

Date of Hearing: April 29, 2014

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS

Sharon Quirk-Silva, Chair

AB 2261 (Gorell) – As Amended: April 22, 2014

SUBJECT: Veterans Services and Workforce Division: veterans' benefits.

SUMMARY: Establishes the California Veterans Services and Workforce Development Division (Division) within the Department of Veterans Affairs (Department) for the purpose of coordinating and administering veterans assistance programs in the state with duties as specified. Requires the administrative and support staff responsible for the administration of the specified programs to be transferred from the Employment Development Department (EDD), as specified. Specifically, this bill:

- 1) Makes findings and declarations in support of modifying the services delivery system to veterans and in support of consolidating specified programs under the Department.
- 2) Establishes the Division in the Department for the purpose of coordinating and administering veterans assistance programs provided by the state.
- 3) Directs that the Department Secretary shall have authority over the Division.
- 4) Mandates that Division shall do all of the following:
  - a) Coordinate with state entities that provide a benefit or assistance to veterans to ensure both of the following:
    - i) State entities provide information to veterans regarding all other assistance programs and benefits provided by the state.
    - ii) State entities are aware of changes in existing veterans programs or the establishment of new veterans programs provided by the state.
  - b) Collaborate with the California Interagency Council on Veterans to implement further strategic changes to the delivery of veterans services.
- 5) Mandates that beginning on or before July 1, 2015, the Division shall administer the programs and services described in the federal Jobs for Veterans State Grant Program, including, but not limited to, overseeing the federal Local Veterans' Employment Representatives program (LVER), the Transition Assistance Program (TAP), and the Disabled Veterans' Outreach Program (DVOP) (collectively the Programs).
- 6) Requires the Division to coordinate with the EDD for the transfer of the administration of the Programs from the EDD to the Division, including, but not limited to, all of the following:
  - a) Transferring to the Division employees serving in state civil service, other than temporary employees, who are engaged in the performance of the administration of the Programs. Mandates that the status, positions, and rights of those persons shall not be

affected by their transfer and shall continue to be retained by those persons pursuant to the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code), except as to positions the duties of which are vested in a position exempt from civil service. Also mandates that the personnel records of all transferred employees shall be transferred to the Division.

- b) Transferring to the division all records of the EDD related to the administration of the Programs. The Department of General Services shall resolve any questions of which records should be transferred.
  - c) Transferring to the Division all unexpended balances of appropriations and other funds available for use for the administration of the Programs for expenditure for the purpose for which the appropriation was originally made or the funds were originally available. The Department of Finance shall resolve any questions of where the balances and funds should be transferred.
- 7) Mandates that any costs incurred by the Department in implementing the transfer shall be paid utilizing existing resources of the Department.

EXISTING LAW:

- 1) Establishes the Department of Veterans Affairs within state government and sets forth its powers and duties, including, but not limited to, administration of veterans benefits programs. Also, existing law establishes within the California Department of Veterans Affairs, the Veterans Service Division.
- 2) Establishes the California Veterans Board within the department and sets forth its powers and duties, including, but not limited to its power to determine operational policy for the department.

FISCAL EFFECT: Unknown at this time.

COMMENTS:

Texas Outreach Model

In 2005, the United States Department Veterans Affairs sent \$6 billion in funding to the state of California. Of this amount, \$2.66 billion was in the form of disability payments to veterans. However, Texas, with a veteran population of only 1.7 million, collected 44 percent more in veteran disability payments than California.

Job Training and Employment Service to Veterans

Currently, California receives approximately \$18 million dollars annually from the United States Department of Labor to pay for approximately 180 workforce training staff. Assigned to positions within the EDD, these federally funded staff are dedicated to serving the needs of veterans. Some of the staff are located in Sacramento, while others are spread throughout the state at the EDD's one-stop job centers.

As a part of "Operation Welcome Home," a program from the previous administration for California veterans, the EDD hired approximately 325 limited term employees beginning January 2010 to make up the Cal-Vet Corps. EDD used these personnel to help newly discharged veterans access the benefits and services they need to successfully enter the civilian workforce. This program has been discontinued under the current administration.

In addition to the efforts outlined above, the state currently spends in excess of \$500 million in a variety of job training efforts. Those programs, while not targeted exclusively at serving veterans, would be available for most veterans to access if they meet the eligibility requirements of the programs.

The EDD is responsible, in coordination with the California Workforce Investment Board, for administering a federal Department of Labor Veterans Employment Training grant. The DVOP operates under the federal rules and regulations but no state regulations have been created to codify this program.

