



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 1** SLS 11RS 11
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 29, 2011	2:38 PM	Author: ADLEY
Dept./Agy.: Executive/Military		
Subject: LNG Death and Disability Benefits		Analyst: Evan Brasseaux

MILITARY AFFAIRS

OR +\$8,200,000 SD EX See Note

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Provides for death and disability benefits for Louisiana National Guardsmen activated by the governor or the president. (gov siq)

The proposed legislation provides that during periods of activation of a Louisiana National Guardsman ordered by the governor or by the President of the United States subsequent to September 11, 2001, benefits in a lump sum amount of \$250,000 for a qualifying death and \$100,000 for a qualifying disability shall be paid by the state to a guardsman or his beneficiary. A qualifying disability shall be determined by the U.S. Department of Veterans Affairs or by the Louisiana National Guard state surgeon. A qualifying disability means a one hundred percent permanent total disability rating, or a permanent and total unemployability rating as determined by the U.S. Department of Veterans Affairs and certified by the Louisiana secretary of veterans affairs.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$8,200,000	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$8,200,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$8,200,000	\$0	\$0	\$0	\$0	\$8,200,000

REVENUES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will result in an increase in state expenditures of a minimum of \$8.2 million.

HB 1 of 2011 contains an \$8 M appropriation from the Overcollections Fund (supplementary budget recommendation contingent upon the legislative approval of transfer of fund balances, not including the sale of correctional facilities, delineated in the funds bill to the Overcollections Fund) for death benefits to be paid to survivors of LA National Guardsmen (LANG) who lost their lives between the period of 9/11/2001 and 7/6/2007. During this time, 32 members of the LANG were killed during periods of activation by the Governor or the President of the United States. The payment of the lump sum of \$250,000 to each beneficiary will cost a total of \$8 M. However, this appropriation does not provide for LANG who were injured during this time period and determined to be eligible for the 100% permanent and total disability payment of \$100,000.

The Dept. of Veterans Affairs indicates that there are 2 disability cases which are eligible should this legislation be enacted. The Dept. of Veterans Affairs has also indicated that other cases are currently pending with the U.S. Dept. of Veterans Affairs to determine whether these persons qualify for 100% permanent and total disability which would make them eligible for the \$100,000 benefit provided through this legislation. The LFO has requested the total number of persons who are currently still in the appeals process and will update this fiscal note upon receipt. Therefore, at a minimum, an additional \$200,000 will be necessary to fund the benefits for those members who are known to qualify should this legislation be enacted. To the extent that additional members are determined to be eligible upon appeal, an additional \$100,000 per member will be required to make such payments. The Dept. of Veterans Affairs indicates that there is no time limit to the appeals process.

Continued on page 2

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input checked="" type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	<div>H. Gordon Monk</div> <div>H. Gordon Monk</div> <div>Legislative Fiscal Officer</div>
		<input checked="" type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	



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CONTINUED EXPLANATION from page one: Page 2 of 2
Expenditures Continued:

Act 260 of 2007 provided benefits for LA National Guardsmen that were either killed or injured (100% permanent and total disabled) during periods of activation that were ordered by the governor or the President of the United States on or after 7/7/2007. Those members who have 100% permanent and total disability are eligible for a lump-sum payment of \$100,000. Beneficiaries of LA National Guardsmen killed while on active duty participating in military business received a lump-sum payment of \$250,000. Since this legislation was enacted, there have been no payments associated with 100% permanent and total disability. However, there have been 12 payments of \$250,000 to beneficiaries of LANG members killed during this time period. Six (6) payments were made in FY 10 and 6 additional payments have been made in FY 11.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	<u>H. Gordon Monk</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input checked="" type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	<input checked="" type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}		H. Gordon Monk Legislative Fiscal Officer