

AMENDED IN SENATE APRIL 15, 2015

SENATE BILL

No. 543

Introduced by Senator Wolk

February 26, 2015

An act to amend Sections 1010, ~~1047~~, 1048, and 1049 ~~of of, and to repeal and add Section 1047 of~~, the Military and Veterans Code, relating to ~~veterans~~, *veterans*, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 543, as amended, Wolk. Veterans: Veterans' Home of California.

Existing law provides for the establishment and operation of the Veterans' Home of California at various sites, including homes in Barstow, Chula Vista, Lancaster, Ventura, and Yountville, and provides for an administrator for each home or homesite. Existing law defines "home" and "administrator" for these purposes. Existing law establishes the ~~Veteran's~~ *Veterans'* Home Fund in the State Treasury, which includes the proceeds of certain bonds. Existing law requires, upon appropriation of the Legislature, the Department of Veterans Affairs to use money in the fund for the purpose of designing and constructing veterans' homes in California.

This bill would clarify that veterans' homes include the Veterans' Homes of California located in Chula Vista, Fresno, Lancaster, Redding, Ventura, and West Los Angeles.

Existing law requires the administrator of a veterans' home to maintain a Morale, Welfare, and Recreation Fund, which is required to be used, at the discretion of the administrator and subject to the approval of the Secretary of Veterans Affairs, to provide for the general welfare of the veterans. Existing law specifies the moneys required to be deposited into the fund, and requires the administrator to prepare an itemized

report for the expenditures made out of, and deposits made into, the fund. Under existing law, those reports are required to be submitted to the secretary, the fiscal committees of the Assembly and Senate, the committees of the Assembly and the Senate that have subject matter jurisdiction over ~~veterans~~ *veterans*' affairs, and the Veterans' Home Allied Council on or before August 20 of each year.

This bill would state the intent of the Legislature to enact legislation to create a statewide Veterans' Home Morale, Welfare, and Recreation Fund, and to authorize the Department of Veterans Affairs to promulgate rules and regulations related to that fund through a stakeholder process that includes residents of the Veterans' Homes of California. The bill would state the Legislature's intent that those rules and regulations include, but not be limited to, a yearly budgeting process for moneys to be expended in each home. ~~The bill would also make technical, nonsubstantive changes to the provisions described above relating to Morale, Welfare, and Recreation Funds.~~

This bill would create the Veterans' Home Morale, Welfare and Recreation Fund ("MWR Fund"), a continuously appropriated fund, in the State Treasury. The bill would require the administrator of a veterans' home to deposit all moneys maintained in an existing Morale, Welfare and Recreation Fund into the MWR Fund. The bill would also provide for additional funding for the MWR fund from specified sources, such as operation of a canteen at a home and funds derived from the estates of deceased residents. The bill would require the department, in consultation with the residents of each home, the Veterans' Home Allied Council, and the resident council of each home to adopt regulations that govern the process by which each home may request an annual disbursement of funds from the MWR Fund, and by which the secretary approves and acts upon a request. The bill would authorize the use of funds in the MWR Fund to provide for the general welfare of the residents of a home, as specified, and would specify restrictions on the use of those funds. The bill would authorize the administrator of a home to enter into an agreement with the Veterans' Home Allied Council to operate facilities and activities that are related to authorized expenditures from the MWR Fund, as specified. The bill would require the department to prepare annual reports regarding moneys deposited into the MWR Fund and expenditure of those funds, as specified, and to submit the report on or before August 20 of each year to specified entities. The bill would authorize the department to invest moneys in the MWR Fund in the Surplus Money Investment Fund. The bill would

authorize the administrator of each home to establish a separate account for the purpose of receiving donations and require the department, in consultation with the residents of each home, to adopt regulations for expenditure of those funds.

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

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

1 SECTION 1. It is the intent of the Legislature to enact
2 legislation that accomplishes both of the following:

3 (a) Creates a statewide Veterans’ Home Morale, Welfare, and
4 Recreation Fund.

