

AMENDED IN ASSEMBLY JUNE 18, 2015

AMENDED IN SENATE MAY 5, 2015

AMENDED IN SENATE APRIL 15, 2015

SENATE BILL

No. 543

Introduced by Senator Wolk

February 26, 2015

An act to amend Sections 1010, 1048, and 1049 of, and to repeal and add Section 1047 of, the Military and Veterans Code, relating to 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 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' affairs, and the Veterans' Home Allied Council on or before August 20 of each year.

This bill would create the Veterans' Home Morale, ~~Welfare Welfare~~, and Recreation Fund (~~"MWR 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 by the administrator in an existing Morale, ~~Welfare Welfare~~, and Recreation Fund into the statewide MWR Fund. The bill would also provide for additional funding for the MWR ~~fund~~ *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~~ *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 require the department to annually determine the total amount for disbursement from the MWR ~~fund~~, *Fund*, and for that disbursement to be allocated proportionally to each home's relative share of the total population of the entire ~~veterans~~ *veterans'* home system. The bill would authorize additional allocations to homes for special projects for good cause, and to ~~the Veteran's Home of California, Yountville~~, *any veterans' home* if it is appropriate on the basis of the home's unique age, size, *population*, and historical significance. 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 require the administrator of each home to establish a *Morale, Welfare, and Recreation Operating Fund (MWRO Fund)* to administer quality of life activities for the general welfare of the residents and receive funds from the MWR Fund, as specified, and a separate account for the purpose of receiving donations and would require the department, in consultation with the residents of each home, to adopt regulations for expenditure of those funds.

Vote: majority. Appropriation: yes. Fiscal committee: 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, Barstow, the Administrator of the Veterans'
24 Home of California, Chula Vista, the Administrator of the
25 Veterans' Home of California, Fresno, the Administrator of the
26 Veterans' Home of California, Lancaster, the Administrator of the

1 Veterans' Home of California, Redding, the Administrator of the
 2 Veterans' Home of California, Ventura, the Administrator of the
 3 Veterans' Home of California, West Los Angeles, and the
 4 Administrator of the Veterans' Home of California, Yountville.

5 (c) "Department" means the Department of Veterans Affairs.

6 (d) "Director" means the Director of Veterans Affairs.

7 (e) "Veteran" means a member of the home.

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

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

12 1047. (a) (1) The Veterans' Home Morale, Welfare, and
 13 Recreation Fund (~~"MWR Fund"~~) (*MWR Fund*) is hereby created
 14 in the State Treasury. Notwithstanding Section 13340 of the
 15 Government Code, all funds deposited in the MWR Fund as
 16 authorized by this section shall be continuously appropriated to
 17 the department, without regard to fiscal year. All references in this
 18 chapter to the "Morale, Welfare, and Recreation Fund" or "MWR
 19 Fund" are deemed to refer to the fund created by this paragraph.

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

25 (3) *A Morale, Welfare, and Recreation Operating Fund (MWRO*
 26 *Fund) shall be created by the administrator of each home to*
 27 *administer quality of life activities for the general welfare of the*
 28 *residents, pursuant to the annual allocation from the MWR Fund.*
 29 *The annual allocations from the MWR Fund and any other quality*
 30 *of life moneys received shall be deposited in a local bank account*
 31 *established for this purpose.*

32 ~~(3)~~

33 (4) All future moneys collected as a result of unreimbursed costs
 34 of care determinations are state funds and shall be deposited in the
 35 MWR Fund.

36 ~~(4)~~

37 (5) The department, in consultation with the residents at each
 38 home, the Veterans' Home Allied Council, and the resident council
 39 at each home, shall adopt regulations that govern the process by
 40 which a home may make an annual request for a disbursement

1 from the MWR Fund and the process by which the Secretary of
2 Veterans Affairs shall review and act upon the request.

3 (5)

4 (6) Moneys deposited in the MWR Fund are exempt from the
5 requirements of Article 2 (commencing with Section 11270) of
6 Chapter 3 of Part 1 of Division 3 of Title 2 of the Government
7 Code.

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

11 (2) The department shall annually determine the total amount
12 for disbursement from the MWR Fund to the homes. This amount
13 shall be disbursed proportionally by each home's relative share of
14 the total population of the entire veterans home system.

