

Revised

Consolidated Fiscal Note

2025-2026 Legislative Session

HF3919 - 0 - Secret War in Laos Vet. Benefit Availability Mod.

Chief Author: **Ethan Cha**
 Committee: **State Government Finance And Policy - Veterans And Military Affairs Division**
 Date Completed: **3/11/2026 2:15:13 PM**
 Lead Agency: **Veterans Affairs Dept**
 Other Agencies:
 Administrative Hearings Public Safety Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Public Safety Dept					
Restrict Misc Special Revenue	-	-	141	-	-
Veterans Affairs Dept					
General Fund	-	-	205	146	116
Restrict Misc Special Revenue	-	-	(12)	(12)	(13)
State Total					
Restrict Misc Special Revenue	-	-	129	(12)	(13)
General Fund	-	-	205	146	116
Total	-	-	334	134	103
Biennial Total			334		237

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Public Safety Dept					
Restrict Misc Special Revenue	-	-	-	-	-
Veterans Affairs Dept					
General Fund	-	-	-	-	-
Restrict Misc Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This bill makes possible the provision of statutory benefits and privileges that were extended by Laws 2025, Ch. 30, article 2, section 9 to veterans of the Secret War in Laos by enacting the eligibility criteria and verification protocols recommended by the Veterans of the Special Guerrilla Units and Irregular Forces in Laos Advisory Task Force. As this bill would newly make these benefits available, they are shown as costs beginning after the enactment of this bill. This fiscal note has been

Revised

revised to reflect that federal law states that headstones for SGU Veterans will be provided by the USVA. The revision impacted the overall Cost (Savings) table of the fiscal note.

LBO Signature: Adam Bolling **Date:** 3/11/2026 2:15:13 PM
Phone: 651-2966053 **Email:** abolling@lbo.mn.gov

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Public Safety Dept						
Restrict Misc Special Revenue	-	-	141	-	-	
Veterans Affairs Dept						
General Fund	-	-	205	146	116	
Restrict Misc Special Revenue	-	-	(12)	(12)	(13)	
	Total	-	-	334	134	103
	Biennial Total			334		237
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Public Safety Dept						
Restrict Misc Special Revenue						
Expenditures	-	-	154	-	-	
Absorbed Costs	-	-	(13)	-	-	
Veterans Affairs Dept						
General Fund	-	-	205	146	116	
Restrict Misc Special Revenue	-	-	-	-	-	
	Total	-	-	346	146	116
	Biennial Total			346		262
2 - Revenues, Transfers In*						
Public Safety Dept						
Restrict Misc Special Revenue	-	-	-	-	-	
Veterans Affairs Dept						
General Fund	-	-	-	-	-	
Restrict Misc Special Revenue	-	-	12	12	13	
	Total	-	-	12	12	13
	Biennial Total			12		25

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State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	205	146	116
Restrict Misc Special Revenue	-	-	(12)	(12)	(13)
Total	-	-	193	134	103
Biennial Total			193		237

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-
Restrict Misc Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This bill makes possible the provision of statutory benefits and privileges that were extended by Laws 2025, Ch. 30, article 2, section 9 to veterans of the Secret War in Laos by enacting the eligibility criteria and verification protocols recommended by the Veterans of the Special Guerrilla Units and Irregular Forces in Laos Advisory Task Force. As this bill would newly make these benefits available, they are shown as costs beginning after the enactment of this bill. This fiscal note has been revised to reflect that federal law states that headstones for SGU Veterans will be provided by the USVA. The revision impacted the overall Cost (Savings) table of the fiscal note.

LBO Signature: Adam Bolling **Date:** 3/11/2026 2:14:52 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	205	146	116
Restrict Misc Special Revenue	-	-	(12)	(12)	(13)
Total	-	-	193	134	103
Biennial Total			193		237
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	205	146	116
Restrict Misc Special Revenue	-	-	-	-	-
Total	-	-	205	146	116
Biennial Total			205		262
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Restrict Misc Special Revenue	-	-	12	12	13
Total	-	-	12	12	13
Biennial Total			12		25

Bill Description

Amending Minnesota Statutes 2025 to modify benefits available to Veterans of the Secret War in Laos. Specifically, this fiscal note request is limited to sections 2, 3, 4, & 5 of the proposed bill language.

