



## Fiscal Estimate Narratives

DHS 2/9/2010

LRB Number	09-1821/1	Introduction Number	SB-338	Estimate Type	Original
<b>Description</b> Maximum amount of funeral and burial expenses under the funeral, burial, and cemetery expenses program					

### Assumptions Used in Arriving at Fiscal Estimate

The Wisconsin Funeral and Cemetery Aids Program (WFCAP) pays a portion of funeral and cemetery expenses for certain Wisconsin Works and Medical Assistance recipients when the estate of the recipient does not have sufficient funding available. Under current law, the program does not pay any expenses if the total funeral and burial expense exceeds \$3,500. This bill would increase the limit on the total funeral and burial expenses to \$4,500. The maximum amount the state or county is required to reimburse would remain the lesser of \$1,500 or the amount not paid by the decedent's estate and or other persons. This bill does not alter statutes related to cemetery expenses.

The WFCAP program is funded entirely with GPR funds. In SFY 2009, the WFCAP program provided reimbursement of funeral, burial, and cemetery expenses of \$7,372,000. Of this amount, \$4,745,845 was attributable to funeral and burial claims. The majority of claims in the Wisconsin Funeral and Cemetery aids program are for the full amount of \$1,500. There were 3,334 claims in SFY 2009; 443 of those were less than \$1,500.

Most of the claims under \$1,500 were for funeral and burial services that totaled less than \$3,500 and therefore would be unlikely to be affected if this bill were enacted. There were 41 claims for funeral and burial services of \$3,500 that would likely receive an increased reimbursement under this bill. This estimate assumes that a funeral that costs more than \$3,500 is currently discounted to \$3,500 in order to meet statutory reimbursement requirements, and that funeral costs submitted for reimbursement upon passage of this bill would generally rise to \$4,500. If the total amount allowed for funeral and burial costs increases, the amount of state reimbursement will increase for claims currently below the maximum reimbursement level. For example, if a funeral currently costs \$3,500, and the estate contributes \$2,500, the state reimbursement would be \$1,000. Under this bill, it is assumed that the funeral cost will increase to \$4,500, the estate would continue to contribute \$2,500, and the state reimbursement would increase to \$1,500. Applied to current claiming patterns, it is estimated the additional cost for the increase in funeral and burial claims would be approximately \$38,600. This estimate assumes a growth rate of 8% in claims, which represents the average growth in WFCAP claims over the past three years.

There may be additional costs to the state for funerals that currently cost between \$3,500 and \$4,500 for which the WFCAP program does not provide reimbursement at this time. If this bill were to result in a 15% increase in claims (approximately 500 more claims per year), the fiscal impact would be approximately \$500,000.

Given that the amount the state or county is required to reimburse remains unchanged in this bill and that a majority of claims currently receive the maximum WFCAP reimbursement, another possible fiscal impact of this bill is that the family of the deceased or other interested parties may become responsible for a greater share of funeral costs. It should be noted families and other persons are not, however, legally obligated to contribute to the cost of the funeral or burial. The potential fiscal impact of this bill on families would be at most \$1,000 per funeral.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Maximum amount of funeral and burial expenses under the funeral, burial, and cemetery expenses program			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	538,600		
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$538,600</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	538,600		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State		Local
NET CHANGE IN COSTS	\$538,600		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
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		<b>Date</b>	
		2/9/2010	