

**State of Alaska**  
**FY2004 Governor's Operating Budget**

**Department of Administration**  
**Violent Crimes Compensation Board**  
**BRU/Component Budget Summary**

## **BRU/Component: Violent Crimes Compensation Board**

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

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### **Component Mission**

The mission of the Violent Crimes Compensation Board is to mitigate the effects of having been victimized.

### **Component Services Provided**

The Board provides direct service and help to innocent persons, to dependents of homicide victims, and to other persons who by virtue of their relationship to the victim of a compensable violent crime incur actual and reasonable expenses, excluding property damage. Alaska Statutes stipulate which crimes are compensable and dictate eligibility requirements.

On behalf of crime victims, the Board pays medical, counseling, funeral, transportation, and other expenses that are the result of violent crime occurring in Alaska or to Alaskans in locations with no crime victim compensation program. The Board awards lost wages to crime victims who miss work as a result of the crime and lost support to dependents of homicide victims.

The Board must objectively evaluate each application for crime victim compensation to determine that:

- The victim did not provoke the incident;
- A crime as designated in AS 18.67.101 was committed;
- The claimant is eligible for an award under the criteria established in AS 18.67.110;
- The expenses listed by the claimant are reasonable and were actually incurred; and
- Any pecuniary loss claimed by dependents of a deceased victim is justifiable.

The Board administers hearings to ensure the rights of crime victims eligible under AS 18.67 are upheld and provides training related to the crime victim compensation program and Alaska's criminal justice system statewide.

### **Component Goals and Strategies**

In FY2004, the Board will help innocent victims and their families to "pick up the pieces." The Board will consider and, where appropriate, adopt some or all of the following:

- Implement an integrated claim management system;
- Implement an advisory group to the Board made up of mental health service providers, members of Native Tribal Organizations, victims, and others;
- Adopt a standard such as Worker's Compensation on which to base service payments; and
- Negotiate with service providers to accept Board payments as "Payment in Full".

### **Key Component Issues for FY2003 – 2004**

#### **FUNDING**

The issue of funding for the Violent Crimes Compensation program has always been problematic, as it is impossible to predict the exact number of claims that will be filed and awarded each year. The trend in recent years has been an increase in the number of new claim applications and requests for reconsideration of previously awarded claims.

With changes recently enacted under AS 18.67 and effective July 1, 2002, the maximum possible payment amounts

increased from \$25,000.00 to \$40,000.00 for one type of claim the Board receives and from \$40,000.00 to \$80,000.00 for the other type the Board receives. A few claims awarded at the maximum available by statute could result in a huge impact on the program's budget.

Additional funds for crime victim compensation could be recovered in the form of restitution from offenders through the Court System. However, the program currently has no ability to expend these funds. This needs to be addressed by the administration and the legislature.

#### **EXPEDITIOUS CLAIMS PROCESSING**

From the victim's perspective, an important measure of a compensation program's performance is the speed with which it processes a victim's application for benefits. This program will continue to strive to meet and exceed the processing goals established by the National Association of Crime Victim Compensation Boards and the Department of Justice. In FY2004, this program will continue to network with law enforcement and prosecution officials to ensure the timely receipt of crime related reports so that claims can be processed within targeted time frames to ensure victims receive timely compensation. The Board will also endeavor to implement a fully integrated claim management system similar to those used by other state crime victim compensation programs.

#### **EXAMINATION OF THE NATURE, LEVEL AND SCOPE OF BENEFITS PROVIDED TO VICTIMS**

In FY2004, the Board will continue to analyze medical and mental health treatment costs. The Board will strive to ensure victims receive necessary medical services at a reasonable cost. The Board will strive to assure payment for services from other sources when available are sought. The Board will examine the appropriateness of negotiating agreements with service providers, particularly medical service providers, to accept Board awards as "Payment in Full", which is a practice of many other state crime victim compensation programs.

The Board will consider increasing limitations for certain services such as for funeral costs to more accurately reflect current costs. The Board will continue to seek best methods for ensuring crime victims, especially minor children, benefit from awards made, particularly in lost support awards. The Board will continue to determine best method for establishing Minor Trust Funds when it is in the best interest of child victims.

#### **CHANGES TO APPLICATION REQUIREMENTS FOR SEXUAL ABUSE OF MINOR AND CHILD ABUSE CASES**

Currently, the Board requires applications made on behalf of minor children to be made by the child's parent or legal guardian. In FY2004, in cases in which the offender is the legal guardian or parent, the Board will strive to ensure the methods that will best serve the victims in these cases are practiced.