5 (b) Authorizes the Department of Veterans Affairs to promulgate
6 rules and regulations related to the statewide Veterans’ Home
7 Morale, Welfare, and Recreation Fund through a stakeholder
8 process that includes residents of the Veterans’ Homes of
9 California. It is further the intent of the Legislature that these rules
10 and regulations include, but not be limited to, a yearly budgeting
11 process for moneys to be expended in each home.

12 SEC. 2. Section 1010 of the Military and Veterans Code is
13 amended to read:

14 1010. As used in this chapter:

15 (a) “Home” means the Veterans’ Home of California, Barstow,
16 the Veterans’ Home of California, Chula Vista, the Veterans’
17 Home of California, Fresno, the Veterans’ Home of California,
18 Lancaster, the Veterans’ Home of California, Redding, the
19 Veterans’ Home of California, Ventura, the Veterans’ Home of
20 California, West Los Angeles, and the Veterans’ Home of
21 California, Yountville.

22 (b) “Administrator” means the Administrator of the Veterans’
23 Home of California ~~California~~, Barstow, the Administrator of the
24 Veterans’ Home of California, Chula Vista, the Administrator of
25 the Veterans’ Home of California, Fresno, the Administrator of
26 the Veterans’ Home of California, Lancaster, the Administrator
27 of the Veterans’ Home of California, Redding, the Administrator
28 of the Veterans’ Home of California, Ventura, the Administrator
29 of the Veterans’ Home of California, West Los Angeles, and the
30 Administrator of the Veterans’ Home of California, Yountville.

31 (c) “Department” means the Department of Veterans Affairs.

1 (d) “Director” means the Director of Veterans Affairs.

2 (e) “Veteran” means a member of the home.

3 ~~SEC. 3. Section 1047 of the Military and Veterans Code is~~
4 ~~amended to read:~~

5 ~~1047. (a) The administrator at each home shall maintain a~~
6 ~~Morale, Welfare, and Recreation Fund that shall be used, at the~~
7 ~~discretion of the administrator and subject to the approval of the~~
8 ~~secretary, to provide for the general welfare of the veterans,~~
9 ~~including, but not limited to, providing for operations of the~~
10 ~~Veterans’ Home Exchange, hobby shop, motion picture theater,~~
11 ~~library, band, and any other function that is operated for the morale,~~
12 ~~welfare, and recreation of the veterans, and to pay for newspapers,~~
13 ~~chapel expenses, welfare and entertainment expenses, sport~~
14 ~~activities, celebrations, and any other activity that is for the morale,~~
15 ~~welfare, and recreation of the veterans.~~

16 ~~(b) Money in the Morale, Welfare, and Recreation Fund may~~
17 ~~not be expended for any of the following:~~

18 ~~(1) Medical treatments or any other related treatment.~~

19 ~~(2) Maintenance of the physical plant of the home.~~

20 ~~(3) Any function, operation, or activity that is not directly related~~
21 ~~to the morale, welfare, or recreation of the veterans.~~

22 ~~(c) Appropriations from the General Fund for the purposes~~
23 ~~described in paragraph (3) of subdivision (b) may not be reduced~~
24 ~~for the purpose of, or to have the effect of, requiring increased~~
25 ~~expenditures from the Morale, Welfare, and Recreation Fund for~~
26 ~~those described purposes.~~

27 ~~(d) The administrator shall prepare an itemized report that is~~
28 ~~organized by category and accounts for all expenditures made from~~
29 ~~the Morale, Welfare, and Recreation Fund during the previous~~
30 ~~fiscal year and shall submit the report on or before August 20 of~~
31 ~~each year to all of the following:~~

32 ~~(1) The secretary.~~

33 ~~(2) The fiscal committees of the Assembly and the Senate.~~

34 ~~(3) The committees of the Assembly and the Senate that have~~
35 ~~subject matter jurisdiction over veterans’ affairs.~~