Assumptions

Intent: The Minnesota Department of Veterans Affairs (MDVA) understands that the focus of this proposed language modification is to provide recognition to those individuals who "served honorably with a special guerrilla unit or with irregular forces that operated from a base in Laos in support of the armed forces of the United States" in the form of clarifying language and afford provisioning the following final list of modified military benefits/services and honors to the defined individuals.

This bill makes possible the provision of statutory benefits and privileges that were extended by Laws 2025, Ch. 30, article 2, section 9 to veterans of the Secret War in Laos listed below by enacting the eligibility criteria and verification protocols recommended by the Veterans of the Special Guerrilla Units and Irregular Forces in Laos Advisory Task Force. As this bill would newly make these benefits available, they are shown as costs beginning after the enactment of this bill. The benefits are as follows:

- MN Statutes section 43A.09 (Civil Service Recruitment)
- MN Statutes section 43A.11 (Veterans preference in state employment)
- MN Statutes section 197.23 (Purchase of Grave Markers)
- MN Statutes section 197.231 (Honor Guards)
- MN Statutes section 197.236 #_msocom_1(State Veterans Cemeteries)
- MN Statutes section 197.455 (Veterans Preference Applied)
- MN Statutes section 197.4551 (Permissive Preference for Veterans in Private Employment)

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- MN Statutes section 197.46 (Writ of Mandamus)
- MN Statutes section 197.48 (Application)
- MN Statutes section 197.481 (Enforcement by Commissioner)
- MN Statutes section 197.63 (Vital Records, Certified Copies)

Eligibility Determination Process for Specified Veteran Benefits/Services: Following the criteria and protocol recommended by the Veterans of Secret Guerilla Units and Irregular Forces in Laos Advisory Task Force to determine which Minnesotans are deserving of Veterans benefits/services under Minnesota law, the MDVA must “establish an application process” and conduct “Special Consideration” verification of applicants for Veterans benefits/services. Therefore, the MDVA will have to assume an administrative burden to both support the administration of the application process as well as accomplish this Special Consideration verification. Specifically, due to the level of ambiguity regarding lack of background documentation, the MDVA assesses the level of experience, expertise, and responsibilities to conduct Special Consideration evaluations to be at the supervisory or above level. As a result, the MDVA has determined that the administrative burden will be assumed by a personnel uplift of 0.5 FTE within the Programs and Services Division, at least for FY27 through FY30 timeframe.

Eligibility for Veteran Burial Benefits:^{#_msocom_2} Federal eligibility guidelines have always been the criteria used by the MDVA as the baseline for determining eligibility for State Veterans burial benefits/services. The first step towards determining eligibility is Federal Public Law 106-107 (Hmong Veterans’ Naturalization Act of 2000), which provides the documentation requirements and process for determination of eligibility for citizenship. The 2025 National Defense Authorization Act (NDAA) provides further guidance in Section 5001, amending 38 USC § 2408(k)(3), by stating “*When requested by a State . . . that is the recipient of a grant made under this section, the Secretary [of the United States Department of Veterans Affairs] shall -- (i) determine whether a person is eligible for burial in a national cemetery under paragraph (8) or (10) of section 2402(a) of this title; and (ii) advise the recipient of the determination.*” Therefore, the MDVA has determined that the Federal guidelines are sufficient for determination of eligibility for military burial benefits/services and honors of Veterans of the Secret War in Laos.

Number of Individuals:^{#_msocom_3} The MDVA has previously made inquiries with the Federal government regarding numbers of “Special Guerilla Unit (SGU) or irregular forces” participants as well as the requested assistance regarding establishing verification processes/criteria, with no official documentation returned or verification guidelines provided. According to a 2022 assessment compiled by the Special Guerrilla Units (SGU) Veterans and Families of USA, Inc., it is estimated that this proposal applies to approximately 900 living SGU Veterans and 3,500 widows (mainly women). As there is no official documentation of their CIA recruitment, training, or participation in support of the United States during this period of time, MDVA will use the only numbers available, the statistics provided by the Special Guerrilla Units (SGU) Veterans and Families of USA, Inc.

