

SF702 - 0 - Cemetery Burial Fees for Spouses & Dependents

Chief Author: **Bill Lieske**
 Committee: **State and Local Government and Veterans**
 Date Completed: **2/13/2023 12:22:22 PM**
 Agency: **Veterans Affairs Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	-	-	-	-	-
Gift Fund	-	316	345	376	410	
Total	-	316	345	376	410	
Biennial Total			661		786	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	-	-	-	-
Gift Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 2/13/2023 12:22:22 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	-	-	-	-	-
Gift Fund	-	316	345	376	410	
Total	-	316	345	376	410	410
Biennial Total			661			786
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue	-	(316)	(345)	(376)	(410)	
Gift Fund	-	316	345	376	410	
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	(316)	(345)	(376)	(410)	
Gift Fund	-	-	-	-	-	
Total	-	(316)	(345)	(376)	(410)	(410)
Biennial Total			(661)			(786)

Bill Description

The bill removes state veterans cemetery burial fee for spouses and dependents of eligible veterans. Amends Minnesota Statutes 2022, sections 190.19, subdivision 2a; 197.236, subdivision 9, prohibiting burial fees and allowing the use of “Support Our Troops” gift funds for uncompensated burial costs for eligible dependents.

Assumptions

Annual burial rates for both Veterans and dependents have grown at all 3 operating Veterans cemetery locations in Little Falls, Preston, and Duluth. It can be reasonably assumed that growth at Little Falls will slow in the coming years, but growth in our newest locations at Preston and Duluth will continue to increase as Veterans choose this option for burial.

Annual burial rates in Preston and Duluth, since opening in 2015 and 2018 respectively, have increasing trend lines comparable to Little Falls which predict substantial burial increases over the next decade. The new cemetery in Redwood Falls, opening in 2023, can be expected to follow a similar trend line of growth during the same period.

“Support Our Troop” funds that are currently granted to eligible non-profit Veteran groups who support Veterans and their families will be significantly impacted by decreasing the availability of these funds in order to cover dependent burial fees.

In future years, all “Support Our Troop” funds will only be used to cover dependent burial fees and no longer available for other uses available to the MDVA Commissioner to support Veterans and their family needs.

Expenditure and/or Revenue Formula

Revenues generated thru dependent burial fees have increased over time in relationship to sustained year after year growth at all 3 currently operating State Veterans Cemeteries in Little Falls, Preston, and Duluth. Currently \$745 is charged to the Veteran’s family for each dependent burial.

The Minnesota Department of Veterans Affairs (MDVA) collects burial fees for Veterans directly from the U.S. Department of Veterans Affairs. The current burial fee for Veterans is \$893. The MDVA has not raised the dependent burial fee since

July 1, 2015 to reduce the financial burden on the family members of Veteran dependents. Our revenue projections include the dependent burial fees increasing to match the current Veteran burial fee to account for increased costs of operation and inflation incurred since 2015.

Using actual Dependent Revenues received from FY08-FY22, the department was able to create a predictive formula by establishing a trendline and adjusting burial fees to match the current 2023 veteran burial fee established by the U.S. Department of Veterans Affairs. The formula used is $x =$ the fiscal year which you are projecting revenues for (i.e. FY08 would be 1 since the trendline formula is based off of data starting in FY08 and FY25 would be 18). **Burial Fee Revenues** $= ((762.94 * (x^2)) - (2165.5 * x) + (79812)) * 1.19866$

	LITTLE FALLS	PRESTON	DULUTH	TOTAL DEPENDENT BURIALS	REVENUE (\$)
FY 2018	154	16	0	170	126,650
FY 2019	183	27	20	230	171,350
FY 2020	165	31	25	221	164,645
FY 2021	204	39	35	278	207,110
FY 2022	214	46	42	302	224,990
<i>FY 2023 *projected</i>					288,249
<i>FY 2024 *projected</i>					315,832
<i>FY 2025 *projected</i>					345,244
<i>FY 2026 *projected</i>					376,485
<i>FY 2027 *projected</i>					409,555
<i>FY 2028 *projected</i>					444,454
<i>FY 2029 *projected</i>					481,182

Long-Term Fiscal Considerations

New Veteran license plate options reduce annual revenue from the “Support Our Troops” license plate which would reduce available funds needed to mitigate losses in revenue from eliminating the current dependent burial fee.

Using historical burial trend data from Little Falls and projecting future growth at Preston and Duluth, plus the new cemetery in Redwood Falls, it is reasonable to estimate that revenue from dependent burial fees over the next 10 years will exceed \$600,000 annually. This exceeds current annual revenue generated by the “Support Our Troops” license plate.

Local Fiscal Impact

NA

References/Sources

NA

Agency Contact:

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