

September 30, 2004

TO: The Honorable Mark R. Warner  
*Governor of Virginia*

THROUGH: William H. Leighty  
*Governor's Chief of Staff*

THROUGH: Jane H. Woods  
*Secretary of Health and Human Resources*

FROM: James A. Rothrock

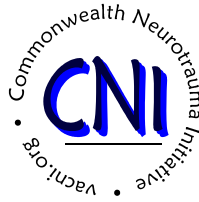
SUBJECT: Commonwealth Neurotrauma Initiative Report

Please find attached a report on the progress made by the Commonwealth Neurotrauma Initiative. As you will see, a great deal of progress has been made due largely to the leadership of Dr. Ward, who recently ended his term, and the other members of the Board.

This initiative continues to be a legacy of the late Senator Emily Couric's leadership and contributions to Virginians with disabilities.

JAR/bt

Attachment: *CNI Chairperson's Cover Letter*  
*CNI Annual Report*



# COMMONWEALTH NEUROTRAUMA INITIATIVE TRUST FUND

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RICHARD A. BENDALL, JR., M.D. ♦ JAMES A. ROTHROCK, COMMISSIONER, VIRGINIA DEPARTMENT OF REHABILITATIVE SERVICES  
ROBERT B. STROUBE, M.D., COMMISSIONER, VIRGINIA DEPARTMENT OF HEALTH ♦ PATRICIA J. TIERNAN, R.N.

September 30, 2004

To: The Honorable Mark R. Warner  
*Governor, Commonwealth of Virginia*

and

The General Assembly of Virginia

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The report attached hereto is submitted in satisfaction of Virginia Code Section 51.5-12.3(C)(4).

This report constitutes the Annual Report of the Commonwealth Neurotrauma Initiative (CNI) Trust Fund Advisory Board, a collegial body affiliated with the Department of Rehabilitative Services. 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,

Patricia J. Tiernan, R.N.  
Chair, CNI Trust Fund Advisory Board

PJT/kc

Attachments: *CNI FY'04 Annual Report*

# COMMONWEALTH NEUROTRAUMA INITIATIVE ADVISORY BOARD

## ANNUAL REPORT

For State Fiscal Year 2003-04

(July 1, 2003 to June 30, 2004)

The *Code of Virginia* Section 51.5-12.3(C)(4) requires the Commonwealth Neurotrauma Initiative (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 Trust Fund].” The information contained herein constitutes the October 1, 2004 CNI Annual Report.

### EXECUTIVE SUMMARY

On April 22, 2004 the Commonwealth Neurotrauma Initiative (CNI) Advisory Board held the inaugural *Tri-Annual Emily Couric Research Colloquium* in Richmond. The colloquium was named in recognition of the late Senator Emily Couric, whose efforts created the initial legislation for the Trust Fund. The Research Colloquium provided an opportunity for CNI research grantees to highlight their projects and report results to the Board and to fellow grantees. It also provided a unique forum for Virginia researchers to network and share resources with one another. Members of the CNI Advisory Board, thirteen (13) research grantees, and other interested parties attended or participated in the colloquium. Steve Harms, Deputy Secretary of Health and Human Resources, was a guest speaker. A broader goal of the colloquium was achieved when several researchers discussed plans for conducting future collaborative research projects with their colleagues across the Commonwealth.

Legislation was passed during 2004 General Assembly that empowers the Commissioner of the Department of Rehabilitative Services (DRS) to require applicants to the CNI Trust Fund to develop a plan for self-sufficiency at the end of their two-or three-year grant award period. It also allows the Commissioner to redistribute unspent grant funds from prior years for new research activities.

During this reporting period, the Advisory Board did not issue a Request For Proposals (RFPs). To support the grant awards approved in previous years, funds were encumbered through State Fiscal Year (SFY) 2006. During FY'04, one *Option-B* (community rehabilitation services) grantee funded initially in FY'03 was awarded second and third years of funding. Another *Option-B* grantee funded initially in FY'03 was awarded a second year of funding, with funding for the third year contingent on review of their request by the Advisory Board in FY'04.

A total of nine (9) grantees requested carryover of grant funds from SFY '03 to SFY '04. Seven of the carryover requests came from *Option-B* (community rehabilitation

services) grantees: six grantees carried funds from Year One to Year Two and one grantee carried funds from Year Two to Year Three. Two *Option-A* grantees (research) asked for and received approval for carryover of funds to the third, and final, year of their grants. A total of two *Option-A* (research) grants - from the inaugural round of research awards in FY'02 - completed their grant years during SFY '04 (note that both requested funding for only two years, rather than the more common request for three years of funding).

For FY'04, staff administrative costs were budgeted at \$80,000; \$67,000 was actually expended.

### **Program Operations**

In FY '04 an amendment within *Health and Human Resources Department of Rehabilitative Services, Item 349#3c* allowed the Commissioner of the Department of Rehabilitative Services (DRS) to "require applicants to submit a plan to achieve self-sufficiency by the end of the grant award cycle in order to receive funding consideration." Additionally, "notwithstanding any other law to the contrary, the Commissioner may reallocate up to \$500,000 from unexpended balances in the Commonwealth Neurotrauma Initiative Trust Fund to fund new grant awards for research on traumatic brain and spinal cord injuries."

A full-time Program Specialist was hired in November 2003, as the previous staff person retired in June. CNI currently funds a full-time Program Specialist and two additional part-time staff (program management and fiscal management).

The four-year terms of two CNI Advisory Board members ended on June 30, 2004. Dr. Gregory Helm of UVA Medical Center in Charlottesville and Dr. Richard Bendall of Lynchburg were appointed to fill the vacancies. They will serve four-year terms beginning in FY '05 and ending in SFY '08.

