

**Exhibit 1
Actions Required for Federal Reimbursement**

<u>Steps Required Prior to Federal Reimbursement</u>	<u>DVA Estimated Date</u>
1. Pre-application process to USVA	
2. USVA must approve pre-application and design plan before State submits application	
3. Design phase	October 2005 – June 2006
4. USVA must approve design plans before State solicits construction bids	DVA proposes completion of steps 4 through 8 during fiscal 2006 (prior to July 1, 2006)
5. Construction bid process	
6. State must determine the successful construction bidder before submitting application	
7. State submits application	
8. USVA approves application and reimburses State	
9. Construction	August 2006 – January 2007

Source: Dept Legislative Services

Project Data

(\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2006 Request</i>	<i>2007 Estimate</i>	<i>2008 Estimate</i>	<i>2008 Estimate</i>	<i>2010 Estimate</i>
Planning	\$0.000	\$0.631	\$0.000	\$0.000	\$0.000	\$0.000

Total Project Cost:	\$7,781,000	Cost Per Acre – Base:	\$277,893
Gross Acreage:	28	Estimated Completion Date:	January 2007

Projects

1. Crownsville Veterans Cemetery Expansion

The Crownsville Veterans Cemetery, located on a 103-acre site in Anne Arundel County, opened in September 1980. As shown in **Exhibit 2**, there are currently 20 developed acres that contain a service chapel, maintenance building, administration building, and 12,500 gravesites. Site improvements include roadways, an irrigation system, plazas, and landscaping. The cemetery was intended to provide sufficient burial capacity for 20 to 25 years. By the end of fiscal 2003, 10,500 gravesites were used.

Exhibit 2 Crownsville Veterans Cemetery Expansion

	<u>Current</u>	<u>Proposed Additional</u>
Site acres	103	--
Developed acres	20	11
Amenities	<ul style="list-style-type: none">• chapel• maintenance building• administration building	800 niches in columbaria
Number of gravesites	12,500 (2,000 remaining)	5,600
Site improvements	<ul style="list-style-type: none">• roadways• irrigation system• plazas• landscaping	<ul style="list-style-type: none">• 1,200 feet of roadway• irrigation system extension• landscaping
Gravesites used per year	700	
Design fees	--	\$252,000
Construction fees	--	\$2,850,000

Source: Dept of Legislative Services, Department of Budget & Management

The cemetery does not have enough gravesites to meet anticipated demand. Gravesites are being utilized at a rate of approximately 700 per year. The remaining 2,000 gravesites are projected to be exhausted by fiscal 2006, which would suspend veteran burials required under State Government Code Section 9-913.

To address the problem of a projected exhaustion of gravesites, DVA proposes to develop another 11 acres adjacent to the existing 20 acres to provide an additional 5,600 gravesites and 800 niches in above-ground columbaria for the interment of cremated remains. The project will also include 1,200 feet of roadway, an extension of the irrigation system, and landscaping. The proposed expansion is projected to meet burial needs for the next 10 years.

D55P00.04 – Department of Veterans Affairs – PAYGO

The department anticipates receiving a federal grant from USVA for this cemetery expansion project. The project will be 100% federal funded for eligible expenses. The State must provide \$252,000 in design fees, which will be reimbursed by the federal government upon its approval of the State's application. Additionally, the State must provide funds for any items which exceed federal standards. In this project, DVA reports that no items are proposed which would exceed federal standards. Pursuant to 38 CFR 39, the federal government then awards a grant (CFDA 64.203) for 100% of the construction funds, estimated to total \$2,850,000.

2. Cheltenham Veterans Cemetery Expansion

The Cheltenham Veterans Cemetery, located on a 91-acre site in Prince George's County, opened in July 1978. As shown in **Exhibit 3**, there are currently 21 developed acres that contain a service chapel, maintenance building, administration building, and 12,600 gravesites. Site improvements include roadways, an irrigation system, and landscaping. The cemetery was intended to provide sufficient burial capacity for 20 to 25 years. By the end of fiscal 2003, 11,000 gravesites were used. The existing 2,700 gross square foot maintenance building constructed in 1980 is unable to accommodate the current inventory of equipment, as equipment has been added to accommodate increased cemetery capacity and workload. Average burials were 372 per year in 1988 and are 800 per year in fiscal 2005.

Exhibit 3
Cheltenham Veterans Cemetery Expansion

	<u>Current</u>	<u>Proposed Additional</u>
Site acres	91	--
Developed acres	21	17
Amenities	<ul style="list-style-type: none">• chapel• maintenance building• administration building	<ul style="list-style-type: none">• 1,000 niches in columbaria• addition to existing maintenance building
Number of gravesites	12,600 (1,600 remaining)	9,000
Site improvements	<ul style="list-style-type: none">• roadways• irrigation system• landscaping	<ul style="list-style-type: none">• 1,800 feet of roadway• irrigation system extension• landscaping,
Gravesites used per year	800	
Design fees	--	\$379,000
Construction fees	--	\$4,300,000

Source: Dept of Legislative Services, Dept of Budget & Management

D55P00.04 – Department of Veterans Affairs – PAYGO

The cemetery does not have enough gravesites to meet anticipated demand. Gravesites are being utilized at a rate of approximately 800 per year. The remaining 1,600 gravesites are projected to be exhausted by fiscal 2006, which would suspend veteran burials required under State Government Code Section 9-913.

To address the problem of a projected exhaustion of gravesites, DVA proposes to develop another 17 acres adjacent to the existing 21 acres to provide an additional 9,000 gravesites and 1,000 niches in above-ground columbaria for the interment of cremated remains. The project will also include 1,800 feet of roadway, an extension of the irrigation system, landscaping, and the construction of a 1,300 gross square foot addition to the existing maintenance building. The proposed expansion is projected to meet burial needs for the next 10 years.

DVA anticipates receiving a federal grant from USVA for this cemetery expansion project. The project will be 100% federal funded for eligible expenses. The State must provide \$379,000 in design fees, which will be reimbursed by the federal government upon its approval of the State's application. Additionally, the State must provide funds for any items which exceed federal standards. In this project, DVA reports that no items are proposed which would exceed federal standards. Pursuant to 38 CFR 39, the federal government then awards a grant (CFDA 64.203) for 100% of the construction funds, estimated to total \$4,300,000.

Recommended Actions

1. Concur with Governor's allowance.

Executive's Operating Budget Impact Statement

(\$ in Millions)

	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>
Estimated Operating Cost	\$0.000	\$0.013	\$0.002	\$0.002	\$0.002

The impact on the operating budget in fiscal years 2007 to 2010 is for headstone setting, headstone alignments, and landscaping.

**Fiscal Summary
Department of Veterans Affairs PAYGO**

<u>Program/Unit</u>	<u>FY04 Actual</u>	<u>FY05 Wrk Approp</u>	<u>FY06 Allowance</u>	<u>Change</u>	<u>FY05 - FY06 % Change</u>
600P Charlotte Hall Veterans Home Construction – Wing D	\$ 184,000	\$ 0	\$ 0	\$ 0	0%
6201 Cheltenham Cemetery Expansion	0	0	379,000	379,000	
6202 Crownsville Cemetery Expansion	0	0	252,000	252,000	
Total Expenditures	\$ 184,000	\$ 0	\$ 631,000	\$ 631,000	N/A
General Fund	\$ 0	\$ 0	\$ 631,000	\$ 631,000	N/A
Federal Fund	184,000	0	0	0	0.0%
Total Appropriations	\$ 184,000	\$ 0	\$ 631,000	\$ 631,000	N/A

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.