert Goodell, Anoka County Attorney's Office; Raichel Brown, Crime Victim; Dr. Philip Eckman.

Board Powers and Duties

The Board is responsible for distributing funds in accordance with the Minnesota Crime Victims Reparations Act, Minnesota Statutes Section 611A.68. The Board is also governed by Minnesota Rules 3050.0100 to 3050.4100. The Board meets once a month to review claims, hear appeals, and conduct related business. In addition, the Board develops policies and rules regarding eligibility and coverage and determines payment rates.

Appeals

In fiscal year 2008, the Board heard 42 appeals. Of those, 27 were affirmed, 8 were modified, and 7 were reversed and paid. There were 6 administrative hearings held, as well as several pre-hearing conferences.

FISCAL YEAR 2008 YEAR IN REVIEW

Increase in Reparations Claims Continues

The number of claims received by the Crime Victims Reparations Board has increased steadily during the past four years. During fiscal year 2008, the Board received 1,819 new claims, compared to 1,764 new claims in fiscal year 2007. The increase was primarily due to a surge in claims from Hennepin County and Ramsey County, as well as multiple claims related to the tragic school bus crash in Lyon County.

During the past year, there was a significant increase in claims involving child sexual abuse. The Board received 299 claims for child sexual abuse during fiscal year 2008 compared with 199 claims during the previous fiscal year. Claims from adult sexual assault victims also continued at a high rate.

Financial Stability

The financial stability of the program has improved due to a small increase in the Board's appropriation enacted by the legislature in 2007, as well as cost-cutting measures implemented by the Board. The total amount of approved awards decreased to \$3 million. Due to the rate changes made in 2007, the Board's costs for medical and funeral expenses decreased while payments to survivors for loss of support benefits increased.

Restitution Collections Set Another Record

For the second consecutive year, the restitution recovery unit brought in a record level of restitution payments from criminal offenders. A total of \$502,570 was collected in restitution. This was due to the efforts of a small team of reparations specialists who worked diligently to hold offenders accountable for payments.

Processing Time Decreased

One of the Board's primary goals is to process claims as quickly as possible. Despite the steady increase in claims, Reparations staff renewed their focus on speeding up the claim processing time. Processing time decreased to an average of 106 days from the time a claim is received to the first payment made to the applicant.

The Board also strives to provide quality service to victims. This is measured through a regular survey of recipients. During fiscal year 2008, 93% of survey respondents gave staff an overall service rating of Very Good, Good or Fair. Many respondents indicated that the services were very helpful, and several of their comments are featured throughout this report.

Commitment to Outreach and Training

The Reparations Program continued its efforts at training and outreach during the past year. Staff completed sixteen reparations training sessions for advocates at programs throughout the state. Forty-nine percent of applicants stated that an advocate or victim service provider informed them of reparations benefits. An increasing number of applicants were referred to reparations by hospital outreach staff. The Reparations Board would like to thank all those advocates, service providers, county attorneys, law enforcement and other professionals around the state who have assisted victims by distributing reparations information and materials.

Claimant Comment

"This is a wonderful organization that is much help to innocent victims who really need it."

APPLICATION PROCESS

The application process begins when a claim form is received from the victim. A request is then sent to the investigating law enforcement agency for information verifying the crime. Claims specialists review the application and law enforcement reports to make an initial decision on the claim. This includes determining whether the claim meets the program's eligibility requirements listed to the right.

Award Process

If the applicant clearly meets all of the eligibility requirements, the staff immediately begins to collect billing information and other documentation from service providers to determine the amount of the victim's losses. If the victim missed work because he or she was disabled, the employer and a physician are asked to provide information about the victim's lost wages. Staff members work to ensure that all applications are processed in a timely manner, and that applicants receive all of the benefits due to them.

Claimant Comment

"This program has helped us so much. The staff was great, we are so impressed. You made a difference for our family."

After the amount of the award is determined, an award notice and explanation of benefits is sent to the victim and their providers. After the award notice is mailed, a check is sent to the victim or his/her providers by the Department of Finance. In many cases, funds are paid through an electronic fund transfer.

