

AMENDED IN ASSEMBLY MAY 28, 2015

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, Mayes, 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 *on an annual basis* 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 specify that the money appropriated would only be available for encumbrance and expenditure for one year.* 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

1 as Chapter 318 of the Statutes of 1997, which required the
2 California Department of Veterans Affairs to annually report the
3 amount of monetary benefits paid to veterans by the federal
4 government that were attributable to the assistance of county
5 veterans service officers. Senate Bill 608 also required the
6 Department of Finance to consider an increase in the annual budget
7 for county veterans service officers of up to \$5 million, if approved
8 in the annual budget process. In 2009, the Legislature enacted and
9 the Governor signed into law Senate Bill 419 enacted as Chapter
10 183 of the Statutes of 2009, which raised this amount to \$11
11 million, if approved in the annual budget process.

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

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

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

1 of Veterans Affairs to the qualifying veteran or their dependent
2 and are used in the local economy.

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

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

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

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

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

31 (c) The department shall conduct a review of the
32 high-performing and low-performing county veterans service
33 officers, ~~and~~ and, based on this review, shall produce a
34 best-practices manual for county veterans service officers by June
35 30, 2013.

36 (d) The Legislature 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 up to a total of eleven million
39 dollars (\$11,000,000) if it is justified by the monetary benefits to
40 the state’s veterans attributable to the effort of these officers.

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

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

6 972.1. (a) Funds shall be disbursed each fiscal year on a pro
7 rata basis to counties that have established and maintain a county
8 veterans service officer in accordance with the staffing level and
9 workload of each county veterans service officer under a formula
10 based upon performance that shall be developed by the Department
11 of Veterans Affairs for these purposes, and that shall allocate
12 county funds in any fiscal year for county veterans service officers
13 in an amount not less than five million six hundred thousand dollars
14 (\$5,600,000).

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

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

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 *annually* from
35 the General Fund each fiscal year commencing July 1, 2015, to
36 the Department of Veterans Affairs to be available for allocation
37 to counties to fund the activities of county veterans service officers
38 pursuant to subdivision (a) of Section 972.1. *Moneys appropriated*
39 *pursuant to this subdivision shall only be available for*

1 *encumbrance and expenditure for one year after the date upon*
2 *which it first becomes available for encumbrance.*

3 (b) The Department of Veterans Affairs shall, no later than July
4 1, 2016, develop an allocation formula based upon performance
5 standards that encourage innovation and reward outstanding service
6 by county veterans service officers. Moneys appropriated for this
7 purpose shall be allocated each fiscal year in accordance with that
8 formula among those counties that have established and maintained
9 a county veterans service officer pursuant to Section 970.

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

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