

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 700 (Delegate Stukes, *et al.*)
 Appropriations

Family Investment Administration - Burial Assistance Program - Payment Requirement

This bill requires that a local department of social services (LDSS) help pay for the funeral expenses of a decedent who was a public assistance recipient or State resident receiving Supplemental Security Income (SSI) for each funeral that costs \$2,500 or less. The amount paid for each funeral must still be within the existing \$900 cap.

Fiscal Summary

State Effect: General fund expenditures could increase \$22,300 in FY 2008 to provide funeral assistance for an additional 35 individuals. Future years reflect annualization, a stable number of funerals, and a stable amount paid per funeral. No effect on revenues.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	22,300	29,900	29,900	29,900	29,900
Net Effect	(\$22,300)	(\$29,900)	(\$29,900)	(\$29,900)	(\$29,900)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: An LDSS may pay the reasonable funeral expenses of a decedent who was a public assistance recipient or who was a State resident receiving SSI. Funeral

expenses paid by an LDSS may not exceed \$900 under statute. However, Department of Human Resources (DHR) regulations set the maximum payment for funeral expenses at \$650 and limit the payments to funerals that cost \$1,500 or less.

An LDSS may not pay funeral expenses unless each person legally responsible for the decedent's support is unable to pay the expenses and other resources are insufficient to pay the expenses. Payments must be charged to State funds.

Background: DHR advises that general funds totaling \$296,959 helped pay the funeral expenses for 466 individuals at an average cost of \$637 per funeral in fiscal 2006. DHR further advises that the number of covered funerals would likely increase by 10%.

State Expenditures: General fund expenditures could increase by an estimated \$22,295 in fiscal 2008, which accounts for the bill's October 1, 2007 effective date. This estimate reflects DHR paying \$637 per funeral for an additional 35 funerals. Future years reflect annualization, a stable number of funerals for which DHR would provide assistance (47 additional funerals per year,) and an average annual payment of \$637 per funeral.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources, Department of Legislative Services

Fiscal Note History: First Reader - March 20, 2007
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