

ANNUAL REPORT FISCAL YEAR 2007



Annual Report Fiscal Year 2007

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Letter from the Chairman of the Reparations Board

I am pleased to present the annual report of the Minnesota Crime Victims Reparations Board for fiscal year 2007. This report covers the Board's activities for the period from July 1, 2006 through June 30, 2007.

This year, the Board members heard from many victims and their family members who described the devastating impact of crime, and the importance of reparations to their recovery and rehabilitation. The Board worked hard to meet the essential financial needs of those crime victims, while maintaining a balanced budget. The Board provided critical assistance to 1,521 victims to restore actual losses incurred as a direct result of violent crime.

During the past few years, the Board has experienced a steady increase in claims. In fiscal year 2007, the Reparations Board received 1,764 new claims, a small increase from the previous year. In 18 percent of the new claims, the victim was less than 17 years old. A majority of the claims we received resulted from assaults, homicides, robberies, child abuse, sexual assault or drunk driving. Claims received from victims of sexual assault increased significantly this year. Also, as in past years, over 20 percent of the claims received were related to domestic violence.

The total amount paid in awards during fiscal year 2007 was 3.5 million dollars. Funding is derived from state and federal sources, as well as restitution collected from offenders. This funding helped victims in all geographic areas of the state. 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 year, the Board was successful in obtaining an increase from the legislature of \$250,000 annually to its state appropriation. In addition, the Board collected a record amount of restitution from offenders. The Board also took measures to contain escalating costs by reducing payment rates.

Although I have served on the Board for the past several years, this is my first term as the chair of the Board. As chair, I am committed to maintaining an effective and efficient process for fair and consistent decision-making. In addition, I believe one of the critical factors to our success is building strong relationships with our partners in victims services and criminal justice agencies. Finally, I believe an effective outreach strategy is crucial in helping as many victims as possible learn about the financial benefits that are available through the Reparations Program.

I am grateful for the excellent work performed by Marie Bibus, Executive Director of the Crime Victims Reparations Board, and her dedicated, experienced staff. In the coming year, I am looking forward to working with our excellent Board members and the staff to continue providing an outstanding service to crime victims throughout Minnesota.

Robert Goodell, Chairman

Program Overview

History

Victim compensation programs were first established during the 1960s to restore the losses sustained by victims of crime. Due to the lack of health insurance and the inability of offenders to pay full restitution, many innocent victims were left with devastating medical bills and other expenses. To respond to the financial needs of victims, several states began developing compensation programs. Today, every state and many other countries have programs to provide monetary assistance to crime victims.

In Minnesota, the Crime Victims Reparations Board was established 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 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. Nearly 32,000 victims of violent crime have applied for assistance during the program's 33 years of operation.



Current Board membership includes: (left to right) Mary Waldkirch, Washington County; Robert Goodell, Anoka County Attorney's Office; Lt. Kimberly Lund, Minneapolis Police; Raichel Brown, Crime Victim; 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. The Board members' terms are four years, and they may serve more than one term.

In January of 2007, two new members were appointed to the Board. The new members are:

Mary Waldkirch from the Washington County Attorney's Office, and Lt. Kimberly Lund from the Minneapolis Police Department. Both of the new members have extensive experience working with crime victims.

Dr. Philip Eckman was also reappointed for another term on the Reparations Board. In addition, Robert Goodell was selected as the new chair of the Board.

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.

YEAR IN REVIEW

Steady Increase in Claims

For the third consecutive year, the number of claims for financial assistance received by the Minnesota Crime Victims Reparations Board increased slightly in fiscal year 2007. From July 1, 2006 through June 30, 2007, 1,764 claims were submitted compared with 1,753 claims filed during the previous fiscal year. This increase reflects a rise in applications from victims of assaults and sexual assaults.