36 ~~(4) The Veterans’ Home Allied Council.~~

37 ~~(e) The Morale, Welfare, and Recreation Fund for the Veterans’~~
38 ~~Home of California, Yountville, shall maintain a reserve in the~~
39 ~~amount of two million dollars (\$2,000,000). The reserve shall be~~
40 ~~invested in securities, upon the advice of the Morale, Welfare, and~~

1 ~~Recreation Fund Advisory Committee and with the approval of~~
2 ~~the administrator and the secretary.~~

3 ~~(f) The administrator may enter into an agreement with an allied~~
4 ~~council that authorizes that council to operate facilities and~~
5 ~~activities authorized pursuant to this section. The agreement shall~~
6 ~~be in the form and manner as specified by the administrator.~~

7 *SEC. 3. Section 1047 of the Military and Veterans Code is*
8 *repealed.*

9 ~~1047. (a) The administrator shall maintain a Morale, Welfare,~~
10 ~~and Recreation Fund that shall be used, at the discretion of the~~
11 ~~administrator and subject to the approval of the secretary, to~~
12 ~~provide for the general welfare of the veterans, including, but not~~
13 ~~limited to, providing for operations of the Veterans' Home~~
14 ~~Exchange, hobby shop, motion picture theater, library, band, and~~
15 ~~any other function that is operated for the morale, welfare, and~~
16 ~~recreation of the veterans, and to pay for newspapers, chapel~~
17 ~~expenses, welfare and entertainment expenses, sport activities,~~
18 ~~celebrations, and any other activity that is for the morale, welfare,~~
19 ~~and recreation of the veterans.~~

20 ~~(b) Money in the Morale, Welfare, and Recreation Fund may~~
21 ~~not be expended for any of the following:~~

22 ~~(1) Medical treatments or any other related treatment.~~

23 ~~(2) Maintenance of the physical plant of the home.~~

24 ~~(3) Any function, operation, or activity that is not directly related~~
25 ~~to the morale, welfare, or recreation of the veterans.~~

26 ~~(c) Appropriations from the General Fund for the purposes~~
27 ~~described in paragraph (3) of subdivision (b) may not be reduced~~
28 ~~for the purpose of, or to have the effect of, requiring increased~~
29 ~~expenditures from the Morale, Welfare, and Recreation Fund for~~
30 ~~those described purposes.~~

31 ~~(d) The administrator shall prepare an itemized report that is~~
32 ~~organized by category and accounts for all expenditures made from~~
33 ~~the Morale, Welfare, and Recreation Fund during the previous~~
34 ~~fiscal year and shall submit the report on or before August 20 of~~
35 ~~each year to all of the following:~~

36 ~~(1) The secretary.~~

37 ~~(2) The fiscal committees of the Assembly and the Senate.~~

38 ~~(3) The committees of the Assembly and the Senate that have~~
39 ~~subject matter jurisdiction over veterans' affairs.~~

40 ~~(4) The Veterans' Home Allied Council.~~

1 ~~(e) The Morale, Welfare, and Recreation Fund for the Veterans’~~
2 ~~Home of California, Yountville, shall maintain a reserve in the~~
3 ~~amount of two million dollars (\$2,000,000). The reserve shall be~~
4 ~~invested in securities, upon the advice of the Morale, Welfare, and~~
5 ~~Recreation Fund Advisory Committee and with the approval of~~
6 ~~the administrator and the secretary.~~

7 ~~(f) The administrator may enter into an agreement with an allied~~
8 ~~council that authorizes that council to operate facilities and~~
9 ~~activities authorized pursuant to this section. The agreement shall~~
10 ~~be in the form and manner as specified by the administrator.~~

11 *SEC. 4. Section 1047 is added to the Military and Veterans*
12 *Code, to read:*