### **Program Funds**

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. The funding mechanism for CNI - a reinstatement fee charged to restore an operator's license when it has been revoked or suspended for specified dangerous driving offenses - was established by legislation in 1998, a year after the Trust Fund and the Advisory Board were created. The CNI Trust Fund is a special nonreverting fund in the state treasury. The Fund balance has continually increased by operation of the statutory funding mechanism in which a portion of the reinstatement fee is deposited into the Fund (\$25 out of the \$30 fee collected).

The revenue for the CNI Trust Fund averages \$110,000 per month or about \$1.3 million annually. Though the money coming into the Fund has remained relatively stable since it was established, there is always the possibility that revenue will increase or decrease during any fiscal year. The fund shall consist of grants, donations and bequests from the public or private sources and funds collected as provided in § 46.2-411.

At the end of this reporting period, the balance of funds available for grant awards is approximately \$176,000. This amount includes funds unencumbered for grant or administrative costs; unexpended grant dollars which are returned to the Fund; and reinstatement fee revenue. An additional, \$80,000 has been obligated and approved by the Advisory Board and budgeted for administrative costs during FY '05.

### **History, Background and Legal Framework**

Fiscal Year 1997-98 (FY '98): Effective July 1, 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 Code of Virginia 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.

The first CNI Advisory Board members were sworn in on October 6, 1997. The first meeting took place on November 18, 1997 and John Ward, M.D. was elected as Chairman. The Advisory Board adopted by-laws outlining the powers and duties of the Board on April 9, 1998. The first Annual Report was submitted to the Governor of Virginia on October 1, 1998.

Fiscal Year 1998-99 (FY '99): Effective July 1, 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 [referred to as "Option B" below]."

The 1998 legislation also created a mechanism for funding the CNI. Moneys are deposited into the Trust Fund pursuant to Section 18.2-271.1 (E) of the Code of Virginia. That section of the Code 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 on an ongoing basis.

Fiscal Year 1999-2000 (FY '00): The Advisory Board completed draft policies and procedures for the administration of the Fund. In November 1999, these draft policies and procedures were forwarded as recommendations to the State Board of Health for promulgation.

Fiscal Year 2000-01 (FY '01): Regulations were promulgated by the Virginia Department of Health (VDH) implementing the Commonwealth Neurotrauma Initiative (CNI) Trust Fund became effective on February 14, 2001. The first Request For Proposals (RFP), soliciting both *Option A* and *Option B* proposals, was issued on March 1, 2001.

Fiscal Year 2001-02 (FY '02): The Advisory Board approved thirteen (13) out of 25 total proposals received: *Option A* (11) and *Option B* (14) proposals received in response to the RFP issued in FY '01. The total amount approved for funding was \$3.5 million over a three-year period, FY '02 through FY '04. Information on the specific grant proposals funded during FY '02 was included in the October 1, 2002 CNI Annual Report. Descriptive and contact information for all grantees is available on the CNI website at [www.vacni.org](http://www.vacni.org). To protect the financial viability of the program as well as to streamline the process and enhance the administration of the grants program, the Advisory Board voted to issue future RFPs for *Option A* and *Option B* grants during alternating grant cycles occurring twice a year, as funds permit.

Fiscal Year 2002-03 (FY '03): Effective July 1, 2002, the General Assembly enacted legislation to amend and reenact Section 46.1-422 of the *Code of Virginia*, by adding Title 51.4a, Chapter 3.1 and repealing Article 12 (Section 32.173.1 et. seq.) of Chapter 2 of Title 32.1 relating to the Commonwealth Neurotrauma Initiative. The FY '03 *Code* changed designated the Department of Rehabilitative Services (DRS) as the agency responsible for administering the Commonwealth Neurotrauma Initiative (CNI) Trust Fund (transferred from the Department of Health). This legislation also authorized a portion of the Trust Fund (no more than 5% annually) to be used for administration (i.e., staff support for the CNI Advisory Board, as well as the cost of reviewing and monitoring grant proposals). The legislation also changed the allocation of funds by specifying that "moneys in the Fund shall be used solely to support grants for Virginia-based organizations, institutions, and researchers" as follows (i) "forty-seven and one-half percent [of the moneys in the Fund] shall be allocated for research on the mechanisms and treatment of neurotrauma and (ii) forty seven and one half percent shall be allocated for rehabilitative services, and (iii) five percent shall be allocated for the Department of Rehabilitative Services' costs for administering and staffing the Commonwealth Neurotrauma Initiative Advisory Board."

A Request For Proposals (RFP) for *Option A: Research on the Mechanisms and Treatment of Neurotrauma* was issued February 1, 2003, with a deadline of April 1, 2003

for receipt of applications. The Advisory Board approved eight (8) of fourteen (14) *Option A* proposals received in response to the RFP. The total amount approved for funding was \$2,096,301 over a three-year period (beginning in FY '04 and ending in FY '06). Information on the specific grant proposals approved for funding under the FY '03 RFP by the Advisory Board at its December 11, 2002 (*Option B*) and June 25, 2003 (*Option A*) meetings was reported in the October 1, 2003 CNI Annual Report. Descriptive and contact information for all grantees is available on the CNI website at [www.vacni.org](http://www.vacni.org).

During FY '03 the CNI Trust Fund awarded \$1,571,103 in grant funding to seven (7) *Option B* proposals. Five (5) grantees approaching the end of their first grant year requested carryover of funds to Year Two; the total amount of new grant funding disbursed during FY '03 was \$1,985,067. Administrative costs were budgeted at \$60,000; \$48,752 was actually expended.

FY '04 information on program operations and funds is contained in the body of this report. Please refer to relevant sections above.