

Date of Hearing: April 29, 2014

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS
Sharon Quirk-Silva, Chair
AB 2703 (Quirk-Silva) – As Introduced: February 21, 2014

SUBJECT: County veterans service officers.

SUMMARY: [As proposed to be amended in Committee] Appropriates money to the California Department of Veterans Affairs (CDVA) for allocation to the County Veterans Service Officers (CVSOs), requires CDVA to create an allocation formula, as specified, makes findings and declarations as specified. Specifically, this bill:

- 1) Requires CDVA to, no later than January 1, 2015, develop an allocation formula based upon performance to encourage innovation and reward outstanding service by CVSOs.
- 2) Directs that money appropriated for this purpose shall be allocated each fiscal year in accordance with that formula among those counties that have established and maintain a CVSO.
- 3) Continuously appropriates six million dollars (\$6,000,000) annually from the General Fund to CDVA to be allocated as follows:
 - a) Five million six hundred thousand dollars (\$5,600,000) shall be available for disbursement to the counties to fund the activities of county veterans service officers pursuant to subdivision (b) of Section 972.1 of the Military and Veterans Code.
 - b) Four hundred thousand dollars (\$400,000) shall be available for disbursement to the counties to encourage innovation and reward outstanding service by county veterans service officers pursuant to the allocation formula developed by CDVA to encourage innovation and reward outstanding service by CVSOs.
- 4) Makes findings and declarations in support of sustaining the one-time funding increase.
- 5) Contains an urgency clause, "...Approximately 50 percent of the current General Fund appropriation in support of county veteran service offices expires on June 30, 2014. In order to provide for continuity of services critical to successful reintegration of California's veterans, to increase California's utilization of veteran benefits, and to ensure veterans claims for benefits are processed in a timely manner, it is necessary that this act take immediate effect."

EXISTING LAW:

- 1) Provides for annual appropriation to the CVSOs as determined in each year's Budget Act.
- 2) Requires annual reporting by CDVA to the Department of Finance The department must annually determine the amount of new or increased monetary benefits paid to eligible veterans by the federal government attributable to the assistance of county veterans service officers.

- 3) Mandates that CDVA must, on or before October 1 of each year, prepare and transmit its determination for the preceding fiscal year to the Department of Finance and the Legislature.
- 4) Directs the Department of Finance to review CDVA's determination in time to use the information in the annual Budget Act for the budget of CDVA for the next fiscal year.

FISCAL EFFECT: Unknown at this time.

COMMENTS:

CVSOs are local agencies established in 1946 to assist veterans and their families in obtaining benefits and services accrued through military service. They act as the Department's network for claim initiation and development and draw down significant federal dollars annually.

CVSO funding is a combination of local and state resources. The 2009-10 Budget Act provided \$2.6 million GF (a level static since 2004) and \$554,000 from the Veterans Service Office Fund (veteran license plate funding restricted to CVSO's) to counties toward compensation and expenses of CVSOs.

In 1997, the Legislature passed and the Governor signed Senate Bill 608, enacted as Chapter 318 of the Statutes of 1997, which amended Section 972.1 of the Military and Veterans Code. Chapter 318 requires the Department of Veterans Affairs to annually determine the amount of new or increased monetary benefits paid to eligible veterans by the federal government that were attributable to the assistance of county veterans service officers and requires the Department of Finance to consider an increase in the annual budget for county veterans service officers, in an amount not to exceed five million dollars (\$5,000,000), if justified.

From 2007 until 2010, the annual subvention was increased to two million six hundred thousand dollars (\$2,600,000). In 2009, the Legislature passed and the Governor signed Senate Bill 419, enacted as Chapter 183 of the Statutes of 2009 that amended Section 972.1 of the Military and Veterans Code. Chapter 318 found and declared that 50 percent of the amount annually budgeted for CVSOs is approximately eleven million dollars (\$11,000,000). During Fiscal Year 2009-10 federal monetary benefits obtained by CVSO's totaled \$299 million.

In 2013, The Budget Act of 2013 (AB 110, Chapter 20, Statutes of 2013) included a \$3 million increase in subvention funding to County Veterans Service Officers (CVSO) (Item 8955-101-0001 of Section 2.00).

According to the sponsor:

As compared to Texas, in FY 12, California's percent of veterans receiving compensation and pension benefits was approximately 5% less, resulting in \$720 million less in benefits flowing to California veterans.

The proposed \$3M is NOT SUFFICIENT to catch up with the performance levels of Texas and Florida BUT it is a step in the right direction.

As demonstrated, this funding would put about 18 full time and 22 part time veteran service representatives in county offices.

When fully trained, these additional staff would represent about a \$47M increase in new benefits (not just C&P) obtained annually.

These positions are temporary due to the one-time nature of the FY2013 funding. They will be eliminated if funding is not made permanent.