13 *1047. (a) (1) The Veterans’ Home Morale, Welfare, and*
14 *Recreation Fund (“MWR Fund”) is hereby created in the State*
15 *Treasury. Notwithstanding Section 13340 of the Government Code,*
16 *all funds deposited in the MWR Fund as authorized by this section*
17 *shall be continuously appropriated to the department, without*
18 *regard to fiscal year. All references in this chapter to the “Morale,*
19 *Welfare, and Recreation Fund” or “MWR Fund” are deemed to*
20 *refer to the fund created by this paragraph.*

21 *(2) The administrator of a home shall deposit all moneys*
22 *maintained by the administrator in a Morale, Welfare, and*
23 *Recreation Fund pursuant to this section as it read on January 1,*
24 *2015, into the Veterans’ Home Morale, Welfare, and Recreation*
25 *Fund created by paragraph (1).*

26 *(3) All future moneys collected as a result of unreimbursed costs*
27 *of care determinations are state funds and shall be deposited in*
28 *the MWR Fund.*

29 *(4) The department, in consultation with the residents at each*
30 *home, the Veterans’ Home Allied Council, and the resident council*
31 *at each home, shall adopt regulations that govern the process by*
32 *which a home may make an annual request for a disbursement*
33 *from the MWR Fund and the process by which the Secretary of*
34 *Veterans Affairs shall review and act upon the request.*

35 *(5) Moneys deposited in the MWR Fund are exempt from the*
36 *requirements of Article 2 (commencing the Section 11270) of*
37 *Chapter 3 of Part 1 of Division 3 of Title 2 of the Government*
38 *Code.*

1 (b) (1) The department may distribute moneys in the MWR
2 Fund to the homes to provide for the general welfare of the
3 residents of the homes.

4 (2) In addition to the annual disbursement to a home from the
5 MWR Fund, the Secretary of Veterans Affairs may, on an annual
6 basis and in his or her discretion, allow for an additional one-time
7 allocation of moneys in an amount no greater than five percent of
8 that annual disbursement for a special project if the administrator
9 of the home submits a proposal to the secretary that shows good
10 cause for the allocation. In developing the proposal, the
11 administrator shall consult with the residents of the home, the
12 Veterans' Home Allied Council, or the resident council at the
13 home.

14 (3) For the purposes of this subdivision, providing for the
15 general welfare of the residents of a home includes, but is not
16 limited to, operating a canteen, hobby shop, theater, library, or
17 band, and payment for newspapers, chapel expenses, entertainment
18 expenses, sports activities, celebrations, or any other function or
19 activity that is related to the morale, welfare and recreation of the
20 residents that would not otherwise be paid for by the General
21 Fund.

22 (c) Moneys in the MWR Fund shall not be expended for the
23 following:

24 (1) A medical treatment or a treatment related to a medical
25 treatment.

26 (2) The maintenance of the physical plant of a home, except for
27 capital improvements that directly enhance the quality of life and
28 general welfare of the residents of the home.

29 (3) A function, operation, or activity that is not directly related
30 to the morale, welfare, or recreation of the residents of the home.

31 (d) Appropriations from the General Fund for the purposes
32 described in paragraph (4) of subdivision (b) may not be reduced
33 for the purpose of, or to have the effect of, requiring increased
34 expenditures from the MWR Fund for those described purposes.

35 (e) Beginning on August 20, 2016, and annually on August 20
36 thereafter, the department shall prepare a report that is organized
37 by category and accounts for all expenditures from the MWR Fund
38 for the previous fiscal year, and shall submit the report to the
39 following:

40 (1) The Department of Finance.

