

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** House Bill 1391 (First Edition)

**SHORT TITLE:** State Veterans Cemeteries/Funds.

**SPONSOR(S):** Representative Grady

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>	<b><u>FY 2006-07</u></b>	<b><u>FY 2007-08</u></b>	<b><u>FY 2008-09</u></b>
<b>REVENUES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>EXPENDITURES</b>					
<b>General Fund</b>	<b>Up to \$5,000 (See Assumptions and Methodology)</b>				
<b>Veterans Burial Fund</b>	<b>Up to \$24,952 (See Assumptions and Methodology)</b>				
<b>POSITIONS: (cumulative)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Administration, Division of Veterans Affairs, Veterans Cemeteries					
<b>EFFECTIVE DATE:</b> July 1, 2004					

**BILL SUMMARY:**

The bill would amend Article 8A of Chapter 65 to add a new section that would require interment services in State veterans cemeteries to be held from Monday through Saturday, except on State holidays. The bill would also appropriate \$5,000 for the 2004-2005 fiscal year from the General Fund to the Division of Veterans Affairs within the Department of Administration.

**ASSUMPTIONS AND METHODOLOGY:**

The State operates three veterans cemeteries, which are located in Black Mountain (Buncombe County), Jacksonville (Onslow County), and Spring Lake (Cumberland County). Following the practice of the National Veterans Cemeteries, which are operated by the U.S. Department of Veterans Affairs, the State's veterans cemeteries are only available for burials Monday through Friday. This bill would require the Department to extend the operations of the veterans cemeteries to include Saturday hours.

### ***Cost of Extending Full Service Operations to Include Saturdays***

The Department reported that the Occupational Safety and Health Administration (OSHA) requires that two individuals work together when opening and closing graves. The two individuals that the Department assigns to the task usually are a Maintenance Mechanic and a Grounds Worker. The Maintenance Mechanic is responsible for operating both the backhoe to dig the grave as well as the casket-lowering device. The Grounds Worker assists the Maintenance Mechanic.

The Department estimates that it could operate the three cemeteries on Saturdays by changing the work schedules and paying overtime. The overtime cost would be \$64 per burial. Generally, the Department limits the number of burials to three per day. Thus, the maximum cost on an annual basis, assuming that there are three burials per cemetery each Saturday, would be \$29,952 ( $\$64/\text{burial} * 3 \text{ burials/Saturday} * 52 \text{ Saturdays} * 3 \text{ cemeteries}$ ). Assuming that there is only one burial per cemetery each Saturday, the annual cost for overtime would be \$9,984 ( $\$64/\text{burial} * 3 \text{ cemeteries} * 52 \text{ Saturdays} = \$9,984$ ).

### ***Funding for Extending Full Service Operations to Include Saturdays***

Currently, the cemetery operations are funded with both receipts and General Fund appropriations. The Department receives \$300 for each burial. The U.S. Department of Veterans Affairs pays the \$300 plot allowance for a veteran while survivors are responsible for paying the \$300 plot allowance for veterans' spouses and dependents who are buried in the veterans cemeteries. These receipts are deposited into the Veterans Burial Special Fund. This bill would appropriate \$5,000 from the General Fund to the Department of Administration, Division of Veterans Affairs to offset the cost of interments on Saturday. The bill would require the Department to use the receipts from the U.S. DVA and from the private burial fee to cover any additional cost incurred as a result of interments on Saturday.

The expenditures for the cemetery operations for fiscal year 2002-2003 totaled \$528,593 for 16 positions (five of which were funded with receipts); utilities and telephones, equipment, repairs, maintenance, etc. The total expenditures were funded with \$442,480 in General Fund appropriations and \$86,113 in receipts. For fiscal year 2002-2003, the total receipts from the plot allowances was approximately 147,900 with \$116,050 coming from the U.S. Department of Veterans Affairs for veteran burials and the remaining \$31,850 coming from the survivors for dependent burials. The Department retains the difference between the actual receipts and expended receipts in a special fund to be used for equipment repair, maintenance, and replacement. The year-end cash balance in the special fund was approximately \$100,000 at the end of the 2002-2003 fiscal year.

The Department expects that a change in the operating hours would only shift some of the interments from the weekdays to Saturdays but would not significantly increase the number of interments. Thus, the Department estimates, and Fiscal Research agrees, that extending the full service operations of the cemeteries to Saturday would not generate any additional revenue. However, as noted above, when the Department's receipts actually exceed the expended receipts, the excess receipts are deposited into the special fund. The year-end cash balance in the special fund was approximately \$100,000 at June 30, 2003, while the equipment expenditures have ranged from \$4,306 to \$38,743 over the past five years. The maximum cost is expected to be \$29,952, assuming there are three burials at each of the three cemeteries each Saturday. With the \$5,000

appropriation, the maximum to be funded from the special fund would be \$24,952. Fiscal Research believes that the special fund balance is sufficient to cover cost incurred beyond the \$5,000 appropriation to provide Saturday interments. Please note, however, that to the extent the special fund is used and is not sufficient to fund equipment expenditures, the Department will likely request General Fund appropriations to fund equipment repairs and purchases.

**SOURCES OF DATA:** Department of Administration

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**DATE:** May 23, 2004

**Signed Copy Located in the NCGA Principal Clerk's Offices**