

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 70** HLS 20RS 341
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: May 29, 2020 7:45 AM	Author: JOHNSON, MIKE
Dept./Agy.: Veterans Affairs	Analyst: Patrice Thomas
Subject: LA National Guard Disability Benefits	

MILITARY AFFAIRS EG INCREASE GF EX See Note Page 1 of 2
 Provides relative to National Guard death and disability benefits and qualifying subsequent examination

Present law provides for benefits of \$250,000 for death and \$100,000 for disability incurred during a period of activation (after September 11, 2001) in the line of duty to a Louisiana National Guardsman or their beneficiary. Present law provides that such death and disability benefits shall be paid only when funds are available having been appropriated for such purpose. Proposed law defines "qualifying subsequent examination" as meaning the Louisiana National Guardsman's initial injuries progressed or worsened to the extent of 100% permanent total disability or a permanent and total unemployability disability rating as determined by the US Department of Veterans Affairs. Proposed law provides for benefits of \$50,000 per qualifying subsequent examination of 100% permanent total disability or permanent and total unemployability disability rating.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in a significant but indeterminable increase in SGF expenditures and workload for the LA Department of Veterans Affairs due to new criteria that authorize a \$50,000 LA National Guard disability benefit to eligible guardsmen after receiving a qualifying subsequent examination of 100% disability rating. The exact cost is unknown because the total number of guardsmen that are eligible and that would apply for benefits under this new eligibility is indeterminable.

The LA Department of Veterans Affairs anticipates proposed law will increase the number of disability benefit applications approved by at least 80%. In FY 19, the department approved and awarded 8 disability claims at \$800,000 (8 applications x \$100,000 disability benefit). For FY 20, Veterans Affairs is appropriated \$800,000 SGF for disability benefit disbursement under present law. Currently, 6 applications have been approved and awarded, 37 applications are pending, and 19 applications have been denied.

After reviewing prior claims as far back as FY 11 that were not approved because the guardsman did not receive a 100% permanent disability rating and the same guardsman received a 100% disability rating after a qualifying subsequent examination, LA Veterans Affairs projects 61 guardsmen would be eligible to receive the \$50,000 disability benefit at a total potential cost of \$3.05 M (61 guardsmen x \$50,000). SEE TABLE ON PAGE TWO.

The \$3.05 M projected increase does not include guardsmen that did not submit applications to Veterans Affairs because they did not receive a 100% initial disability rating. Also, Veterans Affairs reports every rating by the U.S. Department of Veterans Affairs has the potential to increase to 100% over time. The aforementioned factors make the future impact of the proposed law on SGF expenditures significant but indeterminable.

In addition, proposed law will result in a workload increase in Veterans Affairs. The department indicates needing one additional Veterans Assistance Counselor 3 T.O. position in FY 21 at an annual cost of \$66,499 in SGF (\$49,400 salaries and \$17,099 related benefits). Ultimately, the appropriate level of staff depends on the additional applications received for disability benefits as a result of this measure, which is anticipated to be substantial but is indeterminable.

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

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

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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Staff Director

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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Fiscal Year	Total Denied Claims	Potentially Affected by HB 70	Potential Increased Expense
2011	1	0	\$ 50,000
2012	16	13	\$ 650,000
2013	4	3	\$ 150,000
2014	1	1	\$ 50,000
2015	0	0	\$ 0
2016	2	1	\$ 50,000
2017	5	5	\$ 250,000
2018	6	6	\$ 300,000
2019	13	11	\$ 550,000
2020	<u>21</u>	<u>21</u>	<u>\$1,050,000</u>
Total	69	61	\$3,050,000

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