


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 12-0512
Prime Sponsor(s): Rep. Ramirez

Date: February 8, 2012
Bill Status: House SVMA
Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING THE STATE VETERANS NURSING HOME AT HOMELAKE, COLORADO.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds		
Homelake Military Veterans Cemetery Fund	\$27,623	\$27,623
State Expenditures		
Cash Funds		
Homelake Military Veterans Cemetery Fund	\$27,623	\$27,623
FTE Position Change	0.6 FTE	0.6 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill establishes the Homelake Military Veterans Cemetery, consisting of the existing cemetery at the Colorado State Veterans Center in Homelake and an additional, adjacent portion of the campus available for cemetery expansion. The Department of Human Services (DHS) is directed to prepare, develop, construct, and maintain the cemetery, and authorized to use contractors to assist in any of these duties.

Under the bill, the department must establish rules and a fee to reserve burial plots, with reservations open to all veterans and family members eligible for burial at the cemetery. The Homelake Military Veterans Cemetery Fund is created by the bill. The cemetery fund is authorized to accept gifts, grants and donations for preparation, development, construction, and maintenance of the cemetery.

Background

Under current law, any U.S. military veteran who has served in a foreign war or similar combat conditions and who is a resident of Colorado at the time of death is eligible for burial at the Homelake Military Veterans Cemetery. The existing cemetery currently is nearing its capacity, with only 9 burial plots available at the cemetery.

The Department of Human Services owns vacant land adjacent to the existing cemetery. A portion of the department's surplus land was identified as an area for cemetery expansion, and at least one master plan of the Colorado State Veterans Center at Homelake campus includes specific plans for cemetery plots in the expansion area.

State Revenue

Revenue to the Homelake Military Veterans Cemetery Fund is required to support the expenditures associated with expansion of the cemetery. To support these state expenditures under the bill, the cemetery fund will need to receive approximately \$27,623 in cash funds annually. Under the bill, gifts, grants and donations may be directed specifically to the Homelake Military Veterans Cemetery Fund to provide budgetary assistance for the various functions of the cemetery. The bill also authorizes the department to charge a reservation fee, in addition to existing fees for burial and interment.

The fiscal note assumes that all revenue generated by the cemetery, including gifts, grants, and donations, is deposited in the cemetery fund. The fiscal note also assumes that plots in the expanded area will be sold in advance of improvements to the site, and that historic rates of burial plot purchases and interments will continue in the foreseeable future. By directing that the cemetery be expanded into the currently undeveloped northern 5-acre parcel, the bill enhances the potential for long-term cemetery revenue.

The bill requires the department to notify the Legislative Council Staff when it has received adequate funding through gifts, grants, and donations for the purposes of the bill. The fiscal note assumes that adequate funding is associated with new, cash-funded responsibilities associated with cemetery expansion.

State Expenditures

The DHS will have annual operating costs of \$27,623 and 0.6 FTE to implement the bill in FY 2012-13 and each future fiscal year.

Operational Costs. Expansion of the cemetery will increase workload to supervise construction and to maintain expanded cemetery facilities. Personal services costs will increase by \$27,623 and 0.6 FTE. Operating costs applicable to the Colorado State Veterans Center (e.g., utilities, supplies) will increase by \$5,542. This analysis assumes that the DHS can manage reservations and operate the existing cemetery using existing resources.

Cost Components	FY 2012-13	FY 2013-14
Personal Services	\$22,081	\$22,081
FTE	0.6	0.6
Operating Expenses and Capital Outlay	5,542	5,542
TOTAL	\$27,623	\$27,623

Capital Improvements. Costs to expand the cemetery are contingent on specific plans for new burial plots. Some work may be undertaken by local contractors donating their services in-kind. This bill does not require capital improvements in FY 2012-13, and this fiscal note assumes that accumulation of adequate funding for cash-funded improvements will extend into future fiscal years.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

Cost Components	FY 2012-13	FY 2013-14
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$3,665	\$3,665
Supplemental Employee Retirement Payments	1,177	1,355
TOTAL	\$4,842	\$5,020

*More information is available at: <http://colorado.gov/fiscalnotes>

State Appropriations

For FY 2012-13, the Department of Human Services requires a cash funds appropriation of \$27,623 and 0.6 FTE from the Homelake Military Veterans Cemetery Fund.

Technical Note

The fiscal note assumes the Homelake Military Veterans Cemetery Fund will receive all moneys generated by revenue-generating activities at the cemetery. An amendment to the bill may be necessary to clarify the department's authority to deposit cash funds from fees, grants, and other forms of monetary consideration. The staff of the Office of Legislative Legal Services was contacted regarding this issue.

Departmental Differences

The DHS estimates the costs of the bill as \$56,950 and 1.1 FTE in FY 2012-13 and \$62,107 and 1.3 FTE in FY 2013-14.

Under current law, the Colorado State Veterans Center at Homelake is responsible for managing burials and interments at its cemetery, and also dedicates 0.4 FTE for a grounds & nursery employee to maintain the cemetery in the summer (0.1 FTE in the winter). The DHS states that, "it is assumed that the State would manage the expansion of the cemetery and maintain approximately 5 additional acres of land as described in the current legislation. With an increase in the operations, it is estimated that the Grounds & Nursery II worker would increase to a 1.0 FTE and there would be the need for a 0.3 FTE Administrative Assistant to manage the cemetery."

This fiscal note concurs in part with the department's analysis. Once the cemetery has been expanded an additional 5 acres, maintenance will require more effort. The acreage to be added to the north of the existing cemetery is, in total, roughly equivalent in size to the existing cemetery grounds; therefore, this analysis concludes that 0.6 FTE is more than adequate to provide the same care to the expanded area. The fiscal note provides 0.6 FTE for grounds maintenance from the new cemetery fund and assumes the continuation of 0.4 FTE from existing budget resources. The management of burial plots has been a departmental responsibility for many years and no new appropriation is warranted for this function; should expansion drive a significant number of backlogged reservation, the department is authorized to use 5 percent of the moneys expended from the cemetery fund for administrative costs.

The department's fiscal analysis assumes that the entire 5-acre expansion site will be improved in FY 2012-13, to bring the cemetery up to operational standards. There is, however, an area of less than 2 acres immediately to the north of the existing cemetery that has been partially improved and may serve as a first phase of expansion. This analysis assumes that a phased approach is reasonable based on the historic rate of burials and interments at the cemetery and the potential for an appropriately-sized expansion to be achieved with savings from preliminary site work.

Departments Contacted

Human Services
Treasury

Military and Veterans Affairs
Personnel and Administration

Health Care Policy & Financing
Natural Resources