

**California Victim Compensation and Government Claims Board
Victim Compensation Program Regulations
Title 2, §649.56**

INITIAL STATEMENT OF REASONS

Government Code section 13950 requires the Victim Compensation and Government Claims Board (Board) to “assist residents of the State of California in obtaining compensation for the pecuniary losses they suffer as a direct result of criminal acts.” However, Rule 649.52 limits the benefits available to victims found to be involved in the events leading to the qualifying crime. Additional rules restrict victims engaged in specific activities including mutual combat, illegal drug transactions, gang activity, and, in the case of Rule 649.56, prostitution, from receiving compensation. This rule-making action repeals Rule 649.56.

The specific purpose of the amendment and the reason that the amendment is necessary, together with a description of the public problem, is described in the information below.

Section 649.56. Involvement in the Qualifying Crime of Prostitution

Authority and Reference

Pursuant to Government Code sections 13920 and 13974, the Board has authority to adopt necessary regulations for the Victim Compensation Program (“CalVCP”). This rulemaking action is intended to further implement, interpret, and/or make specific Government Code section 13956.

Rationale

During the summer of 2013, CalVCP held multiple public meetings seeking stakeholder input regarding Rule 649.56. Victim advocates, law enforcement, mental health providers, and other members of the public were invited to attend or call into any of these meetings. Over 20 people, as individuals and representatives of groups, commented on the rule.

Based on public comments and a reexamination of Rule 649.56, the Board has determined that Rule 649.56 is unnecessary and should be repealed.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS

The Board did not rely upon any technical, theoretical or empirical studies, reports or documents in proposing the repeal of this regulation.

REASONABLE ALTERNATIVES TO THE REGULATION AND THE AGENCY’S REASONS FOR REJECTING THOSE ALTERNATIVES

The Board has determined that there are no other reasonable alternatives to this rulemaking action.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS

The Board has no evidence indicating any potential adverse impacts to small business are expected as a result of this proposed action.

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The Board has no evidence indicating any potential significant adverse impact on business as a result of this proposed action.

ECONOMIC IMPACT ANALYSIS/ASSESSMENT

Because CalVCP is a program which offers limited benefits for a limited group of individuals, it does not directly impact jobs or the wider economy. Furthermore, a review of CalVCP records shows that only 28 applications have been denied pursuant to Rule 649.56 during each of the past two years. The average compensation provided for each claim in 2012/2013 was approximately \$2,000.00. Therefore, assuming all other criteria for eligibility are met, allowing claims which would have been denied under Rule 649.56 will only result in an annual increase in CalVCP compensation of \$56,000.00.

The Board has determined that the selected alternative will not affect:

(A) The creation or elimination of jobs within the State of California,

Because there are only a limited number of applicants who will potentially from the repealing of this regulation, CalVCP has no evidence to suggest the action will create or eliminate jobs in California. Existing medical and mental health providers will be able to deliver services to the small number of additional victims who may become eligible for benefits.

(B) The creation of new businesses or the elimination of existing businesses within the State of California,

Because the proposed revisions do not impact the creation or elimination of jobs, there is no impact on the creation of new businesses or elimination of existing businesses in California.

(C) The expansion of businesses currently doing business within the State of California, and,

Because the proposed revisions do not impact the creation or elimination of jobs, there is no impact on the expansion of businesses currently doing business within the State of California.

(D) The benefits of the regulation to the health and welfare of California residents, worker safety, and the state's environment.

Repealing this regulation will allow a vulnerable and underrepresented segment of the population to receive mental health treatment and other benefits from CalVCP. Assisting

these victims benefits the health and welfare of California residents because virtually all the victims are residents of California. Repealing the regulation will not, however, benefit worker safety or the state's environment.