

ASSEMBLY BILL

No. 171

**Introduced by Assembly Member Irwin
(Coauthors: Assembly Members Frazier, Mathis, and Salas)**

January 22, 2015

An act to amend Section 972.1 of, and to add Section 972.3 to, the Military and Veterans Code, relating to veterans, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL’S DIGEST

AB 171, as introduced, Irwin. Department of Veterans Affairs: veterans’ services.

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.

This bill would continuously appropriate the sum of \$5,600,000 from the General Fund to the Department of Veterans Affairs to be available for allocation to counties to fund the activities of county veterans service officers, as specified. The bill would require the department, no later than July 1, 2016, to develop an allocation formula based upon performance standards that encourage innovation and reward outstanding service by county veterans service officers, and would require those continuously appropriated moneys to be allocated in accordance with that formula, as specified. The bill would also delete obsolete provisions and would make conforming changes.

This bill would declare that it is to take effect immediately as an urgency statute.

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 conditions.
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, or their spouses', past military
17 service in World War II, Korea, Vietnam, or the Gulf War.
18 (e) California's county veterans service officers are the initial
19 local point of contact for claimants accessing the United States
20 Department of Veterans Affairs.
21 (f) The costs of maintaining county veterans service officers
22 are shared from county general funds and state reimbursement to
23 the counties. In 1997, in order to track performance, the Legislature
24 enacted and the Governor signed into law Senate Bill 608, enacted
25 as Chapter 318 of the Statutes of 1997, which required the
26 California Department of Veterans Affairs to annually report the
27 amount of monetary benefits paid to veterans by the federal
28 government that were attributable to the assistance of county
29 veterans service officers. Senate Bill 608 also required the
30 Department of Finance to consider an increase in the annual budget
31 for county veterans service officers of up to \$5 million, if approved
32 in the annual budget process. In 2009, the Legislature enacted and
33 the Governor signed into law Senate Bill 419 enacted as Chapter
34 183 of the Statutes of 2009, which raised this amount to \$11
35 million, if approved in the annual budget process.

(g) As a result of this annual reporting, by the end of 2013, it had been determined that from 1995 to 2013, inclusive, the state had cumulatively budgeted \$41.4 million for its share of the cost of the county veterans service officers. As a result of this investment, county veteran service officers were able to assist local veterans in obtaining \$4.1 billion, in new federal moneys. This is a return of about \$98 for every \$1 the state allocates to county veterans service officers. Furthermore, the \$4.1 billion only reflects the actual monetary benefits qualified for in a given year. The monetary benefits qualified for in prior years are not tracked, yet the veterans and their dependents may continue to receive those benefits for the rest of their lives. Added to this stellar return on the state's investment, but not counted in the annual reporting, are the Medi-Cal cost avoidance savings incurred as a result of county veterans service officers qualifying and shifting veterans away from Medi-Cal and into the appropriate federal veterans program.

(h) The county veterans service officers had accomplished all of this without ever reaching the allowable state budget allocation of \$11 million, set in 2009. To date, the county veterans service officers have not received more than \$5.6 million per year from the state.

(i) It is critical that the county veterans service officers receive a steady stream of funding because there continues to be a large number of underserved veterans and their dependents who are not aware of the federal benefits available to them as a result of their military service. Studies from other states have shown that increases in county veterans service officers have resulted in larger amounts of federal moneys to veterans. These new federal moneys and benefits are paid directly from the United States Department of Veterans Affairs to the qualifying veteran or their dependent and are used in the local economy.

SEC. 2. Section 972.1 of the Military and Veterans Code, as amended by Section 3 of Chapter 401 of the Statutes of 2012, is amended to read:

~~972.1. (a) The sum of five hundred thousand dollars (\$500,000) is hereby appropriated from the General Fund to the Department of Veterans Affairs for allocation, during the 1989-90 fiscal year, for purposes of funding the activities of county veterans service officers pursuant to this section. Funds for allocation in future years shall be as provided in the annual Budget Act.~~

1 ~~(b)~~

2 972.I. (a) Funds shall be disbursed each fiscal year on a pro
3 rata basis to counties that have established and maintain a county
4 veterans service officer in accordance with the staffing level and
5 workload of each county veterans service officer under a formula
6 based upon performance that shall be developed by the Department
7 of Veterans Affairs for these purposes.

8 (1) For the purposes of this section, “workload unit” means a
9 specific claim activity that is used to allocate subvention funds to
10 counties, which is approved by the department, and performed by
11 county veterans service officers.

12 (2) For the purposes of this subdivision, the department, by June
13 30, 2013, shall develop a performance-based formula that will
14 incentivize county veterans service officers to perform workload
15 units that help veterans access federal compensation and pension
16 benefits and other benefits, in order to maximize the amount of
17 federal money received by California veterans.

18 ~~(e)~~

19 (b) The department shall annually determine the amount of new
20 or increased monetary benefits paid to eligible veterans by the
21 federal government attributable to the assistance of county veterans
22 service officers. The department shall, on or before October 1 of
23 each year, prepare and transmit its determination for the preceding
24 fiscal year to the Department of Finance and the Legislature. The
25 Department of Finance shall review the department’s determination
26 in time to use the information in the annual Budget Act for the
27 budget of the department for the next fiscal year.

28 ~~(d)~~

29 (c) The department shall conduct a review of the
30 high-performing and low-performing county veterans service
31 officers and based on this review, shall produce a best-practices
32 manual for county veterans service officers by June 30, 2013.

