

# Annual Report FY2003

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## Message from the Chairman of the Reparations Board

It is my pleasure to present the annual report of the Minnesota Crime Victims Reparations Board for Fiscal Year 2003. This report summarizes the Board's activities for the period from July 1, 2002 through June 30, 2003.

The mission of the Board is to reduce the impact of violent crime on victims and their families by providing financial assistance. The Board plays a crucial role in helping victims recover from the aftermath of violent crime.

During the past year, the Reparations Board provided benefits to a record number of victims throughout the state. The Board received 2,023 new claims in FY2003. A majority of the claims we received resulted from assaults, homicides, robberies, child abuse, sexual assault or drunk driving. In 19% of these claims, the victim was a juvenile. At least 28% of the claims submitted were related to domestic violence.

The total amount paid in awards during 2003 was \$3.6 million. Financial benefits were awarded for

expenses such as medical care, mental health treatment, funeral and burial services, lost wages, loss of support for survivors, transportation and emergency moving expenses.

As part of our mission, the Board has worked to improve the quality of services delivered by the Reparations Program. This has included developing educational materials in a variety of languages and formats to help crime victims understand the process of applying for and receiving reparations. The Board has also provided training to a variety of criminal justice agencies, victim services programs, and other community organizations.

The members of the Board are committed to increasing awareness about reparations, as well as maintaining the efficient administration of the program. Speaking on behalf of all the members of the Board, it is an honor to provide services to crime victims throughout Minnesota.



**Commander John Harrington**

# Program Overview

## History

Compensation programs for victims of crime were first established during the 1960s for humanitarian reasons. Due to lack of insurance or the inability of offenders to make restitution, many innocent victims were left with devastating medical bills and other costs of crime. To bring about justice for victims, various states began developing compensation programs. Today, every state and many other countries have programs to provide financial assistance to crime victims.

In Minnesota, the Crime Victims Reparations Board was created by the legislature in 1974 to help victims with their financial losses as they recover from a violent crime. The legislature recognized that many victims incur expenses that they cannot afford to pay. As a result of the Reparations Program, victims no longer have to bear the financial burden of crime alone.

Since its inception, the mission of the program has been to assist victims and their family members by providing compensation for losses incurred as a result of a crime. Over 25,000 victims of violent crime have applied for assistance during the program's 29 years of operations.



Current Board membership includes: (left to right) John Harrington, St. Paul Police; William McIntyre, Crime Victim; Robert Goodell, Anoka County; Mary Biermaier, Ramsey County; Dr. Philip Eckman, M.D.

## 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.

## Board Powers and Duties

The Board is responsible for distributing funds within the boundaries of the laws governing the Board. The Board meets once a month to review claims and conduct related business.

The Board's primary role is to make decisions on eligibility issues. The Board also hears all appeals submitted by victims. In addition, the Board develops policies and rules regarding eligibility and coverage, and determines payment rates.

### ***Claimant Comment***

***"At this time, your services made our family feel the community at large cared."***

# Executive Summary

## Continued Increase in Claims

Crime victims continued to seek financial help in record-breaking numbers in FY2003. Increases in claims occurred across several crime categories including homicide, felony assault, robbery, drunk driving and child sexual abuse. Claims for felony assaults, such as shootings and stabbings, increased by 43%. Claims for criminal vehicular and drunk driving crashes increased by 29%.

The Twin Cities metropolitan area had the most significant increase in claims. Counties with notable increases in claims included Anoka, Cass, Dakota, Hennepin, Mahnommen, Olmsted, Ramsey, Stearns, and Todd.

## Increase in Expenditures

Following a national trend, payments made by the Board increased 22% during Fiscal Year 2003 to \$3.6 million. The growth rate in medical expenses was the most significant. Medical expenses increased by 53%. Fortunately, despite the large increase, the Board was able to provide vital assistance to all eligible victims.

## Budget Constraints

Although funding for the Reparations Program was not cut, the Board faced the difficult task of paying an increasing number of claims with the same amount of money. In this critical budget situation, the Board had to reduce its coverage to ensure that expenditures do not exceed available revenues.

Due to the dramatic increase in medical expenses, the Board lowered its rate of payment to medical providers to 70% effective July 1, 2003. This was a decrease of only 10% from the previous payment rate of 80% and did not impact reimbursement to victims who have already paid their bills.

