

**ASSEMBLY BILL**

**No. 2703**

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**Introduced by Assembly Member Quirk-Silva  
(Principal coauthor: Assembly Member Salas)**

(Principal coauthor: Senator Correa)

**(Coauthors: Assembly Members Achadjian, Brown, Chávez,  
Chesbro, Donnelly, Fox, Frazier, Grove, Hagman, Logue,  
Muratsuchi, Nestande, Pan, and Wagner)**

(Coauthors: Senators Anderson, Berryhill, Block, Corbett, Hueso, Huff,  
Knight, Nielsen, and Vidak)

February 21, 2014

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An act to add Section 972.3 to the Military and Veterans Code, relating to veterans, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2703, as introduced, Quirk-Silva. County veterans service officers.

Existing law requires the Department of Veterans Affairs to disburse funds, appropriated to the department for the purpose of supporting county veterans service officers pursuant to the annual Budget Act, on a pro rata basis, to counties that comply with certain conditions. Existing law requires the Department of Veterans Affairs to annually determine the amount of new or increased monetary benefits paid to eligible veterans by the federal government attributable to the assistance of county veterans service officers, and requires the department to prepare and transmit its determination for the preceding fiscal year to the Department of Finance and the Legislature on or before October 1 of each year.

This bill would require the department, no later than July 1, 2015, to develop an allocation formula based upon performance to encourage innovation and reward outstanding service by county veterans service officers. The bill would also appropriate \$6,000,000 from the General Fund to the Department of Veterans Affairs for disbursement to the counties to fund the activities of county veterans service officers, as specified, and to encourage innovation and reward outstanding service by these officers.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
 State-mandated local program: no.

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

1 SECTION 1. The Legislature finds and declares all of the  
 2 following:  
 3 (a) The recent conflicts in Iraq and Afghanistan are creating an  
 4 entirely new generation of veterans who may be eligible for federal  
 5 veterans benefits because of their war service and their physical  
 6 and mental condition.  
 7 (b) Californians make up to 10 percent of the federal military  
 8 forces used in these conflicts. Furthermore, the California National  
 9 Guard and California-based reserve units have contributed  
 10 significantly to these current conflicts.  
 11 (c) Many of these returning California veterans are not aware  
 12 of the federal and state benefits that are available to them.  
 13 (d) Additionally, it is estimated that in California there may be  
 14 over two million veterans, and their widows or widowers, who are  
 15 unaware that they may be eligible for pensions from the federal  
 16 government based upon their past military service in World War  
 17 II, Korea, Vietnam, or the Gulf War.  
 18 (e) California’s county veterans service officers (CVSOs) are  
 19 the initial local point of contact for claimants accessing the United  
 20 States Department of Veterans Affairs.  
 21 (f) The costs of maintaining CVSOs are shared from county  
 22 general funds and state reimbursement to the counties. In 1997, in  
 23 order to track performance, the Governor signed into law Senate  
 24 Bill 608, which required the California Department of Veterans  
 25 Affairs to annually report the amount of monetary benefits paid  
 26 to veterans by the federal government that were attributable to the  
 27 assistance of CVSOs. Senate Bill 608 of the 1997–98 Regular

1 Session also required the Department of Finance to consider an  
2 increase in the annual budget for CVSOs of up to \$5,000,000, if  
3 approved in the yearly budget process. In 2009, the Governor  
4 signed Senate Bill 419 into law, which raised this amount to  
5 \$11,000,000, if approved in the yearly budget process.

6 (g) As a result of this annual reporting, by the end of 2011 it  
7 had been determined that from 1995 to 2011, inclusive, the state  
8 had cumulatively budgeted \$36.2 million for its share of the cost  
9 of the CVSOs. As a result of this investment, CVSOs were able  
10 to assist local veterans in obtaining \$3.3 billion in new federal  
11 moneys. This is a return of about \$91 for every dollar the state  
12 allocates to CVSOs. Furthermore, \$3.6 billion only reflects the  
13 actual monetary benefits qualified for in a given year. The monetary  
14 benefits qualified for in prior years are not tracked, yet the veterans  
15 and their dependents may continue to receive those benefits for  
16 the rest of their lives. Added to this stellar return on the state's  
17 investment, but not counted in the annual reporting, are the  
18 Medi-Cal cost avoidance savings incurred as a result of CVSOs  
19 qualifying and shifting veterans away from Medi-Cal and onto the  
20 appropriate federal veterans program.

21 (h) The CVSOs had accomplished all of this without ever  
22 reaching the allowable state budget allocation of \$5 million, set  
23 in 1997, or the updated allowable allocation set in 2009. To date,  
24 the CVSOs have not received more than \$2.6 million per year from  
25 the state.

26 (i) It is critical that the CVSOs receive an increase in this  
27 allocation because there continues to be a large number of  
28 underserved veterans and their dependents who are not aware of  
29 the federal benefits available to them as a result of their military  
30 service. Studies from other states have shown that increases in  
31 CVSOs have resulted in larger amounts of federal moneys to the  
32 veterans. These new federal moneys and benefits are paid directly  
33 from the United States Department of Veterans Affairs to the  
34 qualifying veteran or their dependent and are used in the local  
35 economy.

36 SEC. 2. Section 972.3 is added to the Military and Veterans  
37 Code, to read:

38 972.3. The Department of Veterans Affairs shall, no later than  
39 July 1, 2015, develop an allocation formula based upon  
40 performance to encourage innovation and reward outstanding

1 service by county veterans service officers. Moneys appropriated  
2 for this purpose shall be allocated each fiscal year in accordance  
3 with that formula among those counties that have established and  
4 maintain a county veterans service officer.

5 SEC. 3. The sum of six million dollars (\$6,000,000) is hereby  
6 appropriated from the General Fund to the Department of Veterans  
7 Affairs to be allocated as follows:

8 (a) Five million six hundred thousand dollars (\$5,600,000) shall  
9 be available for disbursement to the counties to fund the activities  
10 of county veterans service officers pursuant to subdivision (b) of  
11 Section 972.1 of the Military and Veterans Code.

12 (b) Four hundred thousand dollars (\$400,000) shall be available  
13 for disbursement to the counties to encourage innovation and  
14 reward outstanding service by county veterans service officers  
15 pursuant to the allocation formula developed pursuant to Section  
16 972.3 of the Military and Veterans Code.

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