In particular, claims submitted for adult victims of sexual assaults increased significantly. In fiscal year 2007, 116 claims were received from victims of sexual assault compared with 86 claims during the previous year. The total of expenses paid for adult sexual assault and child sexual abuse claims was \$220,257. Survivors and their families were assisted with a variety of costs including counseling, residential treatment, prescriptions, physical therapy and lost wages. Without reparations, many of the survivors would not have been able to obtain any assistance for the severe emotional consequences of sexual assault.

Restitution Collections Reach Record Levels

The restitution recovery unit was extremely successful this year, bringing in a record level of restitution payments from criminal offenders. A total of \$496,564 was collected in

restitution, a 23 percent increase. This was due to the efforts of a small team of reparations specialists who worked very hard to hold offenders accountable for payments.

Legislature Increases Appropriation

Due to the increasing cost of providing compensation to victims, the Board sought an increase in its state funding. In 2007, the legislature voted to increase the level of funding for reparations by \$250,000 annually. This increases the Board's general fund appropriation to a total of \$2,349,000 for claims and administrative expenses.

In addition, the Board lowered the rate of medical coverage from 70 percent to 50 percent at the beginning of fiscal year 2007. The cap on funeral expenses was also lowered from \$7,500 to \$6,500. These actions helped reduce claims expenditures to \$3,577,277, and averted a potential budget crisis.

Board Adopts New Loss of Support Coverage

During fiscal year 2007, the Board implemented several new rules to improve services for victims. The most innovative change in the new rules expanded loss of support benefits for dependents of homicide victims. Under the new rules, if other eligibility requirements are met, all dependents of the deceased victim will be able to receive benefits of \$250 monthly even if the deceased victim was not working at the time of the crime.

Processing Time Decreased

One of the Board's primary goals is to process claims as quickly as possible. During fiscal year 2007, the program improved the speed of claims processing, lowering the average processing time to less than four months.

The Board also strives to provide quality service to victims. This is measured through a regular survey of recipients. During fiscal year 2007, 97 percent of survey respondents gave staff an overall service rating of Very Good, Good or Fair. Ninety-eight percent of respondents stated that staff were polite, professional and understood their concerns. Several of the many positive comments received from claimants through the 2007 surveys are found throughout this report.

Program Structure

The Reparations Board is a unit within the Office of Justice Programs Division in the Minnesota Department of Public Safety. Reparations staff report to Jeri Boisvert, Division Director for the Office of Justice Programs.

Staff members

Eleven staff members are responsible for processing claims, assisting victims who apply for benefits, and providing training. Current staff members are:

Marie Bibus, Program Director;
Alcenya Ajayi, Claims Specialist;
Gertrude Borowski, Admin. Specialist;
Jeanne Brann, Admin. Specialist;
Danielle Kitto, Claims Manager;
Barbara McCarty, Claims Manager;
Mary Lou Nelson, Claims Specialist;
Catherine O'Bryan, Receptionist;
Gloria Passer, Admin. Specialist;
Amy Studtmann, Claims Specialist;
L.V., Admin. Specialist.

Claimant Comment

“The program and staff are wonderful and a blessing.”

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 Board's eligibility requirements listed below.

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 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 he/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.

After the amount of the award is determined, an award notice and explanation of benefits is sent to the victim and his/her 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 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 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.

Claimant Comment

“My claims specialist was extremely helpful, very knowledgeable and performed her duties in an extremely professional and efficient manner.”

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 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 \$7,500. 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 \$6,500, 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.
- 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.

Claimant Comment

“Thanks so much for all that you have done to help me with my doctor bills.”



Board members Waldkirch and Brown



Board members Eckman and Lund

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 U.S. attorney offices.