Another adjustment made by the Board was the discontinuation of reimbursement for mileage and moving expenses. These were the first reductions in benefits since 1993. Despite these changes, Minnesota's Reparations Program still ranks among the best states in terms of benefits offered to meet the needs of crime victims.

## Quality Customer Service

The reparations staff continued to focus on providing caring and compassionate services to crime victims. During the first six months of 2003, staff responded to over 6,000 phone calls. Of those claimants who responded to our customer survey, 88% said that staff were polite, professional and understood their concerns. Some of the comments received from claimants during Fiscal Year 2003 are found throughout this report. It is gratifying to receive so many accolades from the people we serve.

## Program Structure

In Fiscal Year 2003, the Reparations Program became a part of the new Office of Justice Programs at the Minnesota Department of Public Safety. Reparations staff report to Mary Ellison, Executive Director of the Office of Justice Programs.

### Claimant Comment

*"In a time of no hope, they were there to hold my hand and give me hope again."*

## Staff members during 2003

Eleven full-time staff members are responsible for processing claims and assisting victims who apply for benefits. The current staff members are: Alcenya Ajayi, Claims Specialist; Marie Bibus, Program Director; Jeanne Brann, Admin. Specialist; Bev Carey, Admin. Specialist; Idelia Garcia, Office Specialist; Danielle Kitto, Claims Manager; Barbara McCarty, Claims Manager; Mary Lou Nelson, Admin. Spec. Catherine O'Bryan, Receptionist; Amy Studtmann, Claims Specialist; Lisa Varela, Admin. Specialist.

# 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 below.

## Eligibility Requirements

- The applicant must have been a victim of a crime involving injury or death in Minnesota.
- Claims must be submitted to the Board within 3 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.
- Victims who contributed to the crime through serious misconduct or criminal activity are disqualified, or may receive a substantially reduced award.

## 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 they were disabled, their 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.

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 their providers by the Department of Finance.

## 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 their 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 victim 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 their 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.

### Claimant Comment

*"I was pleasantly surprised at the prompt and thorough information and help and coverage I received from your services. I am glad there is a program like yours available."*

# Program Coverage

The Reparations Program provides benefits for expenses incurred by the victim as a result of the crime. The Program 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. In addition, total benefits 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, sexual assault exams, 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.
- Expenses related to the return of an abducted child.
- Funeral and burial costs up to \$7500, including transportation 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.
- Loss of support for dependents of a deceased victim to replace the victim's financial contribution to the family.
- Childcare or household services to replace services provided by the victim prior to the crime.

## ***Claimant Comment***

***“Before I was assaulted, I had no idea there was a program like this, but now I know and greatly appreciate the kind people that put it together”***



Board members Goodell, Eckman and Harrington



Board members Biermaier and McIntyre

# 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 program uses various ways to raise awareness, including training events, advertisements at bus shelters, a website, a newsletter, and distribution of informational materials in multiple languages and formats.

The program provides training and information to professionals who have the most contact with victims. As a result of improved outreach efforts, in Fiscal Year 2003, the number of victims referred by shelters, sexual assault programs, victim/witness programs and county attorneys greatly increased. The percentage of applicants who said they were referred by a local victim assistance program increased from 45% in 2000 to 56% in 2003.

One of the Reparations claims managers also spends part of her time as the program's education and outreach coordinator. The coordinator participates in quarterly seminars for advocates throughout the state to provide training about reparations benefits and policies. She also responds to requests for training from shelters, crisis centers, community organizations, and city, county or U.S. attorney offices. During Fiscal Year 2003, the outreach coordinator conducted 23 training sessions for these programs at locations throughout the state.

The program has a variety of brochures, handbooks and posters available. Law enforcement agencies, county attorney offices, and victim service programs can request materials by submitting an order form. The order form and copies of materials can be found on the Office of Justice Programs website at [www.ojp.state.mn.us](http://www.ojp.state.mn.us).

## Claimant Comment

*"I believe that your program is one of the few state programs that shows true compassion and financial help to persons who are suffering serious emotional and physical ailments due to unprovoked crime."*

## Claims by Referral Source

Referral Method	Number of Claims
Police	217
Victim/Witness Program	785
Shelter	245
Sexual Assault Program	93
Prosecutor	242
Hospital	124
Funeral Home	35
Social Services	46
Other	171
Poster/PSA	26
Probation Officer	19
Unknown	20
<b>TOTAL</b>	<b>2023</b>

# Claims Received

In Fiscal Year 2003, the Reparations Board received 2,023 claims. This was an increase of 11% over the previous year's total of 1817. 56% of all claims received came from the seven county metropolitan area.