33 ~~(e) (1) The Legislature finds and declares that 50 percent of~~
34 ~~the amount annually budgeted for county veterans service officers~~
35 ~~is approximately eleven million dollars (\$11,000,000). The~~
36 ~~Legislature further finds and declares that it is an efficient and~~
37 ~~reasonable use of state funds to increase the annual budget for~~
38 ~~county veterans service officers in an amount not to exceed eleven~~
39 ~~million dollars (\$11,000,000) if it is justified by the monetary~~

benefits to the state's veterans attributable to the effort of these officers:

(2) ~~It is the intent of the Legislature, after reviewing the department's determination in subdivision (c), to consider an increase in the annual budget for county veterans service officers in an amount not to exceed five million dollars (\$5,000,000), if the monetary benefits to the state's veterans attributable to the assistance of county veterans service officers justify that increase in the budget.~~

(d) The Legislature finds and declares that it is an efficient and reasonable use of state funds to increase the annual budget for county veterans service officers up to a total of eleven million dollars (\$11,000,000) if it is justified by the monetary benefits to the state's veterans attributable to the effort of these officers.

~~(f)~~

(e) This section shall remain in effect only until January 1, 2016, and as of that date is repealed.

SEC. 3. Section 972.1 of the Military and Veterans Code, as amended by Section 2 of Chapter 401 of the Statutes of 2012, is amended to read:

~~972.1. (a) The sum of five hundred thousand dollars (\$500,000) is hereby appropriated from the General Fund to the Department of Veterans Affairs for allocation, during the 1989-90 fiscal year, for purposes of funding the activities of county veterans service officers pursuant to this section. Funds for allocation in future years shall be as provided in the annual Budget Act.~~

~~(b)~~

972.1. (a) Funds shall be disbursed each fiscal year on a pro rata basis to counties that have established and maintain a county veterans service officer in accordance with the staffing level and workload of each county veterans service officer under a formula based upon performance that shall be developed by the Department of Veterans Affairs for these purposes, and that shall allocate county funds in any fiscal year for county veterans service officers in an amount not less than the amount allocated in the 1988-89 fiscal year, five million six hundred thousand dollars (\$5,600,000).

~~(c)~~

(b) The department shall 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

1 service officers. The department shall, on or before October 1 of
2 each year, prepare and transmit its determination for the preceding
3 fiscal year to the Department of Finance and the Legislature. The
4 Department of Finance shall review the department's determination
5 in time to use the information in the annual Budget Act for the
6 budget of the department for the next fiscal year.

7 ~~(d) (1) The Legislature finds and declares that 50 percent of~~
8 ~~the amount annually budgeted for county veterans service officers~~
9 ~~is approximately eleven million dollars (\$11,000,000). The~~
10 ~~Legislature further finds and declares that it is an efficient and~~
11 ~~reasonable use of state funds to increase the annual budget for~~
12 ~~county veterans service officers in an amount not to exceed eleven~~
13 ~~million dollars (\$11,000,000) if it is justified by the monetary~~
14 ~~benefits to the state's veterans attributable to the effort of these~~
15 ~~officers.~~

16 ~~(2) It is the intent of the Legislature, after reviewing the~~
17 ~~department's determination in subdivision (e), to consider an~~
18 ~~increase in the annual budget for county veterans service officers~~
19 ~~in an amount not to exceed five million dollars (\$5,000,000), if~~
20 ~~the monetary benefits to the state's veterans attributable to the~~
21 ~~assistance of county veteran service officers justify that increase~~
22 ~~in the budget.~~

23 *(c) The Legislature finds and declares that it is an efficient and*
24 *reasonable use of state funds to increase the annual budget for*
25 *county veterans service officers up to a total of eleven million*
26 *dollars (\$11,000,000) if it is justified by the monetary benefits to*
27 *the state's veterans attributable to the effort of these officers.*

28 ~~(e)~~

29 *(d) This section shall become operative January 1, 2016.*

30 SEC. 4. Section 972.3 is added to the Military and Veterans
31 Code, to read:

32 972.3. (a) Notwithstanding Section 13340 of the Government
33 Code, the sum of five million six hundred thousand dollars
34 (\$5,600,000) is hereby continuously appropriated from the General
35 Fund each fiscal year commencing July 1, 2015, to the Department
36 of Veterans Affairs to be available for allocation to counties to
37 fund the activities of county veterans service officers pursuant to
38 subdivision (a) of Section 972.1.

39 (b) The Department of Veterans Affairs shall, no later than July
40 1, 2016, develop an allocation formula based upon performance

1 standards that encourage innovation and reward outstanding service
2 by county veterans service officers. Moneys appropriated for this
3 purpose shall be allocated each fiscal year in accordance with that
4 formula among those counties that have established and maintained
5 a county veterans service officer pursuant to Section 970.

6 SEC. 5. This act is an urgency statute necessary for the
7 immediate preservation of the public peace, health, or safety within
8 the meaning of Article IV of the Constitution and shall go into
9 immediate effect. The facts constituting the necessity are:

10 Approximately 50 percent of the current General Fund
11 appropriation in support of county veteran service offices
12 operations expires on June 30, 2015. In order to provide for
13 continuity of services critical to the successful reintegration of
14 California's veterans, to increase California's utilization of veteran
15 benefits, and to ensure veteran's claims for benefits are processed
16 in a timely manner, it is necessary that this act take effect
17 immediately.