



Ninety-Ninth Legislature - First Session - 2005
Introducer's Statement of Intent
LB 227

Chairperson: DiAnna R. Schimek
Committee: Government, Military and Veterans Affairs
Date of Hearing: January 19, 2005

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 227 would allow the Legislature to appropriate up to \$100,000 annually to the Nebraska Veteran Cemetery System Operation Fund.

Nebraska statutes provide for three funds associated with the state veteran cemetery system: The Veteran Cemetery Construction Fund, the Endowment Fund, and the Operation Fund. No revenue from the General Fund may be remitted to any of these funds. LB 227 would permit revenue to be remitted to the Operation Fund.

Nebraska has authorized three state veterans cemeteries: one in Box Butte County, one in Hall County, and one in Sarpy County. The U.S. Department of Veterans Affairs provides construction grants for state veterans cemeteries. Applicants, however, must first provide the design and planning funds needed in order to prepare plans and meet other federal requirements. Once the grant is awarded, the planning costs are reimbursed. Ten percent of the total cost must be raised by the community before the department will consider a grant application. Fundraising efforts are under way to obtain the ten percent required for the Box Butte High Plains Veterans Cemetery. That application will be weakened by the fact that there appears to be no commitment from the State of Nebraska to maintain veterans cemeteries once they are built. The appearance of a lack of commitment comes from language in the statute that absolutely bars General Fund revenue from being remitted to the Operation Fund. This suggests to the federal government that there is no "safety net" for maintenance should it be needed.

The Operation Fund is intended to demonstrate the state's commitment to provide maintenance. However, under §12-1301, the only source of funds for the Operation Fund is the earnings of the Endowment Fund. Essentially, there will be no money in the Operation Fund until there is money in the Endowment Fund, and that money in turn generates earnings. Current private fundraising efforts are focused on getting enough money for the Construction Fund. If money must also be raised for the Endowment Fund before application is made for a grant, it will not only require communities to raise more money, it will require them to wait for the Endowment Fund to generate earnings so that the Operation Fund has money in it. If the statutes governing the cemetery funds allowed state funds to go into the Operation Fund, the application could proceed with greater chance of success because the federal grant program would have assurance that any cemetery built with grant funds will be properly maintained even if there should be a shortfall in the Endowment Fund.

Principal Introducer:

Senator LeRoy J. Loudon

