

Date of Hearing: April 24, 2012

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS

Paul J. Cook, Chair

AB 1842 (Monning) – As Amended: April 10, 2012

SUBJECT: California Central Coast State Veterans Cemetery: Endowment Fund

SUMMARY: This bill would authorize the department to use any moneys received from the State Veterans Cemetery (Cemetery) Grant Program (Grant) that are transferred to the Endowment Fund (Fund) for the reimbursement of those specified costs to reimburse any cash advances made to the Fund used for those costs to the extent allowed by grant requirements. Specifically, this bill:

1. Authorizes the California Department of Veterans Affairs (Department) to enter into financial agreements to receive cash advances into the Fund;
2. Requires that any such financial agreements:
 - a. Must not encumber the state, and
 - b. Must be reviewed and performed in consultation with the Department of Finance; and
3. Authorizes the Department to use money received from the Grant that is transferred to the Fund for the reimbursement of the costs of developing and submitting the Grant application, to reimburse any cash advances made to the Fund, to the extent allowed by Grant requirements, once it is determined by the Department and certified by the Controller's office that sufficient funds remain in the Endowment Fund to cover ongoing maintenance and operating costs.

EXISTING LAW

1. Military and Veterans Code section 1451 creates the Fund.
2. Moneys in the Endowment Fund shall be allocated, upon appropriation by the Legislature, to the department for the annual administrative and oversight costs of the veterans cemetery, pursuant to Sections 1453 and 1454, and to generate funding through interest for the veterans cemetery.
3. Moneys in the fund shall first be invested with the goal of achieving capital appreciation to create a balance sufficient to generate ongoing earnings to cover the estimated annual oversight and maintenance costs associated with the veterans cemetery pursuant to Section 1453.
4. Upon the determination of the Controller that the Endowment Fund balance has attained the goal established in paragraph (1), moneys in the fund shall be invested to generate earnings to fund annual oversight and maintenance costs associated with the veterans cemetery.

5. The Endowment Fund may consist of donations from public and private entities, partnerships between public and private entities, fees, and transfers from the state General Fund as may be specified by law.
6. Earnings generated by the Endowment Fund shall be retained by the fund.
7. Moneys deposited in the Endowment Fund are exempt from the requirements of Sections 11270 through 11277 of the Government Code.
8. Moneys in the Endowment Fund shall be invested by the Treasurer, after consultation with the department, in a manner that best meets the goals of the fund.
9. Upon the determination of the Controller, after consultation with the Secretary of Veterans Affairs, that the Endowment Fund has adequate principal to annually yield sufficient investment earnings, from the date of the determination, to cover the annual administrative and oversight costs over the next 10 years and to fund the estimated costs of developing and submitting the State Veterans Cemetery Grant Program application, the department shall develop and submit a State Veterans Cemetery Grant Program application to the United States Department of Veterans Affairs for the establishment of a veterans cemetery.
10. The Controller, upon appropriation by the Legislature, shall transfer moneys from the Endowment Fund to the Operations Fund in an amount equal to the estimated costs of developing and submitting the State Veterans Cemetery Grant Program application to the United States Department of Veterans Affairs.
11. The Secretary of Veterans Affairs shall submit the State Veterans Cemetery Grant Program application to the United States Department of Veterans Affairs within six months of the Controller's determination pursuant to subdivision (a). The Secretary of Veterans Affairs is authorized to act as the official representative of the state in connection with the State Veterans Cemetery Grant Program application, including providing the United States Department of Veterans Affairs throughout the application process with all necessary assurances that additional information shall be provided when required. The Secretary of Veterans Affairs shall have final approval of all aspects of the cemetery design and operation.
12. Upon the United States Department of Veterans Affairs' certification of the grant award, the department is authorized to proceed with construction and equipping of the veterans cemetery.
13. If awarded, the moneys received from the State Veterans Cemetery Grant Program shall be used to reimburse the Endowment Fund for the costs of developing and submitting the State Veterans Cemetery Grant Program application to the United States Department of Veterans Affairs and other eligible costs, and to fund 100 percent of costs allowed by the grant requirements, as well as the state's share of any other costs for the design, construction, and equipping of the veterans cemetery.

FISCAL EFFECT: Unknown at this time. Bill is keyed fiscal.

COMMENTS: The former Fort Ord site is the subject of reuse and redevelopment plans by the Fort Ord Reuse Authority. One portion of the former site is planned as the Cemetery and has been so dedicated for approximately 10 years, however, little progress has been made. In order to get the Cemetery started, private donations must fully fund the Cemetery design and planning costs in the form of the Endowment.

This bill provides an additional mechanism for the Fund to meet the threshold necessary to apply for federal funding of the Cemetery. The bill provides for review of any financial agreements by Department of Finance in addition to review by the Department. The bill requires that any agreements not encumber the state.

REGISTERED SUPPORT / OPPOSITION:

Support

City of Seaside, California
Central Coast Veterans Cemetery Foundation
Fort Ord Reuse Authority
Monterey County Board of Supervisors
American Legion- Department of California
AMVETS- Department of California
California Association of County Veteran Service Officers
California State Commanders Veterans Council
Vietnam Veterans of America- California State Council
Steve Bloomer, Councilperson, City of Seaside

Opposition

None on File

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