

AMENDED IN SENATE AUGUST 21, 2014

AMENDED IN SENATE JULY 2, 2014

AMENDED IN ASSEMBLY MARCH 19, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1580

Introduced by Assembly Member Yamada

January 30, 2014

An act to amend Sections 1047, 1048, and 1049 of the Military and Veterans Code, relating to veterans, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1580, as amended, Yamada. Veterans' homes: Morale, Welfare, and Recreation Fund.

Existing law provides for the establishment of veterans' homes and requires the administrator of a veterans' home to maintain a Morale, Welfare, and Recreation Fund to be used, subject to the approval of the Secretary of Veterans Affairs, to provide certain operations and activities relating to the general welfare of the veterans.

These funds include proceeds from the California Veterans Homes Fund, operations of the Veterans' Home Exchange, specified revenue derived from the issuance of prisoner-of-war special license plates, funds derived from golf course green fees and range ball fees, donations, interest earned on invested funds, funds derived from the estates of deceased members, and any other moneys or property described under existing law, including, but not limited to, moneys and properties received by the home from estate assets located outside the home. *Existing law requires the administrator to prepare and submit itemized*

reports organized by category and accounts for all funds deposited into, and expenditures made from, the Morale, Welfare, and Recreation Fund during the previous fiscal year, as specified.

This bill would create the Veterans’ *Home* Morale, Welfare, and Recreation Fund in the State Treasury, to replace the existing individual funds. The bill would require all moneys in each existing veterans’ home fund to be deposited into the Veterans’ Morale, Welfare, and Recreation Fund. The bill would continuously appropriate these moneys to the Department of Veterans Affairs to provide for the general welfare of the ~~veterans residents~~ living in state ~~veterans’~~ *veterans’* homes. Moneys in the fund would be exempt from specified provisions relating to the determination of administrative costs owed by each state agency to the state. The bill would require the department to develop standardized expenditure procedures *and regulations* for the fund, as specified, and to provide residents with a quarterly report on the expenditures made from the fund on behalf of each home. *The bill would also require the department to prepare and submit the itemized reports, as specified.* The bill also would make technical and conforming changes.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. *It is the intent of the Legislature that the*
 2 *Department of Veterans Affairs promulgate rules and regulations*
 3 *related to the administration of the Veterans’ Home Morale,*
 4 *Welfare, and Recreation Fund through a stakeholder process which*
 5 *includes residents residing within the Veterans’ Homes of*
 6 *California. It is the intent of the Legislature that these regulations*
 7 *include a yearly budgeting process for moneys to be expended at*
 8 *each home.*

9 ~~SECTION 1.~~

10 SEC. 2. Section 1047 of the Military and Veterans Code is
 11 amended to read:

12 1047. (a) (1) The Veterans’ *Home* Morale, Welfare, and
 13 Recreation Fund is hereby created in the State Treasury. All
 14 moneys in each Morale, Welfare, and Recreation Fund maintained
 15 by the eight California state veterans’ homes shall be deposited
 16 into the Veterans’ *Home* Morale, Welfare, and Recreation Fund

1 and the individual home funds shall be abolished. All references
2 to the “Morale, Welfare, and Recreation Fund” shall be deemed
3 to refer to the fund created by this subdivision.

4 (2) Notwithstanding Section 13340 of the Government Code,
5 all moneys deposited into the Veterans’ *Home* Morale, Welfare,
6 and Recreation Fund are continuously appropriated to the
7 department to provide for the general welfare of the ~~veterans~~
8 *residents* living in the veterans’ ~~home~~ *homes* of California.

9 (3) Moneys deposited in the fund are exempt from the
10 requirements of Article 2 (commencing with Section 11270) of
11 Chapter 3 of Part 1 of Division 3 of Title 2 of the Government
12 Code.

13 (4) (A) Moneys in the Veterans’ *Home* Morale, Welfare, and
14 Recreation Fund may be distributed to the homes at the discretion,
15 and subject to the approval, of the secretary, to provide for the
16 general welfare of the ~~veterans~~ *residents* living in state veterans’
17 homes.

18 (B) For purposes of this section, “general welfare” includes,
19 but is not limited to, providing for operations of a canteen, hobby
20 shop, motion picture theater, library, band, and any other function
21 that is operated for the morale, welfare, and recreation of the
22 ~~veterans~~ *residents*, and to pay for newspapers, chapel expenses,
23 welfare and entertainment expenses, sport activities, celebrations,
24 and any other activity that is for the morale, welfare, and recreation
25 of the ~~veterans~~ *residents*.

