



Legislative
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FISCAL NOTE

Drafting Number: LLS 19-1070
Prime Sponsors: Rep. Valdez D.; Will
 Sen. Winter; Crowder
Date: April 10, 2019
Bill Status: House Judiciary
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Bill Topic: FINAL DISPOSITION REIMBURSEMENT PAYMENT

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill increases the death reimbursement threshold to \$3,000 and allows for reimbursement payments when final disposition costs exceed \$3,000. This bill increases state expenditures and local government revenue on an ongoing basis. Local government expenditures are reduced.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under HB 19-1304**

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$278,250	\$278,250
	Cash Funds	\$339,750	\$339,750
	Federal Funds	\$21,000	\$21,000
	Total	\$639,000	\$639,000
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

Current law allows a death reimbursement also known as a burial assistance reimbursement for the cost of the final disposition of a qualifying deceased indigent person as long as the cost of the burial, cremation, or other service provided does not exceed \$2,500. If the cost exceeds \$2,500 no death reimbursement is available. If the cost does not exceed \$2,500, the current reimbursement amount is \$1,500. This bill increases the reimbursement threshold to \$3,000 and allows for combined reimbursements up to \$3,000 when final disposition costs exceed \$3,000. The current reimbursement amount of \$1,500 remains unchanged.

Background and Assumptions

Burial assistance is provided by the Department of Human Services for Old Age Pension, Aid to the Needy Disabled, and Colorado Works qualifying participants. In total, 2,245 burial assistance reimbursements were provided in FY 2016-17, 2,146 in FY 2017-18, and 1,704 are projected in FY 2019-20. Individuals seeking burial assistance can apply through their county human and social service agency. The reimbursement is either paid to the county or the entity that provided the final disposition services to reimburse them for the final disposition costs of a qualifying indigent person.

This fiscal note assumes a 25 percent increase in burial assistance reimbursements as a result of the increased cap under this bill. Using the 2019-20 projection of 1,704, this results in an increase of 426 reimbursements. Current reimbursement funding ratios are also assumed as follows:

- Old Age Pension Cash Fund - 53 percent or 227 reimbursements;
- General Fund (Aid to the Needy Disabled) - 44 percent or 186 reimbursements;
- Federal Funds (Colorado Works) - 3 percent or 14 reimbursements.

State Expenditures

Beginning in FY 2019- 20 this bill increases state expenditures in the Department of Human Services by \$639,000 as shown in Table 1. This is based on an estimated 426 reimbursements at the current rate of \$1,500 for each reimbursement. Using this estimate, Old Age Pension Cash Fund expenditures increase by \$339,750, General Fund expenditures by \$278,250, and federal fund expenditures by \$21,000 per year.

Local Government

Beginning in FY 2019-20, this bill increases county revenue from burial assistance reimbursements. Because counties will be reimbursed for burial or final disposition costs that they currently do not receive, future burial or final disposition costs will decrease.

State Appropriations

For FY 2019-20, this bill requires the following appropriations totaling \$639,000 to the Department of Human Services.

- \$278,250 from the General Fund;
- \$339,750 from the Old Age Pension Fund; and
- \$21,000 federal funds to the department.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed. This bill applies to final dispositions made on or after this effective date.

State and Local Government Contacts

Counties County Coroners Human Services Information Technology