Board Review

If there is a question about the applicant's eligibility under the Board's statutes and rules, the claim is forwarded to the Board for review. The Board votes on the eligibility and benefit levels of questionable claims. Typically, the Board reviews cases involving contributory misconduct or lack of cooperation by the victim. If the claim is denied or reduced by the Board, the applicant is notified in writing of the denial or reduction in benefits, and the reasons for the Board's decision.

Appeals Process

Applicants who are dissatisfied with the Board's actions on their claim may submit an appeal letter. After the Board hears the appeal, applicants who are still dissatisfied with the Board's decision can proceed to an administrative hearing. Hearings are conducted by an impartial administrative law judge at the Office of Administrative Hearings.

Eligibility Requirements

- The applicant must have been a victim of a crime involving injury or death in Minnesota or a Minnesota resident victimized while traveling in another country.
- Claims must be submitted to the Board within three years of the crime (except for child abuse).
- The crime must have been reported to the police within 30 days (except for sexual assault and child abuse).
- The victim must have cooperated fully with law enforcement officials and prosecution.
- Victims who contributed to the crime through serious misconduct or criminal activity are disqualified, or may receive a substantially reduced award.

PROGRAM COVERAGE

The Reparations Board provides benefits for expenses incurred by the victim as a result of the crime. The Board only pays expenses that are not covered by another source of funding, such as health or auto insurance. Property losses are not covered.

There are rate limits or caps on most expenses. Medical costs are covered at a rate of 50 percent and providers are required to write-off the remainder. In addition, total benefits paid may not exceed \$50,000.

Benefits are available for the following expenses:

- Medical or dental costs, including hospital and clinic fees, ambulance service, prescriptions, chiropractic care, physical therapy, and accessibility remodeling.

- Mental health care for the victim, up to \$7500. Benefits are also available for counseling for immediate family members of the victim and witnesses to a violent crime.
- Expenses related to the return of an abducted child.
- Funeral and burial costs up to \$6500, including transportation and lodging for family members to attend the funeral.
- Lost wages for the victim due to a disabling physical or psychological injury from the crime, up to 52 weeks. Limited lost wages are also available for immediate family members of a deceased or injured victim.

Claimant Comment

“The Board helped my family in our desperate time of need, and for that, we thank you.”

- Loss of support benefits for dependents of a deceased victim.
- Childcare or professional household services to replace services provided by the victim prior to the crime.



Board members Eckman and Lund



Board members Goodell and Eckman

EDUCATION AND OUTREACH PROGRAM

The Reparations Board has an education and outreach program to ensure that all victims of violent crime receive information about reparations and have an opportunity to apply for benefits. The Board uses various ways to raise awareness, including training events, a website, a newsletter, and distribution of informational materials in multiple languages and formats.

The Board provides training and information to professionals who have the most contact with crime victims. Training about reparations benefits and policies is provided during quarterly seminars for advocates throughout the state. The staff also responds to requests for training from shelters, crisis centers, community organizations, and city, county or federal attorney offices.

During fiscal year 2008, the reparations staff conducted 16 training sessions at locations throughout the state, including St. Paul, Minneapolis, St. Cloud, Eagan, Worthington, Alexandria, Little Falls, Bloomington, Elk River, Albert Lea and Bemidji. The education and outreach program has been very successful. Of the participants who completed an evaluation, 98 percent rated the overall content as excellent or good.

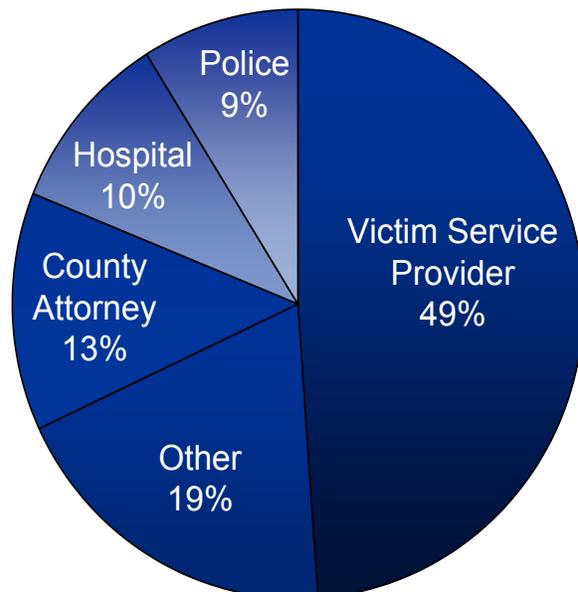
The program has a variety of brochures, handbooks and posters available. Law enforcement agencies, county attorney offices, and victim service programs may request materials by submitting an order form. The order form and copies of materials may be downloaded from the Department of Public Safety Office of Justice Programs website at www.ojp.state.mn.us.