Average Age of Individuals: The MDVA assesses that the average age range of “Special Guerilla Unit or irregular forces” Veterans to be between 68 and 88 years old. This assumes that recruited participants were between the ages of 18-24 upon accession to the SGUs/irregular forces and calculated against the specified participation period of 1961-1975.

“Bow Wave” of Applications for Benefits/Services: Given the average age range of SGU Veterans, combined with the historical inability to access State Veterans benefits/services, the MDVA projects a significant percentage of benefits/services applications from this newly eligible population over the course of the first few years. Communicating the new access to State Veterans benefits/services to the SGU Veterans is expected to result in a “bow wave” of benefit/services application submissions that will follow a similar trend line as what resulted upon the establishment of the MDVA Tribal Veteran Service Officer (TVSO) initiative in 2008 with respect to American Indian Veterans in Minnesota. For purposes of calculating the potential impact across the next two bienniums, the MDVA projects a bow wave/“catch up” factor of 10% in FY27, 5% in FY28, and 2.5% in FY29/30.

Interment at State Veterans Cemeteries (vis-à-vis MN Statutes section 197.236): Public Law 117-103 (The Consolidated Appropriations Act for Fiscal Year 2022 - Burial Equity for Guards and Reserves Act) applies to members of a reserve component of the Armed Forces, members of the Army National Guard or the Air National Guard, and members of the Reserve Officers’ Training Corps (ROTC) of the Army, Navy, or Air Force that do not meet the Federal definition of Veteran, but does not apply to other individuals that fail to meet that Federal definition of Veteran. However, while Federal guidelines previously barred SGU participants and/or their surviving spouses from interment at a State Veterans Cemetery, the language of the 2025 NDAA provides similar guidance to the Burial Equity Act of 2022, vis-a-vis individuals naturalized under the Hmong Veterans’ Naturalization Act of 2000 that do not meet the Federal definition of Veteran. This

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means that while interment of SGU Veterans at a grant-funded cemetery (i.e., a State Veterans Cemetery) will NO LONGER put federal grant money at risk of recapture, there is no matching federal funding for these interments (i.e., Plot Allowance, Headstone, provisions for a US flag, etc.). Therefore, interment of SGU Veterans at a State Veterans Cemetery results in a financial impact created by expanding burial eligibility without a matching State appropriations compensation, to include:

1. Direct cost of burial: This includes costs for interments; cemetery maintenance; increased burial rates; and the need for more frequent expansion grants to develop additional gravesites. Additionally, MDVA also provides a stipend to local Veterans Service Organizations that provide/facilitate Honor Guard tributes. Now that the Advisory Task Force has recommended burial as part of the final list of benefits, the State of Minnesota determines that the FY26 direct cost to the state for interring an individual not meeting the Federal definition of Veteran is estimated at \$1,052 per interment (includes offsetting loss of the federal interment allowance and Honor Guard tribute stipend). Of note: the federal interment allowance is set by the US Department of Veterans Affairs (USDVA), Veterans Benefits Administration (VBA) and contains an annual inflationary adjustment, largely in-line with the US Bureau of Labor Statistics (USBLS) Consumer Price Index (CPI).
2. Impact on burial/utilization rates: Based on the above, MDVA is assuming a starting baseline of 900 SGU Veterans residing in Minnesota. The overall statewide annual utilization rate for burial at our cemeteries was determined to be 0.4% for all MN Veterans meeting the Federal definition (approximately 286,593, per US Dept of Veterans Affairs reporting), encompassing all eras/periods of service. Given that the proposed period of service for SGU participants (1961-1975) equates to the Vietnam-era period of service, that utilization rate is increased to 1.25%, based on the fact that approximately 32% of MN Veterans served during the Vietnam era period of service and that group of Veterans constitute a higher percentage of the annual burial/interments throughout the State Veterans Cemetery system. Applying the Vietnam Era utilization rate against the estimated SGU Veteran population calculation formula, the MDVA estimates the number of SGU Veterans at approximately 11 additional interments that could be realized at the State Veterans Cemetery locations statewide on an annual basis.
3. Infrastructure: The aforementioned increase to the burial/utilization rate does not impose a significant additional strain on the existing equipment/maintenance facility infrastructure across the State Veterans Cemetery system.
4. Personnel: The changes inherent within the proposed bill does not impact the number of FTEs required to support annual operations and maintenance of the Minnesota State Veteran Cemetery System.