As reported by the Bureau of State Audits (2009-108): “Expressed as a ratio of CVSO staff to veterans in the respective states, Texas had one CVSO staff member for every 5,684 veterans, Florida had one CVSO staff member for every 8,407 veterans, and California had one CVSO staff member for every 9,577 veterans.”

Using current demographics that equates to a need for 307 professional veteran service representatives statewide.

A recent survey of counties and state offices showed approximately 209 veteran service representatives as opposed to a need for 307.

Related Legislation:

The Budget Act of 2013 (AB 110, Chapter 20, Statutes of 2013) included a \$3 million increase in subvention funding to County Veterans Service Officers (CVSO) (Item 8955-101-0001 of Section 2.00).

SB 296- Correa (2013) DIED IN APPROPS. Provided that the sum of nine dollars (\$9,000,000) would be appropriated from the General Fund to the Department of Veterans Affairs to provide for veterans’ services, including increased funding for CVSOs.

AB 1209- Cook (2011) DIED IN APPROPS. Provided that the sum of seven million three hundred thousand dollars (\$7,300,000) would be appropriated from the General Fund to the Department of Veterans Affairs to provide for veterans’ services, including increased funding for CVSOs.

SB 419 (Senate Veterans Affairs Comm, Ch. 48, Stats. 2009)

Revises findings and declarations in existing law by declaring that 50 percent of the amount annually budgeted for CVSOs is (should be) approximately \$11 million (rather than the existing \$5 million). Sunsets after January 1, 2016. Only becomes operative if SB 418 (Senate Veterans Affairs, 2009) is chaptered. This majority-vote bill contained no appropriation, and was not keyed fiscal. Senate 36-0; Assembly 76-0.

SB 418 (Senate Veterans Affairs Comm, Ch. 48, Stats. 2009)

Revises legislative findings and declarations in existing law with regard to the use of General Fund monies for services provided by veterans service organizations by clarifying that the General Fund monies shall not be allocated until the annual budget for CVSOs reaches \$5 million. This majority-vote bill contained no appropriation, and was not keyed fiscal. Senate 37-0; Assembly 74-0.

SB 1778 (Senate Veterans Affairs Comm, vetoed, 2008)

Changes findings and declarations by increasing the amount budgeted for CVSOs from \$5 million to \$11 million. This bill was not an appropriation. Senate 37-0; Assembly 75-0.

Governor's veto message: "The historic delay in passing the 2008-2009 State Budget has forced me to prioritize the bills sent to my desk at the end of the year's legislative session. Given the delay, I am only signing bills that are the highest priority for California. This bill does not meet that standard and I cannot sign it at this time."

SB 1222 (Cedillo, held Senate Approps, 2008)

This bill would have (1) Increased funding for veterans outreach by appropriating three dollars for every California veteran. (2) Required that each three-dollar appropriation be disbursed as follows: CVSOs - \$2.35; veteran service organizations - \$0.50; and the Veteran Services Division/CalVet - \$0.15. Senate Veterans Affairs 5-0.

AB 1814 (DeVore, held Senate Veterans Affairs, 2008)

The Veterans Benefit Recovery Augmentation Plan facilitates CalVet in contracting with VSOs in order to augment the veterans outreach services provided by the Department's Veterans Service Division. Assembly 75-0.

AB 2577 (Salas, 2008, held Assembly Rules, 2008)

Supports reinstating funding cut by the Governor for the CVSOs as well as the State Veteran Service Officers. No votes taken.

AB 389 (Salas, held Assembly Approps, 2007)

Would have appropriated \$5,000,000 from the General Fund to CalVet for disbursement to the counties. Assembly Veterans Affairs 9-0.

AB 2268 (Samuelian, Ch. 804, Stats. 2004)

Authorized CalVet to contract out services to VSOs and, with the approval from the Department of Finance, to reimburse those organizations for services rendered on a formula/performance basis starting in fiscal year 2006-07. Senate 31-1; Assembly 76-0.

SB 608 (Johannessen, Ch. 318, Stats. 1997)

Approved a CVSO funding level of up to \$5,000,000 of which only approximately \$2,500,000 has traditionally been funded. Senate 38-0; Assembly 77-0.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of County Veteran Service Officers (Sponsor)

Amador County

American Legion Department of California

AMVETS Department of California

California State Commanders Veterans Council

Veterans of Foreign Wars, Department of California

California Labor Federation

California-Nevada Conference of Operating Engineers

Contra Costa County

Del Norte County
El Dorado County
Imperial County
Kern County
Kings County
Lake County
Los Angeles County
Military Officers Association of America, California Council of Chapters
Monterey County
Napa County
Placer County
Platinum Advisors
Rural County Representatives of California
Sacramento County
Santa Barbara County
San Bernardino County
San Luis Obispo County
Santa Clara County
Stanislaus County
Solano County
Sonoma County
Trinity County
Tulare County
Tuolumne County
Ventura County
Vietnam Veterans of America, California State Council
Vietnam Veterans of Diablo County

Opposition

None.

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