Training Participant Comments

“I wasn’t aware of this program. This is one of the best uses of tax dollars!”

“Awesome program! Hope we can get the word out to more victims.”

Claims by Referral Source	
Referral Source	Number of Claims
Funeral Home	39
Hospital	179
Internet Website	10
Other	197
Police	156
Poster/Brochure	5
Probation Officer	18
Prosecutor/Attorney	233
Sexual Assault Program	89
Domestic Abuse Shelter	74
Social Services	30
Unknown	49
Victim/Witness Program	740
TOTAL	1819



CLAIMS RECEIVED

In fiscal year 2008, the Reparations Board received 1,819 claims from 80 counties in all geographic areas of the state. This was a three percent increase from the previous year. The majority of claims were from victims in the following counties: Hennepin (29 percent), Ramsey (13 percent), Dakota (6 percent), Anoka (5 percent), St. Louis (4 percent), Washington (4 percent) and Olmsted (3 percent).

The most common crime categories were assaults (55 percent), child abuse (17 percent), homicides (8 percent), drunk driving (7 percent), sexual assaults (6 percent) and robberies (3 percent). Twenty percent of all claims were the result of domestic violence. During fiscal year 2008, claims for child sexual abuse increased significantly and claims for assaults decreased.

Claims for victims who were ages 1 through 17 years old constituted 20 percent of all new claims. Fifty-one percent of the victims were male and 49 percent were female. Sixty-two percent were white, 16 percent were African-American, 4 percent were American Indian, 6 percent were Hispanic or Latino, 3 percent were Asian-American, and 9 percent were unknown.