#### **COORDINATION WITH OTHER CRIMINAL JUSTICE AGENCIES**

The state's compensation program and victim assistance programs must develop effective community outreach strategies to increase public awareness about the purpose and availability of crime victim compensation. In FY2004, the Board will continue its outreach effort to ensure that all victims, regardless of their location, culture, or language, have knowledge of and access to compensation program benefits. Ultimately, it is the responsibility of every person who assists victims on the frontline to inform them that they may be eligible for compensation.

Board staff will continue to provide training concerning crime victimization and the compensation process to law enforcement agencies across Alaska such as local police departments and Village Public Safety Officers. Board staff will remain involved in statewide advisory committees to agencies such as the Department of Corrections.

#### **STATISTICAL INFORMATION**

In FY2003 and continuing in FY2004, the Board will move forward with the implementation of an integrated computerized system for claim tracking, documentation generation, and statistical reporting purposes. This will result in increased contractual services costs in FY2003 and FY2004.

#### **MENTAL HEALTH TREATMENT**

In FY2003, the Board will continue to distribute the State of Alaska's, Violent Crimes Compensation Board, Mental Health Treatment Guidelines" publication to mental health treatment providers around the state. The Board will consider preparing and distributing new guidelines for the treatment of child victims.

### **Major Component Accomplishments in 2002**

The Violent Crimes Compensation Board was created to reduce the economic burden on innocent victims of Board compensable crimes. In FY2002, the Board received 624 new applications, an increase of 59% over the prior year. The

Board determined 880 claims, an increase of 88% over the prior year. The Board awarded 456 claims, an increase of 35% over the prior year. These claims remained distributed statewide in urban and rural locations.

Board meeting funding charts indicate that in FY2002, the Board awarded compensation of medical, counseling, funeral, out-of-pocket, and other reasonable expenses which resulted from violent crimes that occurred in Alaska in an amount exceeding \$1.3 million. This was a 36% increase over the prior year.

In FY1999, the Board implemented measures which resulted in increased claims received, as well as increased awards. The Board established contacts in each Alaskan community and initiated a statewide training program to a wide variety of audiences. This has resulted in the receipt of claims from locations and victims previously under-served. This trend has continued.

FY	Claims Received	Claims Determined	Total Amount Awarded**
88	162	234	\$ 504.5
89	213	211	598.5
90	240	225	733.6
91	230	219	689.2
92	239	248	739.6
93	233	219	621.7
94	247	230	670.0
95	310	267	1,000.1
96	346	239	739.9
97	373	316	916.8
98	494	423	955.1
99	473	559	1,094.6
00	390	520	1,128.4
01	393	470	972.6
02	624	880	1,322.2

\*\*Not adjusted for refunds

In FY2002, the Board awarded \$603.3 in medical and dental costs; \$79.1 in mental health treatment costs; \$303.1 in lost wages; \$145.1 in lost support; \$40.5 in funeral costs; \$96.4 in relocation costs; \$31.2 in transportation costs; and \$23.5 in other eligible expenses.

Awarded by type of crime:

CRIME	AWARD AMOUNT
Assault	\$505.5
Homicide	\$200.5
Sexual Assault	\$43.3
Child Abuse (includes SAM)	\$48.2
DV Assault **	\$117.2
DWI/DUI	\$104.6
Other Vehicular	\$46.2
Stalking	\$14.5
Robbery	\$69.4
Kidnapping	\$4.7
Other	\$168.1
<b>TOTAL AWARDED</b>	<b>\$1,322.2</b>

\*\* Some DV Assaults are included in the "Assault" Category

In FY2002, the Board continued to analyze medical and mental health treatment costs. The Board strove to ensure victims received necessary medical and appropriate mental health services at a reasonable cost.

## Statutory and Regulatory Authority

Violent Crimes Compensation Board (AS 18.67)  
 Violent Crimes Compensation Board (13 AAC 80.050)

### Key Performance Measures for FY2004

**Measure:**

**Average time from receipt of a claim to the board's final determination.**

Sec 121 Ch 124 SLA 2002(HB515)

**Alaska's Target & Progress:**

The measure was new in FY2001.

	Target	Actual
FY2001 Goal	90 - 150 days	70.0 days
FY2002 Goal	90 - 150 days	69.7 days

"Final" determination is sometimes many years after the initial claim is received. For example, medical services are sometimes required as a result of a crime years after the crime occurred. For purposes of comparisons with the benchmark, the average time from receipt of a claim to the Board's "initial" determination has been used. The difficulties involved with meeting the measure as stated is that many claims are not finalized until there are no further costs incurred as a result of the incident in the claim and/or the claim is awarded the maximum available by statute.

Meeting this performance measurement involves the dynamics of expeditious claim processing while ensuring all statutory requirements are upheld. This includes ensuring compliance with all statutory requirements detailed in AS 18.67 including AS 18.67.130 (Limitations on awarding compensation) and 18.67.090 (Recovery from Collateral Source). Assuring compliance with AS 18.67.130 requires review of investigative and prosecution documents that are often not available until the investigation is complete. The second requires ruling out all other sources of payment such as private insurance, Medicaid, Worker's Compensation, etc. This can be very time consuming. However, even with these dynamics the Board has exceeded the benchmark measurement in FY2001 and FY2002.

