

AMENDED IN SENATE AUGUST 31, 2015

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, repeal and add Section 972.1 of the Military and Veterans Code, relating to veterans, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately: veterans.~~

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 a county that comply~~ *complies* with certain conditions.

This bill would ~~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~~ *allocated, upon appropriation by the Legislature*, in accordance with that formula, as specified. ~~The bill would require the department to annually report to the Legislature the efficacy, return on investment, work volume, and regional impact of the subvention funds on each county that receives those funds, 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: $\frac{2}{3}$ -majority. Appropriation: ~~yes-no~~. Fiscal committee: yes. State-mandated local program: no.

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

- 1 SECTION 1. Section 972.1 of the Military and Veterans Code,
- 2 as amended by Section 2 of Chapter 401 of the Statutes of 2012,
- 3 is repealed.
- 4 972.1. (a) The sum of five hundred thousand dollars (\$500,000)
- 5 is hereby appropriated from the General Fund to the Department
- 6 of Veterans Affairs for allocation, during the 1989–90 fiscal year,
- 7 for purposes of funding the activities of county veterans service
- 8 officers pursuant to this section. Funds for allocation in future
- 9 years shall be as provided in the annual Budget Act.
- 10 (b) Funds shall be disbursed each fiscal year on a pro rata basis
- 11 to counties that have established and maintain a county veterans
- 12 service officer in accordance with the staffing level and workload
- 13 of each county veterans service officer under a formula based upon
- 14 performance that shall be developed by the Department of Veterans
- 15 Affairs for these purposes, and that shall allocate county funds in
- 16 any fiscal year for county veterans service officers in an amount
- 17 not less than the amount allocated in the 1988–89 fiscal year.

1 ~~(e) The department shall annually determine the amount of new~~
2 ~~or increased monetary benefits paid to eligible veterans by the~~
3 ~~federal government attributable to the assistance of county veterans~~
4 ~~service officers. The department shall, on or before October 1 of~~
5 ~~each year, prepare and transmit its determination for the preceding~~
6 ~~fiscal year to the Department of Finance and the Legislature. The~~
7 ~~Department of Finance shall review the department's determination~~
8 ~~in time to use the information in the annual Budget Act for the~~
9 ~~budget of the department for the next fiscal year.~~

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

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

26 ~~(e) This section shall become operative January 1, 2016.~~

27 ~~SEC. 2. Section 972.1 is added to the Military and Veterans~~
28 ~~Code, to read:~~

29 ~~972.1. (a) The Department of Veterans Affairs shall, no later~~
30 ~~than July 1, 2016, develop an allocation formula based upon~~
31 ~~performance standards that encourage innovation and reward~~
32 ~~outstanding service by county veterans service officers. Upon~~
33 ~~appropriation by the Legislature of moneys for this purpose, the~~
34 ~~moneys shall be allocated each fiscal year in accordance with that~~
35 ~~formula among only those counties that, in the discretion of the~~
36 ~~secretary, comply with the following requirements:~~

37 ~~(1) Establish and maintain a county veterans service officer,~~
38 ~~pursuant to Section 970.~~

39 ~~(2) Collect and report all information required by the~~
40 ~~department in accordance with departmental regulations.~~

1 (3) *Comply with the training and accreditation standards for*
2 *county veterans service officers and veteran service representatives*
3 *as may be set by the department.*

4 (4) *Require county veterans service officers and veteran service*
5 *representatives to become accredited with the department for the*
6 *purpose of providing representation services to claimants before*
7 *the United States Department of Veterans Affairs within 18 months*
8 *of the commencement of his or her employment, or on or before*
9 *June 1, 2017, whichever date is later.*

10 (b) *The department shall annually report to the Legislature the*
11 *efficacy, return on investment, work volume, and regional impact*
12 *of the subvention funds on each county that receives those funds.*
13 *The department shall, in addition to the requirements of Section*
14 *974, annually determine information including, but not limited to,*
15 *the following:*

16 (1) *The amount of new or increased monetary benefits paid to*
17 *eligible veterans by the federal government attributable to the*
18 *assistance of county veterans service officers and the basis for that*
19 *determination.*

20 (2) *The amount paid to each county, including the amounts paid*
21 *to each county for each category of workload unit included in the*
22 *allocation formula.*

23 (3) *An evaluation as to each county's use of subvention funds,*
24 *including recommendations for improvement of each county's use*
25 *of subvention funds.*

26 (c) *The department shall, on or before October 1 of each year,*
27 *prepare and transmit its determination for the preceding fiscal*
28 *year to the Department of Finance and the Legislature. The*
29 *Department of Finance shall review the department's*
30 *determination in time to use the information in the annual Budget*
31 *Act for the budget of the department for the next fiscal year. The*
32 *department may combine this report with the report required by*
33 *Section 974.*