Interment at Private Cemeteries (vis-à-vis MN Statutes sections 197.23 & 197.231): Minnesota Statutes also contain burial benefits/services provisions for individuals meeting the definition of Veteran under section 197.447 interred at private cemeteries. Therefore, interment of SGU Veterans at private cemeteries “within the limits of the state” results in a financial impact created by expanding burial eligibility without a matching State appropriations compensation, to include:

1. Grave Markers: Per Minnesota Statutes section 197.23, “the Commissioner of Veterans Affairs may provide, within available funds . . . an appropriate marker for the grave of any Veteran”. Note that the MDVA is currently facing a “diminishing manufacturing sources (DMS)” situation related to locating a suitable vendor willing to produce the traditional bronze star grave markers provided to Minnesota Veterans interred at private cemeteries. As such, the MDVA currently projects the per unit cost of grave markers at \$200.
2. Honor Guards: Per Minnesota Statutes section 197.231, “the Commissioner of Veterans Affairs shall pay, within available funds and upon request by a local unit of a congressionally chartered Veterans Organization or it’s auxiliary, up to \$50 to the local unit for each time that local unit provides an honor guard detail at the funeral of a deceased Veteran.”
3. Utilization Rate: The MDVA calculates the costs for benefits/services for SGU Participant interment at private cemeteries based on a projected annual interment rate of 54 SGU Veterans. This is based on the aforementioned starting baseline of 900 SGU participants calculated against a 6% coefficient of Vietnam era Minnesota Veterans passing on an annual basis (note that Vietnam Veterans constitute 32% of all Minnesota Veterans and are estimated to pass away at double the 3% coefficient rate of all Minnesota Veterans passing on an annual basis).

Veterans Preference#_msocom_5(vis-à-vis MN Statutes sections 43A.09, 43A.11, 197.455, 197.4551, 197.46, 197.48, & 197.481): As these individuals will not meet the federal definition of Veteran and will therefore not be eligible to receive a US Department of Veterans Affairs disability rating, Veterans Preference benefits will be limited:

1. For Veterans of the Secret War in Laos: Limited eligibility per the criteria contained within section 197.455 Subd 4 (Nondisabled Veteran’s Credit). Pursuant to the MDVA conducting Special Consideration verification of applicants, per the supervisor FTE mentioned above, therein only negligible additional impact to the MDVA Veterans Preference Officer to address potential inquiries.
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For Spouses of Veterans of the Secret War in Laos: Eligibility limited to only the surviving spouses. Again, pursuant to the MDVA conducting Special Consideration verification of the Veteran of the Secret War in Laos, per the supervisor FTE mentioned above, there is only negligible additional impact to the MDVA Veterans Preference Officer to address potential inquiries.

Vital Records (vis-à-vis MN Statutes 197.63): The MDVA assesses there is no fiscal impact to the Agency.

Expenditure and/or Revenue Formula

Following the recommendations of the Advisory Task Force, the MDVA estimates the administrative burden to both support the administration of the application process as well as accomplish this Special Consideration verification per the proposed criteria and protocol as a personnel uplift of at 0.5 Claims Representative Supervisor FTE within the Programs and Services Division, assessed at \$59,250 annually (i.e., 50% of the full FTE costs of \$118,500 (\$111,000 + \$7,500 [Admin/MNIT costs])).