**Benchmark Comparisons:**

The Board will strive to process claims within 90 to 150 calendar days in accordance with the nationally recognized benchmark of the U.S. Department of Justice, Office of Justice Programs, Office for Victims of Crime recommendations for the 21st Century.

**Background and Strategies:**

The goal is to decrease the amount of time it takes to process a claim through the various statutory and regulatory requirements connected with Board determination. The Board has delegated authority to close certain claims to the Board Administrator and has implemented a claim review with recommendation process to expedite claim determinations.

**Measure:**

**Percentage of administrative costs/claim and payout**

Sec 121 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

This program has historically been structured to maximize financial benefit for Alaskan crime victims and to minimize administrative costs. We will continue to strive to limit administrative costs to 25% or less of the total budget. In addition to typical division level administrative costs, the costs for conducting hearings to determine claim eligibility, to contract with investigative specialists when necessary to make appropriate determinations regarding a claim, and all costs involved in the documentation and processing of crime victim compensation claims are also included here.

This is a new performance measure for FY2002.

In FY2002, 81% of the program's funding was awarded directly to victims and/or their service providers.

19% of total budget=administrative costs  
81% of total budget=awarded on claims and paid out

**Benchmark Comparisons:**

There is no comparative data from other jurisdictions.

**Background and Strategies:**

This program has historically been structured to maximize financial benefit for Alaskan crime victims and to minimize administrative costs. This program will continue to strive to limit administrative costs to 25% or less of the total budget.

In the near future the program will initiate the development and implementation of an integrated computerized claim management system. This new system may increase administrative costs in the short run, but should reduce them in the long run.

**Measure:**

**Percentage change from year to year of costs/claims**

Sec Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

This is a new measure for FY2003.

This program has historically been structured to maximize financial benefit for Alaskan crime victims and to minimize administrative costs. We will continue to strive to limit administrative costs to 25% or less of the total budget. In addition to typical division level administrative costs, the costs for conducting hearings to determine claim eligibility, to contract with investigative specialists when necessary to make appropriate determinations regarding a claim, and all costs involved in the documentation and processing of crime victim compensation claims are also included here.

The data collected in FY2003 will become the base year for reporting annual percentage change in subsequent years.

**Benchmark Comparisons:**

There is no comparative data from other jurisdictions.

**Background and Strategies:**

This program has historically been structured to maximize financial benefit for Alaskan crime victims and to minimize administrative costs. This program will continue to strive to limit administrative costs to 25% or less of the total budget.

In the near future, the program will initiate the development and implementation of an integrated computerized claim management system. This new system may increase administrative costs in the short run, but should reduce them in the long run.

**Violent Crimes Compensation Board**  
**Component Financial Summary**

*All dollars in thousands*

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	202.4
72000 Travel	0.0	0.0	23.5
73000 Contractual	0.0	0.0	62.8
74000 Supplies	0.0	0.0	5.9
75000 Equipment	0.0	0.0	3.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	1,286.7
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>0.0</b>	<b>0.0</b>	<b>1,584.3</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	0.0	0.0	408.6
1171 PF Dividend Appropriations in lieu of Dividends to Criminals	0.0	0.0	1,175.7
<b>Funding Totals</b>	<b>0.0</b>	<b>0.0</b>	<b>1,584.3</b>

**Violent Crimes Compensation Board**

**Proposed Changes in Levels of Service for FY2004**

No changes to service are currently planned for FY2004. However, with the dramatic increase in claim activity experienced in FY2002, the Board can expect at least the same level of activity in FY2003 and FY2004. Measures may need to be taken to either increase the component's funding or limit areas of compensation.

**Summary of Component Budget Changes**

**From FY2003 Authorized to FY2004 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Proposed budget decreases:</b>				
-Violent Crimes Compensation Board transfer to DOA	0.0	408.6	1,175.7	1,584.3
<b>FY2004 Governor</b>	<b>0.0</b>	<b>408.6</b>	<b>1,175.7</b>	<b>1,584.3</b>



**Violent Crimes Compensation Board**

**Personal Services Information**

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	0	3	Annual Salaries	145,789
Part-time	0	1	Premium Pay	8,264
Nonpermanent	0	0	Annual Benefits	56,345
			<i>Less 3.80% Vacancy Factor</i>	(7,998)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>0</b>	<b>4</b>	<b>Total Personal Services</b>	<b>202,400</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	0	1	0	1
Administrative Clerk II	0	0	1	0	1
Administrator VCCB	0	0	1	0	1
Project Asst	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>