

Date of Hearing: April 24, 2012

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS

Paul J. Cook, Chair

AB 1931 (Gorell) – As Amended: April 16, 2012

SUBJECT: Department of Veterans Affairs: consolidation of services to veterans.

SUMMARY: This bill would establish 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, and would require the Division to perform various functions and duties relating to the coordination and administration of veterans assistance programs, 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) to the Division, and would require the costs of the transfer to utilize existing resources of the Department. Specifically, this bill:

Establishes the Division within the Department for the purpose of coordinating and administering veterans assistance programs in the state. The Secretary of Veterans Affairs shall have authority over the Division.

States that the Division shall do all of the following:

Coordinate with other state agencies that provide benefits and assistance to veterans to ensure that information about veterans assistance programs and benefits is made available to all state agencies that serve veterans in the state.

Administer the Transition Assistance Program (TAP) and oversee the duties of Local Veterans' Employment Representatives (LVER) as prescribed under the federal Jobs for Veterans State Grants program, in cooperation with the Employment Development Department (EDD). The division shall work with staff from the EDD to develop a plan whereby responsibility for the administration of TAP and the LVER shall be transferred from the EDD to the division. The development of the plan shall be completed on or before May 1, 2013.

Requires the Division to inform other state agencies and officials that are involved in the implementation and administration of veterans services programs when any changes in existing programs are required, or new programs are established that provide assistance and benefits to veterans

Requires that those agencies and officials report to the Division when those changes occur or new programs are established.

Requires the Division to coordinate with staff from other state agencies, including, but not limited to, the Labor and Workforce Development Agency, the Employment Training Panel, the California Workforce Investment Board, the State Department of Mental Health, the Department of General Services, the State Department of Alcohol and Drug Programs, and representatives of the University of California, the California State University, and the California Community Colleges with regard to the provision of veterans services and benefits.

Directs that all administrative and support staff responsible for the administration of TAP and the LVER shall be transferred from the EDD to the Division.

Directs that any costs associated with the implementation of these transfers shall utilize existing resources of the Department, as the operational cost of these programs utilizes funding from the Jobs for Veterans State Grant program, as prescribed within the United States Department of Labor.

EXISTING LAW

1. Establishes the Department of Veteran’s 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.

According to the author,

In 2005, the Texas veteran workforce program ranked 32<sup>nd</sup> in the nation in veteran employment and retention. The following year, legislation was passed to transfer the program from the Texas Workforce Commission (TWC) to the Texas Veterans Commission (TVC).

By the end of 2007, Texas' employment retention rate had risen from 32 to 86 percent.

According to the DEPARTMENT OF LABOR'S VETERANS EMPLOYMENT TRAINING SERVICE, "Performance Outcomes by State" quarterly report ending December 31, 2010,

State	Entered Employment Rate	Employment Retention Rate	Entered Employment Rate (Disabled veteran)	Employment Retention Rate (Disabled veteran)
California	33	73	31	74
Texas	50	80	47	81

Texas' prior poor performance was attributed to a lack focus and limited ability to provide direct assistance to unemployed veterans. The veteran representatives at the Texas One Stops served a variety of client groups including veterans. Once the workforce programs were transferred, the TVC convened a veteran stakeholder focus group to develop clear performance standards and reporting requirements to help guide the program. In addition, the veteran representatives at the One Stops were directed to exclusively serve veterans as guided by the newly established standards.

### Job Training and Employment Service to Veterans

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

As a part of "Operation Welcome Home," a program from the previous administration for California veterans, the Employment Development Department 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 California Employment Development Department is responsible, in coordination with the California Workforce Investment Board, for administering a federal Department of Labor Veterans Employment Training grant. The Disabled Veterans Outreach Program operated 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 Local Veterans Employment Representative and Disabled Veterans Outreach Program staff members are available at One-Stop Career Centers to provide facilitated self-help or staff-assisted service to veterans who require additional assistance. Local Veterans Employment Representative and Disabled Veterans Outreach Program staff screen veterans for potential barriers to employment and identify the need for additional services. At each One-Stop center, LVER and DVOP staff will raise veterans' issues, including efforts to expand information provided to veterans regarding available services.

At the request of One-Stop partners, Local Veterans Employment Representative and Disabled Veterans Outreach Program 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 Transition Assistance Program is a federal program that was created to assist military personnel that are preparing to separate or retire. This program is a cooperative effort between Department of Labor's Veterans Employment Training Service, the Department of Defense (DOD), Department of Homeland Security (DHS) and the U.S. Department of Veteran Affairs (USVA). This program was instituted in 1990 and has provided job preparation assistance to over 2 million separating and retiring members of the military.

#### 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.

The 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 Employment Development Department and the California Department of Veterans Affairs are charged with helping veterans find services and both have shown they are challenged at meeting the requirements of providing quality service to veterans.

Should the California Department of Veterans Affairs be entrusted to administer another program? This would put this department in the business of providing a direct service outside of the arena of the CalVet Home Loan Program and the administration of the Veterans Home of California.

Should we consider giving all the job training and employment programs to the California Department of Veterans Affairs, instead of seeking improvement within the Employment Development Division? The rationale for giving this department an opportunity to show it can properly provide direct services to veterans can be applied to all the programs that provide services to veterans. All these programs make up a continuum of job services that veterans need to gain employment in the civilian world.

REGISTERED SUPPORT / OPPOSITION:

Support

American Legion- Department of California  
AMVETS- Department of California  
California Association of County Veteran Service Officers  
California State Commanders

Opposition

None on File

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