Based on the language of the Federal 2025 National Defense Authorization Act and the above associated assumptions, the MDVA projects the following costs for the Memorial Affairs Division, responsible for administration of the four (4) State Veterans Cemeteries and related Veterans burial benefits/services:

Interment at State Veterans Cemeteries:

Following the recommendation of the Advisory Task Force affirming this benefit, the MDVA projects the cost of interment at a State Veterans Cemetery based on a calculation of number of annual interments multiplied against the annual federal interment allowance, and the \$50 Honor Guard stipend.

As stated above in assumptions, the MDVA projects the number of annual interments at 11.25 (approximately 11), calculated by multiplying the baseline population against the annual utilization rate:

- Baseline population: 900 SGU Veterans
- Annual utilization rate: 1.25% annually
- Resulting projected annual interment rate: 11.25

The MDVA currently collects burial fees for Veterans directly from the US Department of Veterans Affairs (USDVA). The current FY25 interment allowance for Veterans is \$1,002. Interment allowance projections beyond FY26 are based on an MDVA predictive formula by establishing a trendline based on the USDVA VBA Interment Allowance. The formula used is below, with "x" equaling the fiscal year for which the model is calculating (i.e., for FY12 "x" would be 1 since the relevant Federal data starts at that time. Using that model, "x" would be 15 for FY26).

$$\text{Formula \#1 - USDVA Interment Allowance trendline: } (1.7569*(x^2))-(7.7349*x)+729.38$$

Based on this formula, the MDVA projects the federal interment allowance will be \$1,055 in FY27, \$1,106 in FY28, \$1,159 in FY29, \$1,217 in FY 30, and \$1,277 in FY31.

Table 1 (Direct State Veterans Cemetery Costs): The below table therefore displays:

- Interment cost: based on the USDVA Interment Allowance x the projected annual interment rate (11.25)
- Honor Guard stipend: based on \$50 x the projected annual interment rate (11.25)

	FY26	FY27	FY28	FY29	FY30	FY31
Interment cost (NCA Plot Allowance)	0	11,873	12,438	13,043	13,687	14,371
Headstone	0	0	0	0	0	0
Honor Guard Stipend	0	563	563	563	563	563

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Totals		12,436	13,001	13,606	14,250	14,934
BIENNIUM TOTAL		\$12,436		\$26,606		\$29,184

Interment at Private Cemeteries:

The MDVA projects the costs for burial benefits/services for individuals meeting the definition of Veteran of the Secret War in Laos under section 197.448 interred at private cemeteries based on a calculation of 54 SGU Participant interments annually (6% of the base population of 900 see above assumptions).

Grave Markers: The MDVA projects the costs for grave markers in two categories. The first category is for those individuals passing away during the FY in question, or "current year". This calculation is based on factoring the base number of interments annually multiplied by the per unit cost of the grave markers (54 x \$200), which totals \$10,800 a year. The second category addresses the "bow wave" of grave marker requests to recognize the approximately 6,000 SGU Veterans interred at MN private cemeteries over the past 50 years. This calculation is based on factoring the base number of already interred SGU Veterans against the "bow wave" percentages (10% in FY27, 5% in FY28, 2.5% in FY29, and 2.5% in FY30), then multiplying those results against the per unit cost of the grave markers (e.g., 600 [10% of 6,000] x \$200 for FY26).

Table 2 (Grave Marker Costs): The below table therefore displays the results of the calculations across these two categories:

	FY26	FY27	FY28	FY29	FY30	FY31
Grave Markers (Current Year)	-	10,800	10,800	10,800	10,800	10,800
Grave Markers ("Bow Wave")	-	120,000	60,000	30,000	30,000	-
	-	\$130,800	\$70,800	\$40,800	\$40,800	\$10,800

Honor Guard Stipends (Private Cemeteries): The MDVA projects the costs for Honor Guard stipends for SGU Veterans interred in private cemeteries based on a calculation of the base number of interments annually multiplied by the Honor Guard stipend (54 x \$50), which totals \$2,700 a year.

