

**Victim Compensation and Government Claims Board
Proposal to Modify Compensation Benefits for Crime Victims**

October 15, 2015

Action Requested

The California Victim Compensation Program (CalVCP) requests authorization from the Victim Compensation and Government Claims Board (Board) to pursue statutory, regulatory, and policy changes regarding relocation, crime scene clean up, residential security, appointments, income loss, funeral and burial, maximum award amount, and case management.

Background

In June 2015, staff presented to the Board the findings and conclusions from the research made possible by the Office for Victims of Crime, 2013 Crime Victim Compensation Program Initiative grant. The findings and conclusions of the Baseline Data, Needs Assessment, and Gap Analysis Reports identify several unmet needs and barriers to accessing compensation. The recommendations from those reports include increasing several current benefit limits and authorizing new benefit categories. The proposed modifications address those recommendations.

Additionally, in February 2011, the Board was concerned about the long-term stability of the Restitution Fund (Fund) and the Board approved multiple rate reductions to align CalVCP expenditures with Fund revenues. With the Fund now stabilized, increases in certain benefit limits and the addition of other benefit types can be sustained. Simultaneously, a significant decline in medical payments occurred as a result of implementation of the Affordable Care Act and this impact is expected to remain.

Staff conducted research to determine the projected cost for each proposal described below. The factors used to determine the cost projections include, but are not limited to: compensation program utilization, extrapolated expenses, California demographics, market research data and other states' compensation program benefits information. Compensation program utilization statistics and the projection of how closely the proposed caps will meet actual costs incurred by victims (expressed as a percentage of requested qualifying expenses) were based on three years of applications, benefits requested, and actual costs met under the current benefit limits. The proposed benefit caps are intended to enable the program to more fully cover the actual cost of the services victims seek. Staff also analyzed if legislation, regulatory, or policy changes are necessary to implement each proposed modification.

Proposals

1. Increase the relocation benefit limit to \$4,500 (requires legislative action).

Current Provision

Effective January 1, 2000, Government Code section 13957(a)(8) authorized up to \$2,000 for relocation expenses.

Justification

The relocation benefit limit has not been modified since the inception of this benefit in 2000. Increasing the benefit limit to \$4,500 would enable 98% of the requested qualifying expenses to be compensated. Analysis indicates that currently, nearly three-quarters of those who receive relocation reimbursement reach the statutory cap.

Projected Cost

The projected annual cost to increase the relocation benefit limit to \$4,500 is \$541,843. The factors used to determine the projected costs include compensation program utilization data, average rent across California, and security deposit costs.

2. Increase the crime scene clean up benefit limit to \$2,000 (requires legislative action).

Current Provision

Effective January 1, 2002, Government Code section 13965(a)(13) authorized up to \$1,000 for crime scene clean up expenses.

Justification

The crime scene clean up limit has not been modified since the inception of this benefit in 2002. Increasing the benefit limit to \$2,000 would enable 80% of the requested qualifying expenses to be compensated. Analysis indicates that currently an average of 61% of crime scene clean up payments is paid at the statutory \$1,000 limit.

Projected Cost

The projected annual cost to increase the crime scene clean up benefit limit to \$2,000 is \$7,982. The factors used to determine the projected costs include compensation program utilization data and the average costs for crime scene clean up services.

3. Increase the residential security benefit limit to \$2,000 (requires legislative action).

Current Provision

Effective January 1, 2000, Government Code section 13965(a)(6) authorized up to \$1,000 for expenses incurred in installing or increasing residential security.

Justification

The residential security benefit limit has not been modified since the inception of this benefit in 2000. Increasing the benefit limit to \$2,000 would enable 99% of the requested qualifying expenses to be compensated. Analysis indicates that currently, an average of 40% of the residential security requests is paid at the statutory \$1,000 limit.

Typically, there are multiple costs related to making a home safe and secure, including adding or replacing window locks, security doors, and home security systems. Installation of a home security system can cost more than \$1,000. The purchase and installation of one security door may cost up to \$500, and most homes have several doors. The costs to adequately secure a home often exceed the current residential security benefit limit of \$1,000.

Residential security rarely has a reimbursement source. Any cost incurred over CalVCP's benefit limit is typically paid by the victim.

Projected Cost

The projected annual cost to increase the residential security benefit limit to \$2,000 is \$32,979. Factors used to project costs include compensation program utilization data and extrapolated expenses.

