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BILL



ANALYSIS

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Senate Bill 1175 (as introduced 6-7-12)
Sponsor: Senator Bruce Caswell
Committee: Appropriations

Date Completed: 6-12-12

CONTENT

The bill would amend the Social Welfare Act to delete a requirement that the State provide burial services for an indigent person when requested, and instead require financial assistance for cremation only in cases of an unclaimed body. The bill would define "unclaimed body" as a dead human body for which the deceased has not provided a disposition, for which an estate or assets to defray the cost of disposition do not exist, and that is not claimed for disposition by a person, relative, or court-appointed fiduciary.

The bill would make it possible to implement changes to the Indigent Burial line item that were intended to take effect in both the enacted FY 2011-12 Department of Human Services (DHS) budget and the FY 2012-13 budget as passed by the Legislature. If the Act is not updated to reflect the intent of the Legislature, the DHS will not be able to implement the proposed change to provide cremation services in cases of an unclaimed body. To date, the DHS has continued to provide burial services, as directed under current statute. In the legislative transfer request letter dated March 26, 2012, the DHS requested a transfer of \$3.3 million Gross (\$3.0 million GF/GP) in order to support burial services in the line item. This transfer, approved on May 2, 2012, essentially maintained funding in the line item at the FY 2010-11 level.

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BACKGROUND

In the FY 2010-11 budget, the Indigent Burial line item was funded at \$4.2 million Gross (\$3.8 million GF/GP). The associated boilerplate language in Sections 613 and 614 provided for burials for indigent people, and also set the reimbursement rates and payment schedule. Burial services were provided to indigent people with a maximum reimbursement of \$700 per burial, which was distributed to the funeral director, cemetery or crematorium, and the provider of the vault.

The FY 2011-12 enacted budget reduced the line item by 76% to \$1.0 million Gross and GF/GP. Boilerplate language in Section 613 was changed to permit reimbursements for the cremation of an unclaimed body, rather than the burial of any indigent person (although there are provisions for those whose religion would prohibit cremation). Section 613 also provides an increased reimbursement rate of up to \$800 plus \$75 for fees and additional reimbursements for mileage. Section 614, which required the Department to provide reimbursements for burials within 10 days of a request, by repealed by Public Act 278 of 2011. With the legislative transfer discussed above, the year-to-date appropriation

in the line item has increased from \$1.0 million Gross and GF/GP to \$4.3 million Gross (\$4.0 million GF/GP).

The FY 2012-13 budget carried forward the FY 2011-12 policy and enacted appropriation level of \$1.0 million Gross and GF/GP. The name of the line item was changed from "Indigent Burial" to "Unclaimed Bodies".

FISCAL IMPACT

If the bill is enacted during FY 2011-12, the State will save approximately \$372,500 Gross (\$347,500 GF/GP) per month for the remainder of the fiscal year. If the bill does not pass, the State will not incur any additional costs in FY 2011-12, as the legislative transfer of \$3.3 million Gross will cover all of the projected program expenses. If the bill – or similar legislation – is not enacted, however, the State will incur additional costs of approximately \$3.3 million Gross (\$3.0 million GF/GP) in FY 2012-13.

The DHS projects the number of indigent burials in FY 2011-12 to be 7,418, if legislation to reflect the budgetary changes is not enacted. As of April 19, 2012, 3,363 burials had been reimbursed. Based on the DHS projections, approximately 784 burials per month would be reimbursed for the remainder of the year at an average cost of \$581, for a total monthly cost of \$455,000 GF/GP.

The FY 2011-12 enacted budget assumed that cremation costs would total \$1,000: \$800 for the cremation, \$75 for the cremation fee, and an average of \$125 in mileage reimbursements. The budget also assumed approximately 1,000 unclaimed bodies a year, or 83 per month, for a monthly cost of \$83,000.

If corrective legislation is enacted, potential savings for the remainder of FY 2011-12 total \$372,500 GF/GP per month (\$455,500 - \$83,000).

The bill would have no fiscal impact on local government.

Fiscal Analyst: Frances Carley

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.