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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 2/9/2015  
**SPONSOR** Munoz **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Veterans' Cemetery Fund Changes **SB** 368

**ANALYST** Chenier

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	See fiscal implications	See fiscal implications	Recurring	Substance abuse education fund

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See fiscal implications	See fiscal implications	See fiscal implications	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Veterans' Services Department (VSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 368 changes the name of the "veterans' national cemetery fund" to "veterans' state cemetery fund"; deletes a provision in fund statute requiring that if the sum of contributions to the fund exceeds \$1,070.0 thousand, additional amounts shall be distributed to the substance abuse education fund; and, repeals Section 7-2-27 NMSA 1978 (legislative intent) to increase the size of the national veterans cemetery in Santa Fe.

### FISCAL IMPLICATIONS

According to VSD, under current statute, New Mexico state taxpayers may choose to donate

some or all of their state income tax return to the Veterans' National Cemetery Fund. This fund was set up to reimburse the City of Santa Fe for land donated to the Santa Fe National Cemetery. The original statute was enacted in 1987 and currently, there is less than \$300.00 in the fund. Since creation, the fund has collected approximately \$400,000.

VSD would use contributions to the fund to administer new state operated veterans' cemeteries offsetting future costs to the general fund.

### **SIGNIFICANT ISSUES**

Federal guidelines suggest no additional national cemeteries will be built in the United States and by 2025 the national cemetery in Santa Fe will stop accepting new burials. To address the need for added burial space for New Mexico veterans, the VSD received grant money from the federal government along with a capital outlay appropriation in FY15 for new state operated cemeteries. The department has begun planning to open new state operated cemeteries at Fort Stanton, Gallup, Carlsbad, and Angel Fire – expecting at least 100 burials at each cemetery annually once operations ramp up.

For FY16 VSD requested \$663.1 thousand through an expansion request. The expansion would add a statewide program manager, a program assistant, and a senior and junior maintenance worker at each of the four new proposed cemeteries. The federal National Cemetery Administration (NCA) of the Department of Veterans' Affairs recommends 1.8 FTE for each cemetery based on the number of expected burials. Subsequent to the submission of the budget request, the department was notified by NCA that only one of the four proposed cemeteries, the one in Gallup, was approved for construction, with an expected completion by the start of FY16. The department may still receive funding for an additional cemetery in FY16.

DVS stated that they would use fund contributions to administer the new state veterans' cemeteries.

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