4. Allow reimbursement of child care and transportation expenses that are related to medical, mental health, and crime-related appointments (requires legislative action).

Current Provisions

There is no provision in place for reimbursement of child care expenses to attend appointments.

CalVCP has a policy that allows reimbursement of transportation expenses to attend medical and mental health appointments, but transportation to legal appointments that are related to the crime is not included.

Justification

The Needs Assessment Report identifies the lack of access to child care and transportation as significant barriers to receiving compensation and services. Community-based organizations, government agencies, and mental health providers report that inadequate child care and transportation limit victims’ access to mental health treatment, medical appointments, and legal appointments related to the crime.

A number of compensation programs across the nation reimburse transportation costs. Texas, New Jersey, and New York transportation reimbursement benefits were considered for the projected costs and in determining the types of appointments for reimbursement.

Offering reimbursement for child care and transportation will reduce barriers that prohibit victims from obtaining needed medical and mental health treatment and legal assistance related to the crimes.

Projected Costs

The projected annual costs to reimburse child care and transportation expenses associated with medical, mental health, and legal appointments are \$1,636,601. Factors used to determine the projected costs include the State mileage reimbursement rate, the average daily cost of public transportation, the average distance to access services, other states’ compensation program costs and rates, and the average number of appointments attended by each victim based on program utilization rates.

5. Allow payment of income loss for victims to attend crime-related appointments and caretakers when they miss work to take minor victims to medical, mental health, and other crime-related appointments (requires legislative action).

Current Provisions

Reimbursement of income loss for a direct victim to attend mental health and medical appointments is allowed through the California Code of Regulations (CCR) section 649.32(c), but reimbursement of income loss is not currently available to attend crime related appointments (i.e.: Department of Motor Vehicles and court). Additionally, there is no provision to provide caretaker wage loss to attend outpatient medical, mental health, or crime-related appointments.

The chart below indicates when income loss is currently covered and not covered, by appointment type, for direct victims and caretakers of direct victims.

Victim Type	Type of Appointment Related to the Crime		
	Medical	Mental Health	Other
Direct	Covered	Covered	Not covered
Caretaker	Not covered	Not covered	Not covered

Justification

The Gap Analysis and Needs Assessment Reports identify that lack of reimbursement for income loss is an impediment for victims to attending medical and mental health treatment and other appointments related to the crime.

The aftermath of crime often includes a multitude of needs in addition to attending medical and mental health appointments, including meeting with a victim advocate or prosecutor and

visiting the DMV or an insurance agent. If approved, offering reimbursement of income loss for attending a range of appointments related to the crime would reduce the out-of-pocket losses victims currently face.

There is no provision in the current law for parents and caretakers who must take minor children or dependent adult victims to appointments. For a parent who makes minimum wage and has no benefits, the cost of taking time off work to bring a child to therapy for 40 sessions has a negative impact on the family and may be a barrier to accessing mental health treatment.

Projected Cost

The projected annual cost to reimburse income loss associated to medical, mental health or other appointments related to the crime is \$5,526,561. The factors used to determine the projected costs include the state demographic and employment data, claimant demographic data, and the average number of crime related appointments attended by each CalVCP claimant.

- 6. Increase the total award limit to \$70,000 by repealing the provision in CCR section 649.3 that imposes a \$63,000 limit for a total award to direct and derivative victims (requires regulatory action).**

Current Provision

On April 1, 2011, the Board reduced the statutory limit of \$70,000 to \$63,000 through the regulatory process.

Justification

The statutory limit has not been modified since the Board action in 2011. The proposed benefit modifications have the potential to increase a claimant's reimbursements by \$7,286. Due to the proposed increased limits and benefit types, it is recommended to reinstate the total award limit of \$70,000 to ensure victims are able to fully benefit from the programmatic changes.

Analysis indicates that restoring the benefit limit to the statutory amount of \$70,000 will serve victims who have the greatest needs, such as survivors of homicide victims and those who have suffered catastrophic injury. These victims will benefit from the additional compensation for medical expenses, income loss, and support loss for dependents and minor children.

Projected Costs

The projected annual cost to increase the total benefit limit to \$70,000 is \$629,118. The factors used to determine projected costs include compensation program utilization and extrapolated expenses.

- 7. Allow reimbursement of case management services provided by mental health providers to direct victims and remove the reimbursement of collateral sessions (requires amending the Mental Health Guidelines).**

Current Provision

Many mental health treatment providers are providing case management services. CalVCP should reimburse case management to better meet the needs of victims who do not currently have access to this service through our delivery system.