1 (2) *The fiscal committees of the Assembly and Senate.*

2 (3) *The committees of the Assembly and the Senate that have*
3 *subject matter jurisdiction over veterans' affairs.*

4 (4) *The Veterans' Home Allied Council and the resident council*
5 *of each home.*

6 (f) *The department shall maintain a reserve in the MWR Fund*
7 *of two million dollars (\$2,000,000).*

8 (g) *The Secretary of Veterans Affairs may augment the*
9 *allocation from the MWR to the Veterans' Home of California,*
10 *Yountville, after making a determination that this action is*
11 *appropriate on the basis of the home's unique age, size, and*
12 *historical significance.*

13 (h) *The department may transfer funds from the MWR Fund to*
14 *the Surplus Money Investment Fund for investment pursuant to*
15 *Article 4 (commencing with Section 16470) of Chapter 3 of Part*
16 *2 of Division 4 of Title 2 of the Government Code. The amount*
17 *invested and the accrued interest or earnings shall be credited to*
18 *the MWR Fund for allocation by the department.*

19 (i) *The administrator of a home may enter into an agreement*
20 *with the Veterans' Home Allied Council that authorizes the council*
21 *to operate facilities and engage in activities that are authorized*
22 *by subdivision (b). The agreement shall be in the form and manner*
23 *specified by the administrator.*

24 (j) (1) *Each home shall establish an account separate from the*
25 *MWR Fund for the purpose of receiving donations.*

26 (2) *The department, in consultation with the residents of the*
27 *home, shall adopt regulations that govern expenditures from the*
28 *donation account described in paragraph (1).*

29 ~~SEC. 4.~~

30 SEC. 5. Section 1048 of the Military and Veterans Code is
31 amended to read:

32 1048. (a) The Morale, Welfare, and Recreation Fund shall
33 include proceeds from the ~~California Veterans Homes Fund,~~
34 ~~operations of the Veterans' Home Exchange, operation of a~~
35 *canteen, revenue derived from the issuance of prisoner-of-war*
36 *special license plates pursuant to Section 5101.5 of the Vehicle*
37 *Code, all funds derived from golf course green fees and range ball*
38 *fees, all donations to the fund, interest earned on invested funds,*
39 *funds derived from the estates of deceased ~~members,~~ residents,*
40 *and any other moneys or property described in this chapter,*

1 including, but not limited to, moneys and properties received by
 2 the home from estate assets located outside the home, regardless
 3 of amount. *Any moneys derived from golf course green fees, range
 4 ball fees, and operations of activities specifically at the Veterans’
 5 Home of California, Yountville, shall be credited to the MWR Fund
 6 allocation for that home.*

7 (b) ~~The administrator at each home~~ *department* shall prepare
 8 an itemized report that is organized by category and accounts for
 9 all funds deposited into the Morale, Welfare, and Recreation Fund
 10 ~~and transmitted to the Controller under Section 1047~~ during the
 11 previous fiscal year and shall submit the report on or before August
 12 20 of each year to all of the following:

- 13 (1) ~~The secretary;~~ *Department of Finance.*
- 14 (2) The fiscal committees of the Assembly and the Senate.
- 15 (3) The committees of the Assembly and the Senate that have
 16 subject matter jurisdiction over ~~veterans~~ *veterans’* affairs.
- 17 (4) The Veterans’ Home Allied ~~Council;~~ *Council and the*
 18 *resident council of each home.*

19 ~~SEC. 5.~~

20 *SEC. 6.* Section 1049 of the Military and Veterans Code is
 21 amended to read:

22 1049. Moneys in the Morale, Welfare, and Recreation Fund
 23 maintained under subdivision (a) of Section 1047 ~~may be used~~
 24 *used, subject to approval by the Secretary of Veterans Affairs,* to
 25 establish or operate a ~~Veterans’ Home Exchange that may conduct~~
 26 *any lawful endeavor which, in the judgment of the administrator,*
 27 *will benefit the veterans, except as prohibited under subdivision*
 28 *(b) of Section 1047. The administrator at each home may establish*
 29 *the Veterans’ Home Exchange to operate at a profit. canteen at*
 30 *each home location. The canteen may sell goods at a profit.*