15 (3) In addition to the annual disbursement to a home from the
16 MWR Fund, the Secretary of Veterans Affairs may, on an annual
17 basis and in his or her discretion, allow for an additional one-time
18 allocation of moneys in an amount no greater than 5 percent of
19 that annual disbursement for a special project if the administrator
20 of the home submits a proposal to the secretary that shows good
21 cause for the allocation. In developing the proposal, the
22 administrator shall consult with the residents of the home, the
23 Veterans' Home Allied Council, or the resident council at the
24 home.

25 (4) The Secretary of Veterans Affairs may augment the
26 allocation from the MWR *Fund* to ~~the Veterans' Home of~~
27 ~~California, Yountville,~~ *any veterans' home* after making a
28 determination that this action is appropriate on the basis of the
29 home's unique age, size, *population*, and historical significance.

30 (5) The California Veterans Board shall review any proposed
31 allocation pursuant to paragraph (3) or (4). This review shall
32 include receiving public comment and soliciting comments from
33 the Veterans' Home Allied Council or other resident representative
34 body of each home. The board shall consider and adopt its advice
35 at a publicly noticed meeting before providing that advice to the
36 secretary. The secretary may act contrary to the board's advice,
37 but must provide the board with an explanation of why the advice
38 was not the basis for the secretary's chosen action.

39 (6) For the purposes of this subdivision, providing for the
40 general welfare of the residents of a home includes, but is not

1 limited to, operating a canteen, hobby shop, theater, library, or
2 band, and payment for newspapers, chapel expenses, entertainment
3 expenses, sports activities, celebrations, *capital improvements that*
4 *directly enhance the quality of life*, or any other function or activity
5 that is related to the morale, ~~welfare~~ *welfare*, and recreation of the
6 residents that would not otherwise be paid for by the General Fund.

7 (c) Moneys in the MWR Fund shall not be expended for the
8 following:

9 (1) A medical treatment or a treatment related to a medical
10 treatment.

11 (2) The maintenance of the physical plant of a home, ~~except for~~
12 ~~capital improvements that directly enhance the quality of life and~~
13 ~~general welfare of the residents of the home.~~

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

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

20 (e) The department shall prepare an itemized report that is
21 organized by category and accounts for all expenditures from, and
22 all funds deposited into, the MWR Fund for the previous fiscal
23 year, and shall submit the report on or before August 20, 2016,
24 and annually on or before August 20 thereafter, to the following:

25 (1) The Department of Finance.

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

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

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

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

33 (g) The department may transfer funds from the MWR Fund to
34 the Surplus Money Investment Fund for investment pursuant to
35 Article 4 (commencing with Section 16470) of Chapter 3 of Part
36 2 of Division 4 of Title 2 of the Government Code. The amount
37 invested and the accrued interest or earnings shall be credited to
38 the MWR Fund for allocation by the department.

39 (h) The administrator of a home may enter into an agreement
40 with the Veterans' Home Allied Council that authorizes the council

1 to operate facilities and engage in activities that are authorized by
2 subdivision (b). The agreement shall be in the form and manner
3 specified by the administrator.

4 (i) (1) Each home shall establish an account separate from the
5 MWR Fund *and the MWRO Fund* for the purpose of receiving
6 donations.

7 (2) The department, in consultation with the residents of the
8 home, shall adopt regulations that govern expenditures from the
9 donation account described in paragraph (1).

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

12 1048. The Morale, Welfare, and Recreation Fund shall include
13 proceeds from the operation of a canteen, revenue derived from
14 the issuance of prisoner-of-war special license plates pursuant to
15 Section 5101.5 of the Vehicle Code, interest earned on invested
16 funds, funds derived from the estates of deceased residents, and
17 any other moneys or property described in this chapter, including,
18 but not limited to, moneys and properties received by the home
19 from estate assets located outside the home, regardless of amount.
20 Any moneys derived from golf course green fees, range ball fees,
21 and operations of activities specifically at the Veterans' Home of
22 California, Yountville, shall be credited to the MWR Fund
23 allocation for that home.

24 SEC. 6. Section 1049 of the Military and Veterans Code is
25 amended to read:

26 1049. Moneys in the Morale, Welfare, and Recreation Fund
27 maintained under subdivision (a) of Section 1047 may be used,
28 subject to approval by the Secretary of Veterans Affairs, to
29 establish or operate a canteen at each home location. The canteen
30 may sell goods at a profit.