



## Legislative Fiscal Bureau

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May 7, 2003

Joint Committee on Finance

Paper #808

### **Funding Military Honors Funeral Program Cost Increases (Veterans Affairs -- General Agency Provisions)**

[LFB 2003-05 Budget Summary: Page 459, #9]

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#### **CURRENT LAW**

The Department of Veterans Affairs (DVA) administers a program that coordinates the provision of military honors details by its staff, local veterans service groups, and members of the Wisconsin National Guard at funerals of deceased veterans. The agency is authorized 18.0 SEG positions to staff three honors details to assist at military funerals in the state. Further, DVA administers a reimbursement program that pays a \$50 grant to any local veterans service organization that provides an honor guard detail at the funeral of a deceased veteran. The Adjutant General of the Department of Military Affairs is also authorized to activate Wisconsin National Guard members to participate in such services.

Base level funding for the honor guard details is \$714,900 SEG annually, budgeted under the agency's administration of loans and aids general program operations appropriation. Base level funding for the \$50 reimbursement grants to veterans service organizations that have provided honor guards is \$125,000 SEG annually, budgeted under a separate biennial appropriation for this purpose. Both appropriations are funded from the veterans trust fund.

#### **GOVERNOR**

Provide \$58,500 SEG in 2003-04 and \$69,500 SEG in 2004-05 for the following increased costs related to military honors funerals: (1) \$37,000 SEG in 2003-04 and \$50,500 SEG in 2004-05 for an increased number of \$50 reimbursement payments to veterans organizations that provide honor guard details at military honors funerals; and (2) \$21,500 SEG in 2003-04 and \$19,000 SEG in 2004-05 for increased rental costs at Fort McCoy for the honor guard team currently based at that facility.

## DISCUSSION POINTS

1. Based on the number of \$50 reimbursement grants paid through March 31, 2002, the number of pending but unpaid requests, and the likely number of additional requests for the remainder of the current fiscal year, DVA anticipates that it will receive reimbursement requests for approximately 2,910 honors funerals in 2002-03.

2. The Governor's budget recommendation for additional reimbursement grant funding for the next biennium assumes reimbursement payments for an estimated 3,240 honors funerals in 2003-04 and payments for an estimated 3,510 honors funerals in 2004-05. Based on the first 32 months of the reimbursement program's operation, these recommendations appear reasonable. Further, the requested funding increased rental costs at Fort McCoy are based on previously scheduled lease increases.

3. DVA has submitted a s. 13.10 request for a supplement of \$70,200 SEG in 2002-03 to fund a backlog of unpaid \$50 honors detail reimbursement grant requests. The Department has proposed a transfer of \$70,200 SEG in 2002-03 from the available unexpended balances under the agency's subsistence grants appropriation. [In addition, DVA has proposed a similar transfer of \$51,200 SEG in 2002-03 from the available unexpended balances under this same appropriation to fund a separate shortfall in the agency's retraining grant program.]

4. As an alternative to the Governor's current recommendation, the Committee could again consider reallocating available base level funding under the subsistence grants appropriation, rather than appropriating new funding, to provide the \$58,500 SEG in 2003-04 and \$69,500 SEG in 2004-05 proposed for the funeral honors program.

5. The subsistence grants program provides temporary emergency aid to veterans in the event of an illness, disability or death that causes a loss of income. The emergency grant is intended to help the veteran meet everyday living expenses such as rent, food and clothing. The grant is provided on a month-to-month basis and is limited to a maximum of three, 30-day grants within any 12-month period (unless the Department determines there is a continuing need due to a relapse). Base level funding for the subsistence grant program is \$750,800 SEG annually.

6. The following table summarizes the subsistence grants program expenditure activity during the five most recent fiscal years.

**Subsistence Grants Expenditures  
(1998-99 through 2002-03)**

<u>Fiscal Year</u>	<u>Appropriated</u>	<u>Adjustments</u>	<u>Expended</u>	<u>Unexpended</u>
1998-99	\$236,200	\$56,700	\$260,000	\$32,900
1999-00	276,000	63,800	339,800	0
2000-01	300,600	187,700	475,800	12,600
2001-02	605,500	0	563,300	42,200
2002-03*	750,800	-121,400	380,000**	249,400

\*Available funding in 2002-03 includes action by the Joint Committee on Finance on May 5, 2003, transferring \$121,400 SEG from this appropriation.

\*\*Projected, based on expenditures through March 31, 2003.

7. Under provisions of s. 45.351(2) of the statutes, if demand for subsistence grants funds exceeds the available amounts appropriated, the Secretary of DVA may submit a request to this Committee for a supplementation from the veterans trust fund, under a 14-day passive review-type process. Such requests were forwarded to the Committee in each fiscal year between 1998-99 and 2000-01, when annual supplements of \$56,700, \$63,800, and \$187,700, respectively, were approved. In the 2001-03 biennial budget, significant additional funding was added this program, based on revised estimates of program demand.

8. The subsistence grants program is budgeted at \$750,800 SEG annually during the 2003-05 fiscal biennium. Based on recent program expenditures, however, it would appear that the program is now over-budgeted and that grant demand will not approach the \$750,800 annually appropriated. Therefore, the Committee could consider reducing the current base funding level for the program by \$58,500 SEG in 2003-04 (to \$692,300 SEG) and by \$69,500 SEG in 2004-05 (to \$622,800 SEG) for the purpose of funding the funeral honors program cost increases. Under this alternative, the additional new funding for funeral honors costs, as recommended by the Governor, could be deleted, and there would be no net increased cost to the veterans trust fund.

9. Following these adjustments, if the subsistence grants program actually required any additional funding during either fiscal year of the next biennium, the agency has the authority under s. 45.351(2) to seek a supplementation from the veterans trust fund under a 14-day passive review process.

**ALTERNATIVES**

1. Approve the Governor's recommendation to provide \$58,500 SEG in 2003-04 and \$69,500 SEG in 2004-05 for increased costs related to military honors funerals.

2. Modify the Governor's recommendation by deleting \$58,500 SEG in 2003-04 and \$69,500 SEG in 2004-05 from base level amounts appropriated to DVA's subsistence grants program and providing \$58,500 SEG in 2003-04 and \$69,500 SEG in 2004-05 for increased costs related to military honors funerals.

<u>Alternative 2</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	- \$128,000

3. Delete provision.

<u>Alternative 3</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	- \$128,000

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