34 (d) *For the purposes of this section, "workload unit" means a*
35 *specific claim activity that is used to allocate subvention funds to*
36 *counties, which is approved by the department, and performed by*
37 *county veterans service officers.*

38 (e) *It is the intent of the Legislature that the department revise*
39 *the allocation formula pursuant to this section on a regular basis*
40 *to adjust for changes in veteran demographics and veteran needs.*

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.~~

36 ~~(g) As a result of this annual reporting, by the end of 2013, it~~
37 ~~had been determined that from 1995 to 2013, inclusive, the state~~
38 ~~had cumulatively budgeted \$41.4 million for its share of the cost~~
39 ~~of the county veterans service officers. As a result of this~~
40 ~~investment, county veteran service officers were able to assist local~~

1 veterans in obtaining \$4.1 billion, in new federal moneys. This is
2 a return of about \$98 for every \$1 the state allocates to county
3 veterans service officers. Furthermore, the \$4.1 billion only reflects
4 the actual monetary benefits qualified for in a given year. The
5 monetary benefits qualified for in prior years are not tracked, yet
6 the veterans and their dependents may continue to receive those
7 benefits for the rest of their lives. Added to this stellar return on
8 the state's investment, but not counted in the annual reporting, are
9 the Medi-Cal cost avoidance savings incurred as a result of county
10 veterans service officers qualifying and shifting veterans away
11 from Medi-Cal and into the appropriate federal veterans program.

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

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

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

30 972.1. (a) Funds shall be disbursed each fiscal year on a pro
31 rata basis to counties that have established and maintain a county
32 veterans service officer in accordance with the staffing level and
33 workload of each county veterans service officer under a formula
34 based upon performance that shall be developed by the Department
35 of Veterans Affairs for these purposes:

36 (1) For the purposes of this section, "workload unit" means a
37 specific claim activity that is used to allocate subvention funds to
38 counties, which is approved by the department, and performed by
39 county veterans service officers.

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

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

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

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

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

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

30 ~~972.1. (a) Funds shall be disbursed each fiscal year on a pro~~
31 ~~rata basis to counties that have established and maintain a county~~
32 ~~veterans service officer in accordance with the staffing level and~~
33 ~~workload of each county veterans service officer under a formula~~
34 ~~based upon performance that shall be developed by the Department~~
35 ~~of Veterans Affairs for these purposes, and that shall allocate~~
36 ~~county funds in any fiscal year for county veterans service officers~~
37 ~~in an amount not less than five million six hundred thousand dollars~~
38 ~~(\$5,600,000).~~

39 ~~(b) The department shall annually determine the amount of new~~
40 ~~or increased monetary benefits paid to eligible veterans by the~~

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

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

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

14 SEC. 4. ~~Section 972.3 is added to the Military and Veterans~~
15 ~~Code, to read:~~

16 972.3. (a) ~~Notwithstanding Section 13340 of the Government~~
17 ~~Code, the sum of five million six hundred thousand dollars~~
18 ~~(\$5,600,000) is hereby appropriated annually from the General~~
19 ~~Fund each fiscal year commencing July 1, 2015, to the Department~~
20 ~~of Veterans Affairs to be available for allocation to counties to~~
21 ~~fund the activities of county veterans service officers pursuant to~~
22 ~~subdivision (a) of Section 972.1. Moneys appropriated pursuant~~
23 ~~to this subdivision shall only be available for encumbrance and~~
24 ~~expenditure for one year after the date upon which it first becomes~~
25 ~~available for encumbrance.~~

26 (b) ~~The Department of Veterans Affairs shall, no later than July~~
27 ~~1, 2016, develop an allocation formula based upon performance~~
28 ~~standards that encourage innovation and reward outstanding service~~
29 ~~by county veterans service officers. Moneys appropriated for this~~
30 ~~purpose shall be allocated each fiscal year in accordance with that~~
31 ~~formula among those counties that have established and maintained~~
32 ~~a county veterans service officer pursuant to Section 970.~~

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

37 ~~Approximately 50 percent of the current General Fund~~
38 ~~appropriation in support of county veteran service offices~~
39 ~~operations expires on June 30, 2015. In order to provide for~~
40 ~~continuity of services critical to the successful reintegration of~~

1 California's veterans, to increase California's utilization of veteran
2 benefits, and to ensure veteran's claims for benefits are processed
3 in a timely manner, it is necessary that this act take effect
4 immediately.

O