

2001 Annual Report of the

**Commonwealth Neurotrauma
Initiative (CNI) Advisory Board**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



SENATE DOCUMENT NO. 5

COMMONWEALTH OF VIRGINIA
RICHMOND
2002



COMMONWEALTH of VIRGINIA

Department of Health

P O BOX 2448

RICHMOND, VA 23218

E. ANNE PETERSON, M.D., M.P.H.
STATE HEALTH COMMISSIONER

TDD 1-800-828-1120

October 1, 2001

TO: The Honorable James S. Gilmore, III

and

The General Assembly of Virginia

The report attached hereto is submitted in satisfaction of Virginia Code Section 32.1-73.3 (C)(4).

This report constitutes the annual report of the Commonwealth Neurotrauma Initiative Advisory Board, a collegial body affiliated with the State Board of Health. The above-cited law requires an annual report from the Advisory Board containing aggregate data on the operations and funding of the Commonwealth Neurotrauma Initiative Trust Fund.

Respectfully submitted,

A handwritten signature in cursive script that reads "E. Anne Peterson, M.D., M.P.H." is written over a horizontal line.

E. Anne Peterson, M.D., M.P.H.
State Health Commissioner

ANNUAL REPORT OF THE
COMMONWEALTH NEUROTRAUMA INITIATIVE
ADVISORY BOARD
OCTOBER 1, 2001

Executive Summary.

In 2001, regulations implementing the Commonwealth Neurotrauma Initiative (CNI) Trust Fund became effective and the program began operations by issuing its first request for proposals (RFP) on March 1, 2001. The CNI Trust Fund currently has a balance of \$3,400,683, with a projected annual inflow of approximately \$1.2 million. If left untouched, and based on the current balance and the estimated annual inflow, the Fund could grow to approximately \$6.7 million by fiscal year (FY) 2004. In response to the March 2001 RFP, the CNI Advisory Board received applications for grants from the Fund totaling over \$6.1 million, to be disbursed over the three year period of FYs 2002 through 2004. Preliminarily-approved disbursements from the Fund total \$2 to 2.3 million over this three-year period. Additional disbursements following completion of the RFP process, still pending, will increase that range by about \$2 million.

Background and Legal Framework.

In 1997, Senate Bill 1132 (Acts of Assembly, c. 567) established the Commonwealth Neurotrauma Initiative (CNI). Article 12 of Chapter 2 of Title 32.1 (Section 32.1-73.1 *et seq.*) of the Virginia Code authorizes establishment of the CNI Trust Fund, a special nonreverting fund, and the CNI Advisory Board, a permanent collegial body affiliated with the State Board of Health pursuant to Section 2.1-1.6 of the Code.

In 1998, Senate Bill 484 (Acts of Assembly, c. 703) amended the CNI law. As amended, Code Section 32.1-73.2 (B) provides that: (i) moneys in the CNI Trust Fund “shall be used solely to support grants for Virginia-based organizations, institutions, and researchers” and (ii) “fifty percent [of the moneys in the Fund] shall be allocated for research on the mechanisms and treatment of neurotrauma [referred to as Option A, below] and fifty percent shall be allocated for rehabilitative services [Option B].”

The 1998 legislation also created a mechanism for funding the CNI. Moneys are deposited into the Trust Fund pursuant to Code Section 18.2-271.1 (E). That section provides that a fee of \$105 shall be charged “for reinstatement of the driver's license of any person whose privilege or license has been suspended or revoked as a result of . . . [a specified traffic violation],” and \$25 of this fee “shall be transferred to the . . . [CNI] Trust Fund.” This mechanism continues to operate, placing additional moneys into the Fund.

Virginia Code Section 32.1-73.3 (C)(4) requires the CNI Advisory Board to “[r]eport annually on October 1, to the Governor and the General Assembly, aggregate data on the operations and funding of the . . . [CNI Fund].” The present document constitutes the 2001 annual report.

Operations of the CNI Trust Fund.

On February 14, 2001, regulations adopted by the State Board of Health to implement the CNI Trust Fund became effective. (These regulations have been codified in the Virginia Administrative Code at 12 VAC 5-185-10 *et seq.*) On March 1, 2001, the CNI Advisory Board published a request for proposals (RFP) and established a deadline of June 1, 2001, for their submission.

Over the Summer of 2001, the Advisory Board, with the assistance of its support staff at the Department of Rehabilitative Services (DRS) and the Virginia Department of Health (VDH), reviewed proposals received in response to the RFP that involve the provision of rehabilitative services, *i.e.*, proposals falling under Option B of the law. In August 2001, the Advisory Board approved seven for recommendation. The approved proposals involve granting moneys from the Fund to organizations, located across the Commonwealth, that seek to effectively address the complex needs of persons with traumatic brain and spinal cord injuries by providing needed services. (Review of Option A proposals that have been received, *i.e.*, those involving research on the mechanisms and treatment of neurotrauma, is pending.)

Aggregate Data on the Funding of the CNI Trust Fund.

Moneys have been collected and deposited into the CNI Trust Fund since 1998, when a citizen created a positive balance in the Fund by donating \$25. Since then, the Fund balance has increased considerably by operation of the statutory funding mechanism in which a portion of the reinstatement fee charged certain drivers is deposited into the Fund.

As of September 27, 2001, the balance in the Fund totals \$3,400,683. The annual inflow of moneys to the Fund appears to be somewhat elastic and has clearly increased, totaling \$570,425 in 1999, \$1,059,680 in 2000, and \$1,541,356 in 2001 (through September 2001), excluding interest. No disbursements have been made during the entirety of the Fund’s existence because regulations necessary to implement the process of reviewing applications for grants and disbursing moneys became effective only recently, *i.e.*, in February 2001.

The aggregate disbursement from the Fund for the Option B proposals approved in August 2001 should range from approximately \$712,700 to \$875,796 in FY 2002, and

the total aggregate disbursement should range from approximately \$1,973,600 to \$2,303,870 over the three year period of FYs 2002 through 2004. (These figures involve ranges because the CNI Advisory Board has requested additional information and will enter into negotiations with the seven potential grantees before contracts are executed and disbursements are made.)

Additional disbursements from the Fund will likely occur in FY 2002 following completion of the pending process of reviewing projects falling under Option A of the law. The Advisory Board plans to meet in November 2001 to discuss potential Option A grant awards.

If all Option A proposals received are ultimately approved for funding, an additional aggregate disbursement of approximately \$817,502 would occur in FY 2002, and an additional total aggregate disbursement of approximately \$2,068,418 would occur over the three-year period from FY 2002 through FY 2004. This anticipated level of additional disbursement would roughly double the level of disbursement already planned for Option B proposals only (thereby heeding the statutory requirement that fifty percent of the moneys be allocated for Option A projects and fifty percent for Option B projects).

The anticipated total level of disbursement, including disbursements of grants for both option A and B proposals over a three-year horizon, appears likely to remain well within the level of existing and projected inflow of moneys to the Fund.