Through the Employment Development Department's One-Stop system, veteran customers may elect self-service, facilitated self-help, or staff-assisted one-on-one service. Most veterans are able to use the self-service systems and will self-identify as veterans to establish their eligibility for veterans' priority. The LVER and DVOP staff members are available at One-Stop Career Centers to provide facilitated self-help or staff-assisted service to veterans who require additional assistance. LVER and DVOP staff screen veterans for potential barriers to employment and identify the need for additional services. At each One-Stop center, LVER and DVOP staff also undertake to expand information provided to veterans regarding available services.

At the request of One-Stop partners, LVER and DVOP staff may also be assigned to other locations that serve large veteran populations; and case management services for veterans are customer-focused and customer-driven. These include referrals from the Department of Veterans Affairs Vocational Rehabilitation and Counseling system. Veterans are provided choices based upon need and the resources available to meet those needs. When necessary and when appropriate, customers will be assisted in accessing resources outside of the One-Stop systems.

The One-Stops, administered through local workforce investment boards, are a statewide network of centers that provide employment, education, and training services all in one location. The One-Stops work with public and private non-profit partners to provide their services. The One-Stops include programs such as Job Services, Unemployment Insurance, Vocational Education, and Vocational Rehabilitation including services particularly targeted to veterans.

The TAP is a federal program that was created to assist military personnel that are preparing to separate or retire. This program has recently undergone a substantial change and is now known as the Transition Goals, Plans, and Success (TGPS) program. TGPS attempts to improve upon the previous TAP in several ways, including permitting some customization to individual servicemembers' needs.

#### The California Department of Veterans Affairs Operational Capabilities

The mission of the California Department of Veterans Affairs (department) is to serve these veterans and their families by providing rehabilitative, residential, and medical care services to the State's aged or disabled veterans; providing veterans with direct low-cost loans to acquire

farms and homes; and providing veterans and their families with aid and assistance in presenting their claims for federal, state, and local veterans' benefits.

The department does not consider its role to include providing direct services that are already offered by other agencies; rather, the services the department provides to veterans exist within a larger service delivery system that it relies on its Veterans Services Division to connect and coordinate with. This service delivery system consists of a variety of key players that provide direct services to veterans, including the federal VA, certain state agencies, veterans' service organizations, and counties.

The October 27, 2009 audit report published by the California State Auditor identified the Department of Alcohol and Drug Programs, the EDD, the Employment Training Panel, the Department of Housing and Community Development, the Labor and Workforce Development Agency, the Department of Mental Health, and the Military Department as examples of other state entities that might serve veterans. The audit findings found that the California Department of Veterans Affairs has collaborated with, or is making efforts to collaborate with, the all of these state entities mentioned in this paragraph. However, there are few formal agreements with the state entities that the Veterans Services Division collaborates with. Therefore they are unable to be accountable or hold any one accountable for the agreed upon services and are unable to ensure that these services could continue despite staff turnover, changes in agency priorities, or other factors that could erode collaborative efforts.

#### Audit reveals shortcomings at the California Department of Veterans Affairs

The October 27, 2009 audit report published by the Bureau of State Audits found that the Department of Veterans Affairs provides few direct services to veterans, outside of its operation of the Veterans' Homes of California and the CalVet Farm and Home Loan program, and that the department has extremely limited interaction and few formal agreements with other state agencies and departments that could provide additional services to veterans if done in a coordinated and efficient manner.

The 2009 audit additionally noted that the Department of Veterans Affairs strategic plan covering the 2007–08 to 2011–12 fiscal years, inclusive, was incomplete and has not formally assessed veterans' needs, has not included key stakeholders in its strategic planning process, and has not effectively measured its progress towards meeting the goals and objectives identified in the plan.

The 2009 audit additionally confirmed that California's veterans participate in federal disability and pension benefits at rates that are significantly lower than those in other states with large veteran populations. These disability payments are paid directly to the veterans and generate a significant contribution to California's economy.

#### Questions for Committee Members

Which department is best suited to deliver high quality job training and employment services to veterans? The EDD and Department are charged with helping veterans find services and both have shown they are at times challenged at meeting the requirements of providing quality service to veterans. This would put this department in the business of providing a direct service outside of the CalVet Home Loan Program and the administration of the Veterans Home of California.

Related Legislation:

AB 1268 (John A. Perez, 2013) is on the Senate floor and conflicts with the instant measure. It would establish a Veterans Workforce Development and Employment Office within the Labor and Workforce Development Agency and transfer the Programs to that division.

Several similar bills have attempted various similar transfers and consolidations but have been unsuccessful:

AB 171 (Chavez, 2013)

AB 1931 (Gorell, 2012)

AB 748 (Gilmore, 2009)

REGISTERED SUPPORT / OPPOSITION:

Support

American Association of Retired Persons

American Legion, Department of California

AMVETS, Department of California

California Association of County Veterans Service Officers

California State Commanders Veterans Council

Military Officers Association of America, California Council of Chapters

Veterans of Foreign Wars, Department of California

Vietnam Veterans of America, California State Council

Opposition

None.

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