

AMENDED IN ASSEMBLY MARCH 17, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 171

Introduced by Assembly Member Irwin

(Coauthors: Assembly Members Achadjian, Alejo, Bloom, Bonilla, Brough, Brown, Chávez, Cooley, Cooper, Dahle, Daly, Dodd, Frazier, Gallagher, Gonzalez, Gray, Holden, Lackey, Linder, Low, Maienschein, Mathis, and SalasMayes, McCarty, Salas, Steinorth, Mark Stone, and Wood)

(Coauthors: Senators Anderson, Bates, Berryhill, Fuller, Hueso, Huff, McGuire, Morrell, Nguyen, Pan, and Vidak)

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 amended, 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

1 veterans service officers. Senate Bill 608 also required the
2 Department of Finance to consider an increase in the annual budget
3 for county veterans service officers of up to \$5 million, if approved
4 in the annual budget process. In 2009, the Legislature enacted and
5 the Governor signed into law Senate Bill 419 enacted as Chapter
6 183 of the Statutes of 2009, which raised this amount to \$11
7 million, if approved in the annual budget process.

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

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

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

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

4 972.1. (a) Funds shall be disbursed each fiscal year on a pro
5 rata basis to counties that have established and maintain a county
6 veterans service officer in accordance with the staffing level and
7 workload of each county veterans service officer under a formula
8 based upon performance that shall be developed by the Department
9 of Veterans Affairs for these purposes.

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

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

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

29 (c) The department shall conduct a review of the
30 high-performing and low-performing county veterans service
31 ~~officers~~ *officers*, and based on this review, shall produce a
32 best-practices manual for county veterans service officers by June
33 30, 2013.

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

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

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

4 972.1. (a) Funds shall be disbursed each fiscal year on a pro
5 rata basis to counties that have established and maintain a county
6 veterans service officer in accordance with the staffing level and
7 workload of each county veterans service officer under a formula
8 based upon performance that shall be developed by the Department
9 of Veterans Affairs for these purposes, and that shall allocate
10 county funds in any fiscal year for county veterans service officers
11 in an amount not less than five million six hundred thousand dollars
12 (\$5,600,000).

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

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

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

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

30 972.3. (a) Notwithstanding Section 13340 of the Government
31 Code, the sum of five million six hundred thousand dollars
32 (\$5,600,000) is hereby continuously appropriated from the General
33 Fund each fiscal year commencing July 1, 2015, to the Department
34 of Veterans Affairs to be available for allocation to counties to
35 fund the activities of county veterans service officers pursuant to
36 subdivision (a) of Section 972.1.

37 (b) The Department of Veterans Affairs shall, no later than July
38 1, 2016, develop an allocation formula based upon performance
39 standards that encourage innovation and reward outstanding service
40 by county veterans service officers. Moneys appropriated for this

1 purpose shall be allocated each fiscal year in accordance with that
2 formula among those counties that have established and maintained
3 a county veterans service officer pursuant to Section 970.

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

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