AMENDED IN ASSEMBLY MARCH 6, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL No. 55

Introduced by Assembly Member Eduardo Garcia
(Coauthors: Assembly Members Gallagher, Grayson, Boerner Horvath, Mathis, and Voepel)
(Coauthors: Senators Archuleta, Chang, Jones, Nielsen, and Wilk)

December 3, 2018

An act to add Section 972.3 to, and to repeal and add Section 972.1 of, the Military and Veterans Code, relating to veterans, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 55, as amended, Eduardo Garcia. Department of Veterans Affairs: veterans' services.

Existing law requires the Department of Veterans Affairs to disburse funds, appropriated to the department for the purpose of supporting county veterans service officers pursuant to the annual Budget Act, on a pro rata basis, to counties that have established and maintain a county veterans service officer in accordance with the staffing level and workload of each county veterans service officer under a formula based upon performance developed by the department.

This bill would define a workload unit for purposes of these provisions to mean a specific claim activity that is used to allocate subvention funds to counties, which is approved by the department, and performed by county veterans service officers. The bill would appropriate on an annual basis the sum of ~~$7,000,000~~ *$11,000,000* from the General Fund to the Department of Veterans Affairs to be available for allocation to

counties to fund the activities of county veterans service officers, as specified. The bill would also delete obsolete provisions and would make conforming changes.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ⅔. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Since 2001, the ongoing conflicts in the Middle East and Africa have created a new generation of veterans who may be eligible for federal veterans benefits because of their war service and their physical and mental conditions.

(b) Californians make up to 10 percent of the federal military forces used in these conflicts. Furthermore, the California National Guard and California-based reserve units have contributed significantly to these current conflicts.

(c) Many of the more than 400,000 returning California veterans are not aware of the federal and state benefits that are available to them.

(d) Additionally, it is estimated that in California there are hundreds of thousands of veterans, as well as their widows or widowers, who are unaware that they may be eligible for pensions from the federal government based upon their, or their spouses', past military service in World War II, Korea, Vietnam, or the Gulf War.

(e) California's county veterans service officers are the initial local point of contact for claimants accessing the United States Department of Veterans Affairs.

(f) California's veteran benefits delivery model is similar to many other states with a close partnership between the California Department of Veterans Affairs and the county veterans services officers who are the "boots on the ground" and act as the distributed network for outreach, claim initiation, and development.

~~(h)~~

(g) A California Department of Veterans Affairs report to the Legislature in 2007 titled "Strategies to Improve California's

Utilization of Veteran Benefits" noted that in comparison to Florida and Texas, states with comparable veterans populations, California could increase federal benefits into the state if it put more trained, professional veteran service representatives in the field. This finding was also supported by independent research.

~~(i)~~

(h) Performance metrics gathered when county veterans service officer funding was first authorized shows a direct correlation between increased state funding for new hires and increased monetary benefits for veterans.

~~(j)~~

(i) The cost of maintaining county veterans service officers are shared from county general funds and state reimbursement to the counties. In 1997, in order to track performance, the Legislature enacted, and the Governor signed into law, Senate Bill 608, which required the California Department of Veterans Affairs to annually report the amount of monetary benefits paid to veterans by the federal government that were attributable to the assistance of county veterans service officers. Senate Bill 608 also required the Department of Finance to consider an increase in the annual budget for county veterans service officers of up to $5 million, if approved in the annual budget process. In 2009, the Legislature enacted, and the Governor signed into law, Senate Bill 419, which raised this amount to $11 million, if approved in the annual budget process.

~~(k)~~

(j) As a result of this annual reporting, by the end of 2016, it was determined that from 1995 to 2016, inclusive, the state had cumulatively budgeted $58.2 million for its share of the cost of the county veterans service officers. As a result of this investment, county veterans service officers were able to assist local veterans in obtaining $5.4 billion in new federal moneys. This is a return of about $93 for every $1 the state allocates to county veterans service officers. Furthermore, the $5.4 billion only reflects the actual monetary benefits qualified for in a given year. The monetary benefits qualified for in prior years are not tracked, yet the veterans and their dependents may continue to receive those benefits for the rest of their lives. Added to this stellar return on the state's investment, but not counted in the annual reporting, are the Medi-Cal cost avoidance savings incurred as a result of county

veterans service officers qualifying and shifting veterans away from Medi-Cal and into the appropriate federal veterans program.

~~(l)~~

(k) County veterans service officers accomplished all of this without ever reaching the allowable state budget allocation of $11 million, set in 2009. To date, county veterans service officers have not received more than $5.6 million per year from the state.

~~(m)~~

(l) It is critical that the county veterans service officers receive a steady stream of funding because there continues to be a large number of underserved veterans and dependents who are not aware of the federal benefits available to them as a result of their military service. Studies from other states show that increases in county veterans service officers result in larger amounts of federal moneys to veterans. These new federal moneys and benefits are paid directly from the United States Department of Veterans Affairs to the qualifying veterans or their dependents and are used in the local economy.

SEC. 2. Section 972.1 of the Military and Veterans Code is repealed.

SEC. 3. Section 972.1 is added to the Military and Veterans Code, to read:

972.1. (a) Funds shall be disbursed each fiscal year on a pro rata basis to counties that have established and maintain a county veterans service officer in accordance with the staffing level and workload *units* of each county veterans service officer under a formula based upon performance that shall be developed by the Department of Veterans Affairs for these purposes.

(b) For the purposes of this section, “workload unit” means a specific claim activity that is used to allocate subvention funds to counties, which is approved by the department, and performed by county veterans service officers.

(c) The department shall 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. The department shall, 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. The Department of Finance shall review the department’s determination

in time to use the information in the annual Budget Act for the budget of the department for the next fiscal year.

(d) The Legislature finds and declares that it is an efficient and reasonable use of state funds to increase the annual budget for county veterans service officers up to a total of eleven million dollars ($11,000,000) if it is justified by the monetary benefits to the state's veterans attributable to the effort of these officers.

SEC. 4. Section 972.3 is added to the Military and Veterans Code, to read:

972.3. Notwithstanding Section 13340 of the Government Code, the sum of ~~seven million dollars ($7,000,000)~~ *eleven million dollars ($11,000,000)* is hereby appropriated annually from the General Fund each fiscal year commencing July 1, 2019, to the Department of Veterans Affairs to be available for allocation to counties to fund the activities of county veterans service officers pursuant to subdivision (a) of Section 972.1.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for uninterrupted continuity of services critical to the successful reintegration of California's veterans, to increase California's utilization of veteran benefits at the earliest possible time, and to ensure veterans' claims for benefits are processed in a timely manner, it is necessary that this act take effect immediately.

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