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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/09

SPONSOR Steinborn LAST UPDATED _____ HB 60

SHORT TITLE Resident Veteran Military Honors Funerals SB _____

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Veterans' Services (DVS)

SUMMARY

Synopsis of Bill

House Bill 60 amends 9-22-7 NMSA 1978, Veterans' Services Act, to establish and implement, in cooperation with the New Mexico national guard and local units of veterans' organizations, and promulgating rules for a program to provide military honors at the funerals of resident veterans. The department shall reimburse local veterans organizations in an amount not to exceed one hundred dollars (\$100) for expenses related to military honors provided at each funeral.

HB 60 appropriates one hundred thousand dollars (\$100,000) from the general fund to the Department of Veterans' Services for expenditure in fiscal year 2010 to establish and implement a program to provide military honors at the funerals of resident veterans.

FISCAL IMPLICATIONS

The appropriation of one hundred thousand dollars (\$100,000) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

According to DVS, the current fiscal year budget is \$50.0 thousand which is used for reimbursement to local veterans' organizations at a rate of \$50 per funeral. If the reimbursement amount is increased to \$100 per funeral, DVS would need an appropriation of \$100.0 thousand. Without the additional funding, DVS could not continue to fund this program at a rate of \$100 per funeral. An additional appropriation of \$100.0 thousand would increase the total amount available for the program to \$150.0 thousand.

The department states that the program reimburses local veterans organizations that perform appropriate military honors for deceased veterans. In FY07, DVS reimbursed local veterans organizations for 910 funerals. In FY08, DVS reimbursed local veterans organizations for 700 funerals. For FY09, DVS has reimbursed local organizations for 340 funerals. The money that is not expended for reimbursement of funerals is currently used to assist the honor guard teams in purchasing uniforms and ceremonial bugles to be used solely for the military honors at funerals.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This relates to the LFC recommendation for the Department of Veterans' Services.

OTHER SUBSTANTIVE ISSUES

According to DVS, the honor guard teams that provide these services are comprised of volunteers from the local veterans' organizations, and the funding assists with transportation costs. Some of the honor guard teams travel in excess of 100 miles for a funeral.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

DVS would continue to reimburse the local veterans organization at a rate of \$50 per funeral.

PTV/mt