The most common crimes were assault, homicide, drunk driving, child abuse, sexual assault and robbery.

19% of the victims were children, age 17 or less. 57% of the victims were female. 62% were white, 16% African-American, 5% American Indian, 2% Asian-American, 6% Hispanic or Latino, and 9% other/unknown.

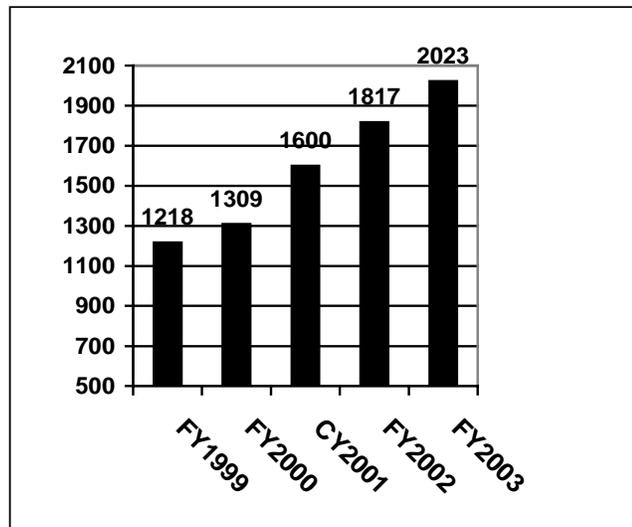
## Claimant Comment

*"I am grateful for the assistance. It helped to ease the surrounding difficulties of a very stressful situation. Thank you so much for your help!"*

## Claims by Type of Crime

Crime Type	Number of Claims
Assault-5th Degree	504
Assault Felony	653
Drunk Driving	156
Kidnapping	12
Murder	173
Child Abuse	253
Robbery	75
Sexual Assault	105
Other	92
<b>TOTAL</b>	<b>2023</b>

## CLAIMS RECEIVED



# Program Funding and Expenditures

## Funding Sources

Program funding of \$4 million annually comes to the Board from state and federal sources.

State funding includes an appropriation from the general fund, as well as special revenue collected by the Board. The Board receives restitution payments from offenders and recovers funds from civil awards paid to victims. In addition, the Board receives a small percentage of inmate wage deductions through the Minnesota Department of Corrections.

The Program also receives a federal grant annually from the U.S. Department of Justice, Office for Victims of Crime. The federal crime victim funds come from federal criminal fines.

In Fiscal Year 2003, the following amounts were spent on claims from these sources: \$2,088,608 in state funds, \$802,413 in special revenue collected from offenders, and \$691,398 in federal funds.

## Restitution Collections

The Reparations Board is committed to holding offenders accountable for restoring the victim's losses. In 1993, the Board started a Fund Recovery Program to improve the collection of restitution from offenders.

The Fund Recovery Program has been extraordinarily successful. The Program has consistently surpassed its goal of increasing collections by 5% annually.

### Claimant Comment

*“Staff was courteous and turn around time was very quick. I appreciate the help we received.”*

In Fiscal Year 2003, the Program recovered \$359,532 in restitution and \$71,192 in civil awards. The Program also received unclaimed restitution monies from counties. As the number of claims received by the Board has increased, the collection of restitution and civil awards has been critical for the continued operation of the Reparations Program.

## Expenditures

In Fiscal Year 2003, the amount distributed in awards to victims or their providers was \$3,582,419.

The largest category of expenses was medical care which accounted for 46% of the payments. This is a significant increase from 2001 when medical expenses only comprised 35% of total costs. This is due to the increased cost of health care.

The second most costly type of expense is economic support which includes lost wages and loss of support to dependents of a deceased victim. 21% of the Board's expenses were for economic support.

Funeral expenses and related transportation costs were the third largest category of expenditures at 20%.

Mental health care is the least expensive category, comprising only 5% of the Board's expenditures.

Other payments, such as crime scene clean-up, accessibility remodeling, transportation and moving expenses accounted for 8% of expenditures.

### TYPE OF EXPENSES