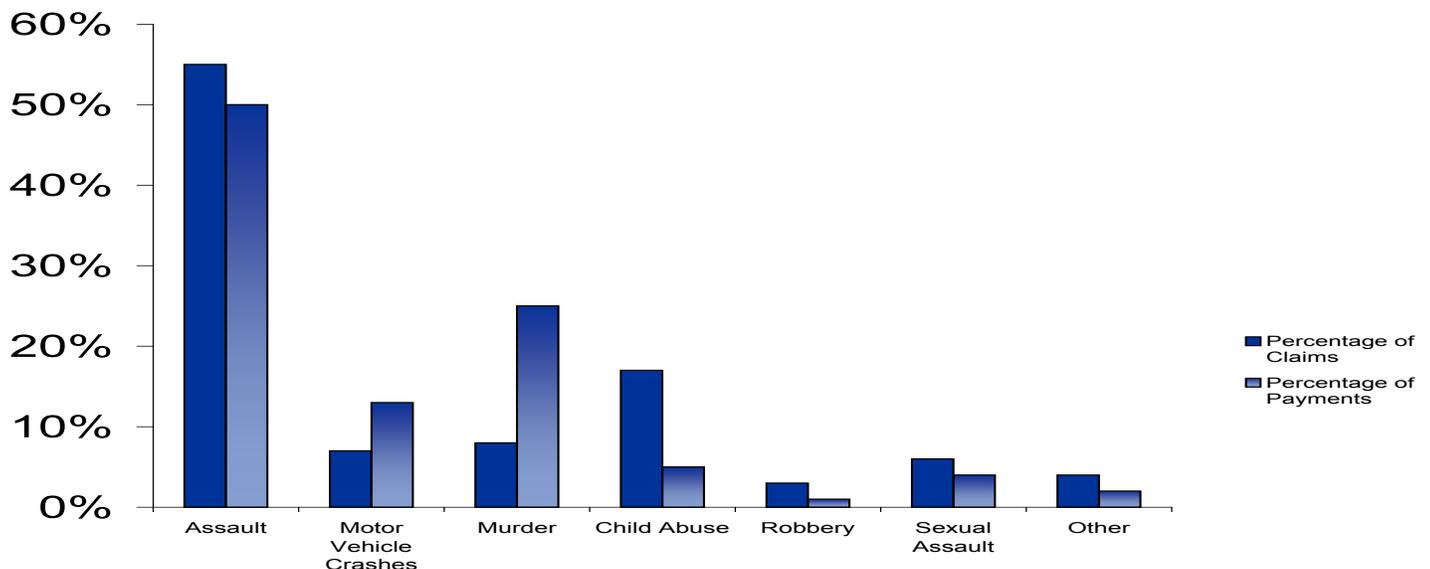
Claimant Comment

“I was very impressed with the way everything was handled from the time of the incident up until I received my final check. You run an excellent program/service.”

Claims by Type of Crime

Crime Type	Number of Claims
Assault-5th Degree	113
Assault-Felony	879
Motor Vehicle Crashes	133
Kidnapping	7
Murder	152
Child Abuse	316
Robbery	61
Sexual Assault	117
Other	41
TOTAL	1819

Claims/Payments by Crime Type



PROGRAM FUNDING AND EXPENDITURES

Funding Sources

In fiscal year 2008, the Board's budget consisted of over \$4.5 million from state and federal sources. Fifty-one percent of the funding came from the state general fund appropriation. In 2007, the legislature voted to increase the level of funding for reparations by \$250,000 annually due to the increasing costs of compensating victims.

Twenty-four percent of the Board's funding was derived from special revenue collected by the Board. Special revenue included restitution payments from offenders, unclaimed restitution, funds from civil awards paid to victims, and inmate wage deductions transferred from the Minnesota Department of Corrections.

Twenty-five percent of the Board's funding was received in grants from the federal government. The program received an annual federal grant from the U.S. Department of Justice.

Restitution and Inmate Wage Collections

The Board is committed to holding offenders accountable for restoring victims' losses. The Board has a fund recovery program which has been extraordinarily successful. For the second consecutive year, the program collected a record amount of restitution.

Claimant Comment

"The treatment and service from your staff is exceptional."

In fiscal year 2008, the program recovered \$502,570 in restitution, the highest amount ever collected in one year. The program also received \$173,182 in unclaimed restitution monies from counties. In addition, the program recovered \$76,495 in civil awards.

The amount of inmate wages transferred from the Department of Corrections in fiscal year 2008 was \$295,135. The amount of inmate wages is expected to decrease to \$250,000 annually during the next biennium.

Expenditures

In fiscal year 2008, \$3 million in awards were approved for payment to victims or their service providers. The Board's administrative costs were \$859,000.

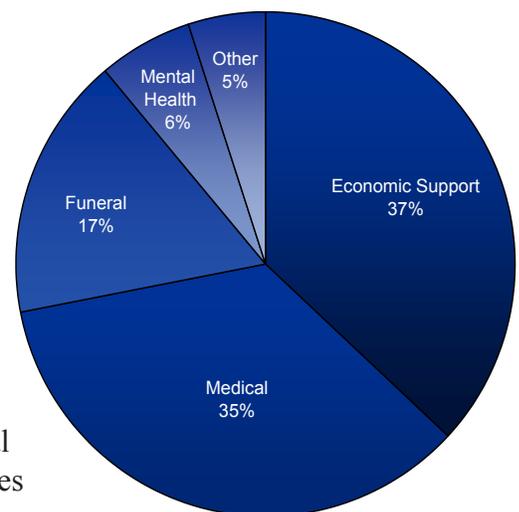
The largest category of expenses was medical care for victims which accounted for 35 percent of the reparations payments. For the first time in several years, the Board's medical costs decreased due to rate changes imposed by the Board in 2007, and the MN Attorney General's uninsured discount program.

The second most costly type of expense was economic support which includes lost wages and loss of support to dependents of a deceased victim. In fiscal year 2008, 37 percent of the Board's expenses were for economic support.

Funeral and burial expenses and related transportation costs were the third largest category of expenditures at 17 percent. The Board's funeral costs decreased due to a lower maximum benefit enacted in 2007.

Mental health care was the least expensive category, comprising only 6 percent of expenditures.

Other payments, such as crime scene clean-up and accessibility remodeling, accounted for 5 percent of expenditures.





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