Table 3 (Overall Memorial Affairs Division Totals): The below table displays the MDVA projection of the overall Memorial Affairs Division costs for the proposed bill language, broken out by impact per:

- §197.236 (Burials at State Veteran Cemeteries)
- §197.23 (Provisioning of grave markers for burials at private cemeteries)
- §197.231 (Honor Guard stipends for burials at private cemeteries)

Memorial Affairs	FY26	FY27	FY28	FY29	FY30	FY31
Burial Costs - SVCs [§197.36]		12,436	13,001	13,606	14,250	14,934
Grave Markers [§197.23]		130,800	70,800	40,800	40,800	10,800
Honor Guard (Private) [§197.231]		2,700	2,700	2,700	2,700	2,700
Grand Total		145,936	86,501	57,106	57,750	28,434
BIENNIUM TOTAL		\$145,936		\$143,606		\$86,184

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Table 4 (Burial Fee Revenue): The below table displays the MDVA projection of the potential revenue introduced by the legislative language burial fee provision for interment of SGU Veterans. Interment/burial revenue is based on matching the USDVA "Non-Service-Connected Burial Allowance" rate (see Formula #1, above) x the projected annual interment rate 11.25 SGU Veterans).

	FY26	FY27	FY28	FY29	FY30	FY31
Burial Fee Revenue	-	11,869	12,438	13,043	13,687	14,371
BIENNIUM TOTAL		\$11,869		\$25,481		\$28,059

Table 5 (Total Agency Costs): The below table displays the MDVA projection of the overall costs per the proposed bill language:

- Total Memorial Affairs Costs (from Table 3)
- FTE Costs (from above)
- Minus Burial Fee Revenue (from Table 4)

Memorial Affairs	FY26	FY27	FY28	FY29	FY30	FY31
Burial Costs - SVCs [\$197.36]	-	12,436	13,001	13,606	14,250	14,934
Grave Markers [\$197.23]	-	130,800	70,800	40,800	40,800	10,800
Honor Guard (Private) [\$197.231]	-	2,700	2,700	2,700	2,700	2,700
FTE (Admin Spt)	-	59,250	59,250	59,250	59,250	59,250
Total Costs		205,186	145,751	116,356	117,000	87,684
Less Burial Fee Revenue		11,869	12,438	13,043	13,687	14,371
Grand Total		193,317	133,313	103,313	103,313	73,313
BIENNIUM TOTAL		\$193,317		\$236,625		\$176,625

Long-Term Fiscal Considerations

While not included in the above calculations, the MDVA notes the aforementioned increase to the burial/utilization rate also imposes a strain on the existing equipment/maintenance facility infrastructure across the State Veterans Cemetery system, requiring potential consideration of additional equipment purchases and/or maintenance facility upgrades/repairs across all locations due to increased interment rates and accelerated wear and tear.

The MDVA does not anticipate a need to increase the number of FTEs required to support annual operations and maintenance of the Minnesota State Veteran Cemetery System.

Local Fiscal Impact

N/A

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References/Sources

Public Law 106-207 (Hmong Veterans Naturalization Act of 2000)

2025 National Defense Authorization Act (NDAA) HR 5009 (section 5001)

38 USC section 2402 (Persons eligible for interment in national cemeteries)

I have reviewed the content of this fiscal note and believe it is a reasonable estimate of the expenditures and revenues associated with this proposed legislation.

If Information Technology costs are included, my agency's Chief Information Officer has reviewed the estimate.

Agency Contact: Jon Kelly

Agency Fiscal Note Coordinator Signature: John Lindsey

Phone: 612-548-5957

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Chief Author: **Ethan Cha**
 Committee: **State Government Finance And Policy - Veterans And Military Affairs Division**
 Date Completed: **3/11/2026 2:15:13 PM**
 Agency: **Administrative Hearings**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Adam Bolling **Date:** 3/4/2026 10:52:47 AM
Phone: 651-2966053 **Email:** abolling@lbo.mn.gov

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

SF4075/HF3919 modifies the veteran benefits that are available to veterans of the Secret War in Laos. Section 5 directs the Department of Veterans Affairs (Department) to establish an application process for determining a veteran's eligibility for benefits. Section 6 creates a process whereby an applicant for benefits who receives a negative benefit determination from the VA can request special consideration from the Department. If an application for special consideration is denied by the Department, an applicant may request a contested case hearing under chapter 14 to contest the denial.