During fiscal year 2007, the reparations staff conducted 14 training sessions at locations throughout the state. The education and outreach program has been very successful. Of the participants who completed an evaluation, 96 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 can 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

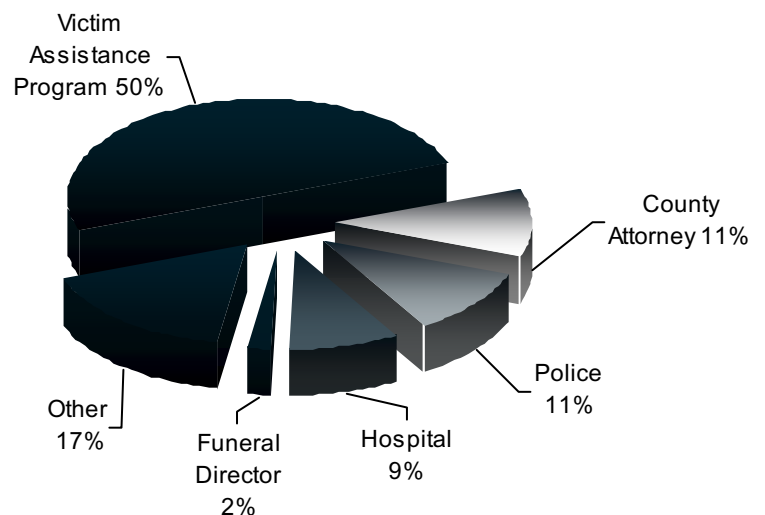
“Very good information! I did not know anything about Reparations until now!”

“I came into this knowing nothing and now I feel like I could help a victim successfully!”

“Thank you-This training is always so helpful!”

Claims by Referral Source

Referral Source	Number of Claims
Funeral Home	43
Hospital	152
Internet Website	10
Other	181
Police	195
Poster/PSA	3
Probation Officer	24
Prosecutor	198
Sexual Assault Program	97
Shelter	79
Social Services	30
Unknown	48
Victim/Witness Program	704
TOTAL	1764



Claims Received

In fiscal year 2007, the Reparations Board received 1,764 claims from 80 counties in all geographic areas of the state. This was a 1 percent increase from the previous year. The number of claims received as a result of crimes in Hennepin County decreased from 526 in fiscal year 2006 to 504 in fiscal year 2007. The majority of claims were from victims in the following counties: Hennepin (29 percent), Ramsey (12 percent), Anoka (6 percent), Dakota (6 percent), Washington (4 percent), Beltrami (2 percent), Olmsted (4 percent), St. Louis (4 percent), and Wright (2 percent).

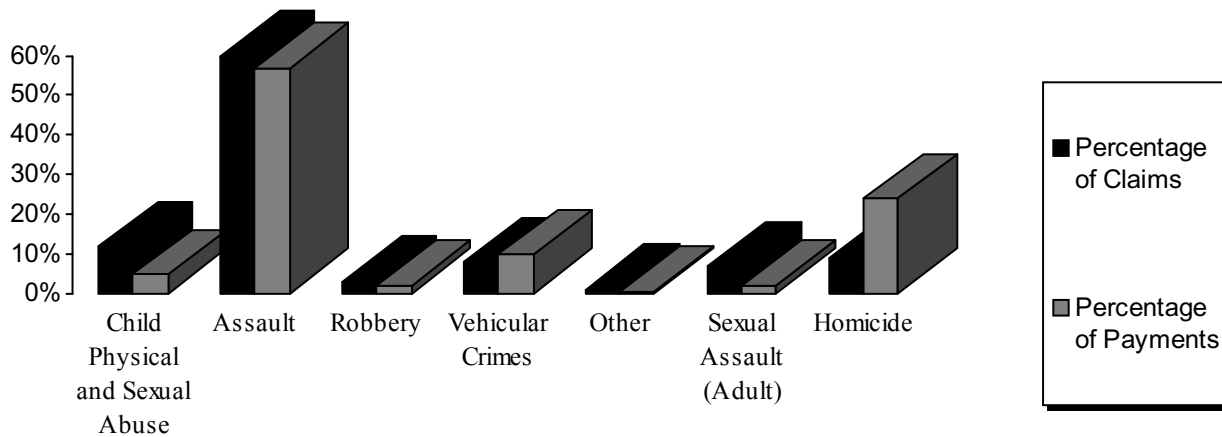
The most common crime categories were assaults (60 percent), child abuse (12 percent), homicides (9 percent), drunk driving (8 percent), sexual assaults (7 percent), and robberies (3 percent). There were increases in claims for assaults and sexual assaults.

