


 PREPARED BY:
 DATE PREPARED:
 PHONE:

Mike Lovelace
 January 16, 2011
 471-0050

LB 116

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(See below)		(See below)	
CASH FUNDS	See below		See below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 116 would allow money in the Veterans' Aid Income Fund to be used for the administration, maintenance, and operation of cemeteries in the state veteran cemetery system.

The veteran cemetery system currently consists of one cemetery located in Box Butte County. The current FY10-11 appropriation for operating this cemetery is \$261,554 from the General Fund. LB 116 would allow the General Fund appropriation to be replaced with a cash fund appropriation using money in the Veterans' Aid Income Fund. The amount of this fund shift would be determined by the Legislature and controlled by the appropriation process.

The potential General Fund expenditure reduction would be approximately \$261,000 annually to start with and could increase in the future if it is assumed that operating expenses will gradually increase due to salary increases, health insurance increases and inflation.

The amount of funding available for aid payments to veterans will be reduced by the amount used to support the cemetery system. This may not affect the amount of aid that is actually distributed to veterans since the income to the fund has exceeded the aid payments by an average of \$522,000 every year since FY04-05 and the fund has a balance of approximately \$3.7 million.

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LEGISLATIVE FISCAL

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LB 116 FISCAL NOTE

State Agency OR Political Subdivision Name: Department of Veterans' Affairs, Agency # 028

Prepared by: John Hilgert Date Prepared: 01/18/2011 Phone: 471-2458
Daniel L. Parker

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY2011/2012</u>		<u>FY2012/2013</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>263,360</u>	<u>0</u>	<u>267,203</u>	<u>0</u>
TOTAL FUNDS	<u>263,360</u>	<u>0</u>	<u>267,203</u>	<u>0</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB116 will have a fiscal on the Department of Veterans' Affairs, if this option is available to fund the administration, maintenance and operation of the cemeteries in the state veteran cemetery system. The annual expenditure for FY 2011/2012 is recommended at \$263, 360 and for FY 2012/2013 it is \$267,203. If the LB116 option is to be the manner in which the cemetery system is to be funded a \$530,463 reduction would be required from the Nebraska Veterans' Aid Income Fund in the next biennium. That means more than a half million dollars would be permanently removed from the funds available for assistance to needy veterans and their dependents for food, shelter, fuel, wearing apparel, medical or surgical and funeral expenses. Furthermore, the interest income derived from this reduction would not be available to grow the fund due to reinvestment in the short term.

LB 116 will have no fiscal impact on the Department of Veterans' Affairs, Agency #028, based on the biennial budget recommendations provided the Legislature in LB 374. The change to the legislation by LB116 indicates the Director "may also use the fund" (Nebraska Veterans' Aid Income Fund) "for the administration, maintenance, and operation of cemeteries in the state veteran cemetery system".

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

<u>POSITION TITLE:</u>	<u>NUMBER OF POSITIONS</u>		<u>2011-2012</u>	<u>2012-2013</u>
	<u>11-12</u>	<u>12-13</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Cemetery Administrator_____	1	1	42,750	42,750
Memorial Coordinator_____	1	1	36,170	36,170
Maintenance Supervisor_____	1	1	32,180	32,180
Grounds Keeper_____	1	1	22,075	22,180
Benefits.....			<u>100,044</u>	<u>103,886</u>
Operating.....			<u>29,116</u>	<u>29,117</u>
Travel.....			<u>1,700</u>	<u>1,700</u>
Capitol Outlay.....			<u>0</u>	<u>0</u>
Aid.....			<u>-263,360</u>	<u>-267,203</u>
Capital Improvements.....			<u>0</u>	<u>0</u>
TOTAL.....			<u>0</u>	<u>0</u>