



# COMMONWEALTH NEUROTRAUMA INITIATIVE TRUST FUND

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October 6, 2005

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 §51.5-12.3(C)(4) of the Code of Virginia.

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 (DRS). 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.

The Advisory Board has not yet elected a Chairman, therefore I am submitting this on behalf of the Board.

Respectfully submitted,

James A. Rothrock, M.S., LPC  
Commissioner, Department of Rehabilitative Services

JAR/pg

Attachments: *CNI State Fiscal Year 2005 Annual Report*

# 10/11/2005 COMMONWEALTH NEUROTRAUMA INITIATIVE ADVISORY BOARD

## ANNUAL REPORT For State Fiscal Year 2005 (July 1, 2004 to June 30, 2005)

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, 2005 CNI Annual Report.

### EXECUTIVE SUMMARY

During this reporting period, the Advisory Board did not issue any Requests For Proposals (RFPs) because funds were encumbered through State Fiscal Year (SFY) 2006 by current grant awards. However, under an FY '04 budget amendment granting the Commissioner of the Department of Rehabilitative Services authority to “. . .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,” the Board approved funding of two grants during FY '05: one year of funding to Woodrow Wilson Rehabilitation Center for a study on substance abuse treatment issues and practices with people with brain injury and spinal cord injury (\$50,000), and one year of funding to The Partnership for People with Disabilities at Virginia Commonwealth University to explore the effectiveness of the use of personal assistive technology devices by supported employees (\$119,422).

During this reporting period, a total of six (6) grants completed their final year of funding. Four (4) of the grants were *Option-B* community rehabilitation grants which ended October 31, 2005, and one grant was an *Option-A* research grantee (from the inaugural round of research awards in FY '02) that completed its final grant year during SFY '05.

During this reporting period, a total of five (5) grantees received “no cost extensions.” Two (2) of the grantees were *Option-B* community rehabilitation programs (slated to end October 2005 but extended through December 2005), and three grantees were *Option-A* research projects (from the initial round of research awards in FY '02). Such extensions – which are typically granted for three to twelve months - allow grantees to use their unexpended funds to continue project activities (such as analyzing data, preparing reports, and distributing results) beyond the ending date of their grant award.

During this reporting period, a total of twelve (12) grantees requested carryover of grant funds from SFY 2004 to SFY 2005. Five (5) of the grantees were *Option-B* community rehabilitation programs that carried funds over from year two three, and seven (7) were *Option-A* research projects that carried funds over from year one to two. Requests to “carry forward”

unexpended funds from one grant year to the next are common due to inevitable delays or changes in hiring staff, ordering and equipping an office or laboratory, and similar challenges.

For FY'05, staff administrative costs were budgeted at \$80,000; \$76,191 was actually expended.

### **Program Operations**

Three (3) CNI Advisory Board members ended their four-year terms on June 30, 2005. The following individuals were appointed by the governor to fill the vacancies, effective July 1, 2005: David Reid, Psy.D. of Augusta Medical Center, Fishersville; Theresa Poole, LCSW, of Carilion Hospital in Roanoke; and Terry Glenn of the Virginia Department of Corrections. They will serve four-year terms beginning in FY '06 and ending in SFY '09.

### **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 established in the Code of Virginia. 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 fund consists of grants, donations, and bequests from the public or private sources and funds collected as provided in § 46.2-411 of the Code. The revenue for the CNI Trust Fund averages about \$114,000 per month or about \$1.36 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 given fiscal year.

At the end of this reporting period, the balance of funds available for grant awards is approximately \$61,000. This amount includes funds that are unencumbered for grant or administrative costs, unexpended grant dollars 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 '06.

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

Fiscal Year 1997-98 (SFY 1998): 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 (§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 §2.1-1.6 of the *Code*.

The first CNI Advisory Board members were sworn in on October 6, 1997. John D. Ward, M.D. was elected as the Board's first Chairman during a meeting held on November 18, 1997. 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 (SFY 1999): Effective July 1, 1998, Senate Bill 484 (Acts of Assembly, c. 703) amended the CNI law. As amended, Code §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 §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 (SFY 2000): 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 (SFY 2001): 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 (SFY 2002): The Advisory Board approved thirteen (13) out of 25 proposals in response to the RFP issued in FY '01: eleven (11) *Option-A* and fourteen (14) *Option-B* proposals were received. 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 (SFY 2003): 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 (§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.

Fiscal Year 2003-04 (SFY 2004): 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 when their two-or three-year grant award period ends. 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 upon 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 two, and grantee carried funds from year two to three. Two *Option-A* research grantees asked for and received approval for carryover of funds to the third and final year of their grant awards. 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. A full-time Program Specialist was hired in November 2003 when the previous staff person retired in June. CNI funds a full-time Program Specialist and two additional part-time staff for program and fiscal management.

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."

Fiscal Year 2004-05 (SFY 2005): 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 July 1, 2004 and ending June 30, 2008.

The revenue for the CNI Trust Fund averages about \$114,000 per month or about \$1.36 million annually. At the end of this reporting period, the balance of funds available for grant awards is approximately \$61,000. This amount includes funds that are unencumbered for grant or administrative costs, unexpended grant dollars 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 '06.

At the end of this reporting period, the balance of funds available for grant awards is approximately \$61,000. This amount includes funds that are unencumbered for grant or administrative costs, unexpended grant dollars 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 '06.

Further information on FY '05 program operations and funds is contained in the body of this report. Please refer to relevant sections above.