The Mental Health Guidelines do not currently allow for reimbursement of case management services. The Mental Health Guidelines do allow for up to three session hours per application for collateral contacts. Examples of collateral contacts are treating therapists

coordinating with a victim's school teacher, school counselor, physician, or others for the purpose of furthering a victim's progress in treatment for his/her crime-related injuries.

Justification

Adding case management services as an allowable service enables mental health treatment providers to assist a claimant with obtaining needed medical, educational, social, housing, prevocational, vocational, rehabilitative, or other community services. The service activities may include, but are not limited to: communication, coordination, referral, and monitoring service delivery.

It is recommended that case management services:

- not count against mental health sessions,
- be reimbursed at \$75 per session hour; and,
- have a five session limit per direct victim application.

Additionally, since the case management services are inclusive of the collateral session activities, it is recommended to remove collateral sessions from the Mental Health Guidelines.

Projected Costs

The projected annual cost to reimburse case management services is \$1,881,315. The factors used to determine the projected costs include program utilization of mental health services and the types of victimization.

8. Increase the funeral and burial benefit limit to \$7,500 and expand covered expenses (requires regulatory action but no Board action).

Current Provision

On April 1, 2011, the Board reduced the statutory limit of \$7,500 to \$5,000 through the regulatory process. The amended regulation also limits the type of costs that can be considered for payment.

Implementation of this modification requires repealing language in the CCR section 649.18 that limits reimbursement to \$5,000 and excludes reimbursement of rental expenses for tables and chairs. Language will also be amended in CCR 649.18 to allow reimbursement for travel expenses of immediate family members to attend services up to \$1,000 within the \$7,500 limit. In addition, with the passage of Assembly Bill 1140, the regulation limiting payment to \$5,000 will be eliminated and the funeral and burial statutory cap will be returned to \$7,500.

Justification

The funeral and burial benefit limit has not been modified since the Board action in 2011. Increasing the benefit limit to \$7,500 would enable 55% of the qualifying requested expenses to be compensated. Analysis indicates that 44% are currently fully reimbursed with the current cap of \$5,000.

Additionally, Government Code section 13957(a)(9)(B) allows reimbursement of funeral and burial expenses not to exceed \$7,500.

Findings in the Gap Analysis Report state that many victims have difficulty meeting funeral and burial expenses because the CalVCP benefit limit does not fully cover actual expenses. The current CalVCP benefit limit can restrict the applicant's options in selecting a method of interment. Survivors report that sometimes, due to financial constraints, family members must choose cremation against a loved one's expressed wishes.

Statistical data from the National Funeral Directors Association show the national median cost of a funeral for calendar year 2012 was \$7,045. If a vault is included, which is typically required by a cemetery, the median cost is \$8,343.

Renting tables and chairs for a funeral is a commonplace expense and should be reincorporated into the list of allowed costs for funerals and memorial services.

Allowing reimbursement for travel expenses for immediate family members to attend funeral and burial services is an expense that is reimbursed by several other states' compensation programs such as New Jersey, Pennsylvania, Texas, and Wyoming. Analysis of CalVCP data indicates that approximately 450 immediate family survivors annually apply for compensation and do not live in the county where the homicide victim resided. These claimants would benefit from covering travel expense.

Projected Cost

The projected annual cost to increase the funeral and burial benefit limit is \$2,138,059. The factors used to determine the projected costs include compensation program utilization data and extrapolated expenses.

Summary

The proposed increased benefit limits and new benefits have a projected annual cost of \$12.4 million. See the chart below for specifics. The costs incurred by the Board for all of the proposals are eligible for reimbursement through the Board's annual grant from the Office for Victims of Crime. This grant reimburses state victim compensation programs for awards made to crime victims at the rate of 60% of the total amount the state awards to victims each year.

Proposed Modifications	Projected Costs
Raise Relocation Cap to \$4,500	\$541,843
Raise Crime Scene Clean Up Cap to \$2,000	\$7,982
Raise Residential Security Cap to \$2,000	\$32,979
Add Transportation	\$942,498
Add Child Care	\$694,103
Enhance Income Loss	\$5,526,561
Restore Statutory Cap to \$70,000	\$629,118
Add Case Management	\$1,881,315
Raise Funeral and Burial Cap to \$7,500	\$2,138,059
Total Projected Annual Costs	\$12,394,458