

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0512	Date: July 23, 2012
Prime Sponsor(s): Rep. Ramirez Sen. Schwartz	Bill Status: Signed into Law
	Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING THE STATE VETERANS NURSING HOME AT HOMELAKE, COLORADO, AND IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds		
Homelake Military Veterans Cemetery Fund	<\$10,000	<\$10,000
State Expenditures		See State Expenditures section.
FTE Position Change		
Effective Date: The bill was signed into law by the Governor and took effect May 3, 2012.		
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 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, as well as revenue from cemetery operations, to pay for operating costs and capital improvements at the cemetery.

The department is directed to implement the bill within its existing personnel resources.

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 Department of Human Services has established fees

for burial at the cemetery, ranging from \$300 for a resident interment of cremation to \$750 for nonveteran, nonresident burial. In recent years, peak activity has been less than 20 burials per year, typically less than 10 burials per year. The existing cemetery currently is nearing its capacity, with 114 open-but-reserved plots and only 9 unreserved burial plots available at the cemetery.

The department 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 will support future expansion of the cemetery. 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 deposit into the fund revenue from any reservation fee implemented by the department, in addition to existing fees for burial and interment.

The fiscal note concludes that revenue to the Homelake Military Veterans Cemetery Fund will be less than \$10,000 per year beginning in FY 2012-13. Assuming that the cemetery is able to expand incrementally or implements a reservation fee to sell plots in advance of improvements, or that fees associated with burials at reserved plots in the existing cemetery will continue for a number of years, annual revenue to the fund from burials is assumed to be less than 10 burial (or reservation) fees of \$750 per burial, or less than \$7,500 in fee revenue per year. No specific source of gifts, grants, and donations is known at this time. While the amount could vary in the event of large bequests or specific private fundraising efforts, annual revenue from gifts, grants, and donations is assumed to be less than \$2,500 per year.

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. Though the department may seek annual appropriation of moneys in the Homelake Military Veterans Cemetery Fund for operations and maintenance, the fiscal note assumes the fund is primarily intended to accumulate a balance for use in the expansion of the cemetery. The department submitted a preliminary estimate of capital needs for cemetery expansion, including \$100,000 for site preparation and infrastructure on 5 acres as a first phase of work. Based on the availability of a 1½ acre portion of that area as an incremental expansion, the fiscal note finds that an accumulated balance of \$30,000 is adequate funding for the purposes of cemetery expansion.

State Expenditures

The costs of the bill in the Department of Human Services are described below.

Operational costs. As provided by the bill, the department will manage reservations and operate the existing cemetery using existing resources.

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.

State Appropriations

The enacted bill includes a \$2,500 cash fund appropriation from the Homelake Military Veterans Cemetery Fund. This appropriation provides spending authority to the Department of Human Services in the event that the fund receives gifts, grants, or donations in FY 2012-13.

Departments Contacted

Human Services
Treasury

Military and Veterans Affairs
Personnel and Administration

Health Care Policy & Financing
Natural Resources