



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

---

April 30, 2013

Joint Committee on Finance

Paper #697

### **Military Funeral Honors (Veterans Affairs -- Departmentwide, Veterans Programs, and Museums)**

[LFB 2013-15 Budget Summary: Page 492, #11]

---

#### **CURRENT LAW**

The Department of Veterans Affairs (DVA) administers a program that coordinates the provision of military honors details at funerals of deceased veterans and to deceased persons who have served under honorable conditions in any national guard or in a reserve component of the U.S. armed forces. The Department provides these services either by performing the honors with DVA's military funeral honors teams or by coordinating the performance of such honors by members of veterans groups and the military services.

The Department also administers a funeral honors training program to certify veterans organizations and their members for the performance of these duties. DVA is required to provide reimbursement of up to \$50 to the local veterans groups that provide such services. These stipends are funded from the general fund.

#### **GOVERNOR**

Convert the military funeral honors appropriation from a biennial appropriation to a sum sufficient appropriation. Increase funding for military funeral honors by \$82,600 GPR annually to fully fund projected program costs. Combined with base funding (\$221,900 GPR), \$304,500 GPR would be budgeted for the program in each year of the biennium.

#### **DISCUSSION POINTS**

1. In each of the past two biennia, DVA has requested and received a funding supplement for the military honors program to address funding shortfalls. 2011 Wisconsin Act 27

provided \$68,900 GPR in 2010-11 to fund program costs that exceeded the amounts budgeted in 2009 Wisconsin Act 28 (the 2009-11 biennial budget act). In February, 2013, the Joint Committee on Finance provided an additional \$109,900 for the program as part of its plan to allocate federal income augmentation revenues the state received in the previous fiscal year. This funding was needed, in part, because DVA eliminated two of its three military funeral honors teams funded from the veterans trust fund (VTF). DVA's military funeral honors teams are operated by state staff and do not receive stipends. This action had the effect of reducing expenditures from the VTF, but increased the number of reimbursements DVA paid with GPR funding budgeted for the program.

2. The table shows the actual expenditures from the military honors appropriation from 2008-09 through 2011-12, the Department's estimate for 2012-13, and the Governor's recommendations for 2013-14 and 2014-15. The bill provides \$304,500 in each year of the 2013-15 biennium. This would represent a 4.1% increase in 2013-14 and a 0% increase in 2014-15. Given the modest increase of 1.47% from 2010-11 to 2011-12 and the subsequent 4.43% increase in 2012-13, the amount of funding that would be budgeted for the program in the bill appears reasonable.

**Historical and Estimated Military Funeral Honors Expenditures**

Year	Actual				Estimated		
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Amount	\$205,800	\$240,900	\$276,000	\$280,100	\$292,500	\$304,500	\$304,500
Percent Change		17.1%	14.6%	1.5%	4.4%	4.1%	0.0%

3. As of February 28, 2013, DVA had provided \$182,600 for reimbursements for funeral honors performed by veterans organizations. If DVA reimbursed \$50 to every veterans organization that performed funeral honors, thus far in 2012-13, there has been an average of approximately 457 honors performed each month.

4. The Governor's budget would convert the military funeral honors appropriation from a sum certain appropriation to a sum sufficient appropriation. By doing so, the funding available to support reimbursements for military funeral honors would no longer be limited to the amounts budgeted for this purpose, as these amounts would represent estimates of the amounts that would be expended for the program. Instead, DVA would continue to provide stipends for military funeral honors if expenditures from the appropriation exceeded the Chapter 20 estimates. There would be no need to request program supplements if costs exceeded budget estimates. For this reason, the Committee could adopt the Governor's recommendation (Alternative 1). Alternatively, the Committee may wish to increase funding for the program, as recommended by the Governor, but retain the current sum certain appropriation (Alternative 1a).

5. Under the bill, the uncommitted balance in the VTF at the end of the 2013-15 biennium is projected to be approximately \$20.7 million as a result of the Governor's proposal to credit revenue from the operations of the veterans homes to the VTF, to convert funding for the veterans homes from PR to SEG, and to transfer \$5,300,000 GPR to the VTF in 2013-14.

6. In light of the projected balance in the VTF, the Committee could consider

increasing funding for the program, or funding the entire program, with SEG funds from the VTF, rather than GPR (Alternatives 2 and 2a). Currently, nearly all of the Department's programs unrelated to the operations of the veterans homes are funded from the VTF.

7. Although the VTF is projected to have a positive balance in the 2013-15 biennium, expenditures from the VTF are still expected to exceed revenues in each year of the biennium. Converting the military funeral honors appropriation to a SEG appropriation funded from the VTF would increase the projected structural deficit in the VTF.

8. Another option the Committee could consider is to retain GPR base funding for the program (\$221,900) but to fund the increase with SEG revenue from the VTF (\$82,600 SEG annually). This option is presented under Alternative 3.

**ALTERNATIVES**

1. Approve the Governor's recommendations.

1a. Modify the bill by deleting the provision that would convert the GPR appropriation from a sum certain to a sum sufficient appropriation.

2. Modify the bill to convert the military funeral honors appropriation from a sum sufficient GPR appropriation to a sum sufficient SEG appropriation funded from the veterans trust fund. Reduce funding by \$304,500 GPR and increase funding by \$304,500 SEG annually to reflect this change.

<b>ALT 2</b>	<b>Change to Bill Funding</b>
GPR	- \$609,000
SEG	<u>609,000</u>
Total	\$0

2a. Modify the bill to convert the military funeral honors appropriation from a sum sufficient GPR appropriation to a sum certain SEG appropriation funded from the veterans trust fund. Reduce funding by \$304,500 GPR and increase funding by \$304,500 SEG annually to reflect this change.

<b>ALT 2a</b>	<b>Change to Bill Funding</b>
GPR	- \$609,000
SEG	<u>609,000</u>
Total	\$0

3. Modify the Governor's recommendations by: (a) deleting provisions in the bill that would convert the current appropriation from a sum certain to a sum sufficient appropriation; (b) reducing funding for the program by \$82,600 GPR annually; and (c) creating a sum certain SEG appropriation from the VTF to support the funding increase recommended by the Governor (\$82,600 SEG annually), rather than providing a GPR funding increase for the program.

<b>ALT 3</b>	<b>Change to Bill Funding</b>
GPR	- \$165,200
SEG	<u>165,200</u>
Total	\$0

Prepared by: Grant Cummings