Eighteen percent of the victims were children, age 17 or less. Fifty-two percent of the victims were male. 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.

Claims by Type of Crime

Crime Type	Number of Claims
Assault-5th Degree	140
Assault Felony	918
Drunk Driving	134
Kidnapping	10
Murder	153
Child Abuse	212
Robbery	57
Sexual Assault	116
Other	24
TOTAL	1,764

Claims/Payments by Crime Type



Claimant Comment

"I truly appreciate your assistance and financial support during this difficult time."

Program Funding and Expenditures

Funding Sources

In fiscal year 2007, the Board's budget consisted of over 4.4 million dollars from state and federal sources. Fifty-seven percent of the funding came from the state general fund appropriation. Twenty percent 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-three 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, Office for Victims of Crime. In addition, the Board spent \$129,970 of a supplemental grant received from the U.S. Department of Justice, Antiterrorism and Emergency Assistance grant program for the victims of the Red Lake school shooting which occurred in March of 2005.

Restitution and Civil Award Collections

The Reparations Board is committed to holding offenders accountable for restoring the victims' losses. In 1993, the Board started a fund recovery program to improve the collection of restitution from offenders as well as civil awards. The fund recovery program has been extraordinarily successful. During the past year, the amounts collected in restitution and subrogation increased by 26 percent.

In fiscal year 2007, the Program recovered \$496,564 in restitution, the highest amount ever collected in one year. The program also received \$156,000 in unclaimed restitution monies from counties. In addition, the program recovered \$125,480 in civil awards.

The collection of restitution and civil awards has been a critical funding source for the Reparations Board.

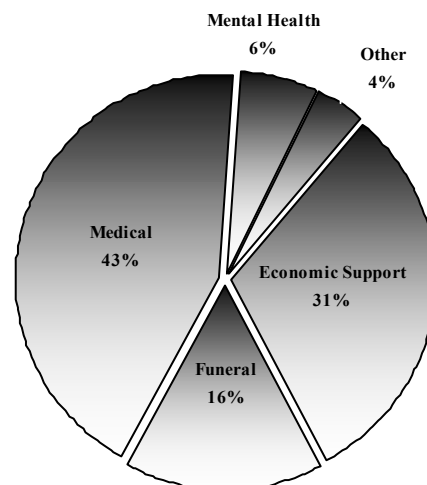
The second most costly type of expense was economic support, which includes lost wages and loss of support to dependents of a deceased victim. In fiscal year 2007, 31 percent of the Board's expenses were for economic support. The cost of paying economic support has increased significantly during the past few years.

Funeral expenses and related transportation costs were the third largest category of expenditures at 16 percent.

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

Other payments, such as crime scene clean-up and accessibility remodeling accounted for 4 percent of expenditures.

Payment by Expense Type



Expenditures

In fiscal year 2007, over 3.5 million dollars was distributed in payments to victims or their providers. The Board's administrative costs were approximately \$822,000.

The largest category of expenses was medical care for victims which accounted for 43 percent of the reparations payments. The Board's medical costs increased more than two-fold between fiscal years 2001 and 2006. Five years ago, the annual cost of paying medical expenses for victims was only \$794,000. The cost of medical payments for fiscal year 2007 was over 1.6 million dollars.

Claimant Comment

"Thank you. My world fell apart but I was able to get some help."

Crime Victim Services
445 Minnesota Street, Suite 2300
St. Paul, MN 55101-1515

(651) 201-7300
1-888-622-8799