26 (5) For proposed expenditures of Veterans’ *Home* Morale,
27 Welfare, and Recreation Fund moneys, the department shall
28 *develop regulations and* maintain guidelines whereby the
29 administrator for each home, in consultation with the ~~Veterans’~~
30 *Veterans’ Home Allied Council* ~~or another body representing the~~
31 ~~residents of the home,~~ *and residents*, shall submit proposed
32 expenditures *or a proposed budget* to the secretary for approval.
33 Moneys from the fund shall be allocated proportionally to each
34 home, based upon the census of the homes on July 1 of each year.
35 Allocations from the fund may be augmented by the secretary to
36 meet specified *budget and* identified needs.

37 (6) The department shall develop standardized expenditure
38 *procedures and regulations* for the Veterans’ *Home* Morale,
39 Welfare, and Recreation Fund in all homes, which shall be in
40 accordance with standard state contract and procurement practices

1 and rules. The department shall provide the residents, through the
2 administrator of each home, with a quarterly report on the
3 expenditures made from the fund on behalf of each home.

4 (b) Money in the Veterans' *Home* Morale, Welfare, and
5 Recreation Fund may not be expended for any of the following:

6 (1) Medical treatments or any other related treatment.

7 (2) Maintenance of the physical plant of the home, except for
8 capital improvements that directly enhance the quality of life of
9 the veterans living in the home.

10 (3) Any function, operation, or activity that is not directly related
11 to the morale, welfare, or recreation of the veterans *residents*.

12 (c) Appropriations from the General Fund for the purposes
13 described in paragraph (3) of subdivision (b) may not be reduced
14 for the purpose of, or to have the effect of, requiring increased
15 expenditures from the Veterans' *Home* Morale, Welfare, and
16 Recreation Fund for those described purposes.

17 (d) The department shall prepare an itemized report that is
18 organized by category and accounts for all expenditures made from
19 the Veterans' *Home* Morale, Welfare, and Recreation Fund during
20 the previous fiscal year and shall submit the report on or before
21 August 20 of each year to all of the following:

22 (1) The secretary.

23 (2) The fiscal committees of the Assembly and the Senate.

24 (3) The committees of the Assembly and the Senate that have
25 subject matter jurisdiction over veterans' affairs.

26 (4) The Veterans' Home Allied Council.

27 (e) The department shall maintain a reserve in the Veterans'
28 *Home* Morale, Welfare, and Recreation Fund in the amount of two
29 million dollars (\$2,000,000).

30 (f) The administrator may enter into an agreement with an allied
31 council that authorizes that council to operate facilities and
32 activities authorized pursuant to this section. The agreement shall
33 be in the form and manner as specified by the administrator.

34 ~~SEC. 2.~~

35 *SEC. 3.* Section 1048 of the Military and Veterans Code is
36 amended to read:

37 1048. (a) The *Veterans' Home* Morale, Welfare, and
38 Recreation Fund shall include proceeds from the California
39 Veterans Homes Fund, operations of a canteen, revenue derived
40 from the issuance of prisoner-of-war special license plates pursuant

1 to Section 5101.5 of the Vehicle Code, all funds derived from golf
2 course green fees and range ball fees, all donations to the fund,
3 interest earned on invested funds, funds derived from the estates
4 of deceased members, and any other moneys or property described
5 in this chapter, including, but not limited to, moneys and properties
6 received by the home from estate assets located outside the home,
7 regardless of amount.

8 (b) The ~~administrator~~ *department* shall prepare an itemized
9 report that is organized by category and accounts for all funds
10 deposited into the *Veterans' Home* Morale, Welfare, and Recreation
11 Fund and transmitted to the Controller under Section 1047 during
12 the previous fiscal year and shall submit the report on or before
13 August 20 of each year to all of the following:

- 14 (1) The secretary.
- 15 (2) The fiscal committees of the Assembly and the Senate.
- 16 (3) The committees of the Assembly and the Senate that have
17 subject matter jurisdiction over veterans affairs.
- 18 (4) The Veterans' Home Allied Council.

19 ~~SEC. 3.~~

20 *SEC. 4.* Section 1049 of the Military and Veterans Code is
21 amended to read:

22 1049. Moneys in the *Veterans' Home* Morale, Welfare, and
23 Recreation Fund maintained under subdivision (a) of Section 1047
24 may be used to establish or operate a canteen that may conduct
25 any lawful endeavor which, in the judgment of the administrator,
26 will benefit the ~~veterans residents~~, except as prohibited under
27 subdivision (b) of Section 1047. The administrator may, *with the*
28 *approval of the Secretary*, establish the canteen to operate at a
29 profit.