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Fiscal Note

Drafting Number: LLS 21-0480 **Date:** February 16, 2021
Prime Sponsors: Sen. Cooke; Garcia **Bill Status:** Senate SVMA
Fiscal Analyst: Josh Abram | 303-866-3561
Josh.Abram@state.co.us

Bill Topic: **VETERANS SERVICE ORGANIZATION STIPEND FOR FUNERAL SERVICES**

Summary of Fiscal Impact:

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

The bill requires that the Department of Military and Veterans Affairs (DMVA) pay a stipend to a local veterans service organization for providing an honor guard detail at the funeral of an honorably discharged veteran. The bill increases state expenditures beginning FY 2021-22 and are ongoing.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$30,930 to the Department of Military and Veterans Affairs.

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

Table 1
State Fiscal Impacts Under SB 21-015

	Budget Year	Out Year
	FY 2021-22	FY 2022-23
Revenue	-	-
Expenditures		
General Fund	\$30,930	\$34,708
Centrally Appropriated	\$3,971	\$4,295
Total Expenditures	\$34,901	\$39,003
Total FTE	0.3 FTE	0.3 FTE
Transfers	-	-
TABOR Refund	-	-

Summary of Legislation

The bill requires that the Department of Military and Veterans Affairs (DMVA) pay a stipend up to \$75 dollars to a local veterans service organization for each time the organization provides an honor guard detail at the funeral of an honorably discharged veteran. A veterans service organization must be a congressionally chartered service organization or one of its local affiliates.

The DVMA must pay the stipend for services performed at each funeral, but may decrease the amount paid for services performed at a second or subsequent funerals when performing multiple services at more than one funeral on the same day. No later than January 15, 2022, the department must create a process for a local veterans service organization to apply for and receive a stipend.

State Expenditures

For FY 2021-22, the bill increases state expenditures in the DMVA by \$34,901 and 0.3 FTE. For FY 2022-23 and future years, new expenditures are \$39,003 and 0.3 FTE. Expenses for administration and stipend payments are displayed in Table 2 and described below.

Table 2
Expenditures Under SB 21-015

	FY 2021-22	FY 2022-23
Department of Military and Veterans Affairs		
Personal Services	\$10,730	\$14,309
Printing	\$200	\$399
Stipends	\$20,000	\$20,000
Centrally Appropriated Costs ¹	\$3,971	\$4,295
FTE – Personal Services	0.3 FTE	0.3 FTE
Total Cost	\$34,901	\$39,003

¹ Centrally appropriated costs are not included in the bill's appropriation.

There are many congressionally chartered veterans service organizations who will be eligible to apply for stipends from the department. Each year, there are an estimated 3,000 funerals for military veterans statewide, although veterans service organizations are not always the providers of military honors or other burial benefits.

Based on a similar stipend program in Minnesota, it is estimated the Colorado DMVA will process 100-200 applications for stipends and other reimbursements annually. The number of participating service organizations and applications are expected to grow in future years. The program will require additional department staff to create an application process and do outreach to eligible organizations, and ongoing accounting staff to process applications, verify eligibility and qualify requests. Personal services costs for FY 2021-22 are prorated for the General Fund pay date shift and a presumed September effective date.

Centrally appropriated costs. 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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$3,971 in FY 2021-22, and \$4,295 in FY 2022-23.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2021-22, the bill requires a General Fund appropriation of \$30,930 to the Department of Military and Veterans Affairs, and 0.3 FTE.

State and Local Government Contacts

Military Affairs