Assumptions

The Court of Administrative Hearings (CAH) in consultation with Minnesota Management and Budget (MMB) assesses agencies the cost of services rendered to them. All agencies shall include in their budgets provisions for such assessments.

CAH notes that while Section 6 creates a process whereby an applicant may request a contested case hearing under chapter 14, the Department has not noted any costs regarding contested case hearings so CAH has not included any assumptions or costs regarding contested cases being referred to CAH as a result of this bill. Contested cases referred to CAH would result in ALJ costs charged to the Department.

CAH currently bills ALJ time for rulemaking at the MMB-approved billable rate of \$270 per hour (see Minn. Stat. § 16A.126, subd. 1 (2023)).

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: William Moore

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Revised

Revised

Fiscal Note

2025-2026 Legislative Session

HF3919 - 0 - Secret War in Laos Vet. Benefit Availability Mod.

Chief Author: **Ethan Cha**
 Committee: **State Government Finance And Policy - Veterans And Military Affairs Division**
 Date Completed: **3/11/2026 2:15:13 PM**
 Agency: **Public Safety Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	-	141	-	-	-
Total	-	-	141	-	-	-
Biennial Total			141			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 3/5/2026 9:07:41 PM
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Revised

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Restrict Misc Special Revenue	-	-	141	-	-	-
Total	-	-	141	-	-	-
Biennial Total			141			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc Special Revenue						
Expenditures	-	-	154	-	-	-
Absorbed Costs	-	-	(13)	-	-	-
Total	-	-	141	-	-	-
Biennial Total			141			-
2 - Revenues, Transfers In*						
Restrict Misc Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

Relating to veterans affairs; modifying benefits available to veterans of the Secret War in Laos; directing the commissioner of veterans affairs to establish an eligibility process; making technical changes; amending Minnesota Statutes 2024, section 171.07, subdivision 15; Minnesota Statutes 2025 Supplement, section 197.448, subdivisions 1, 2, by adding subdivisions.

This bill adds "SGU Veteran" as an indicator for veterans of the Secret War in Laos for their driver's license or ID card.

Assumptions

Driver and Vehicle Services (DVS) contracts with a third-party vendor to print driver license and ID cards. Any change to the card design including indicators will require a contract amendment, as additional programming will be necessary to incorporate the new information. This contract amendment and programming will cost \$130,000.

This indicator will appear on Standard and REAL driver licenses and IDs. Enhanced Driver Licenses (EDLs) contain more features and do not have room to display all available indicators and endorsements. The indicator and its status will be recorded and displayed in MNDRIVE.

An indicator option will need to be printed on driver license and ID applications at a cost of \$11,250 (\$0.03 per form x 375,000 forms = \$11,250).

On Minnesota driver license and ID cards, there is limited space for special indicators. The characters "SGU Veteran" will not fit, and an abbreviation to "SGU Vet" or something similar will be necessary to denote SGU veteran status.

MNDRIVE programming to communicate with the card vendor and add an indicator option will take 56 hours, at a cost of \$12,717.60 (56 x \$227.10 per hour = \$12,717.60). This cost will be absorbed as part of the vendor contract with Driver and Vehicle Services.

Revised

This bill does not have an effective date, meaning the default is July 1. This is not implementable due to programming needs and an amended contract with the card vendor. Amending the vendor contract usually takes four months, and vendor programming takes six months after amendment. DVS recommends an implementation date of 5/1/2027 to allow for card vendor programming and contract amendment.

Expenditure and/or Revenue Formula

\$141,250 total, FY27

\$130,000 card vendor contract amendment for programming

\$11,250 updated driver license and ID applications

MNDRIVE programming, \$12,717.60, absorbed

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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