

Date of Hearing: April 26, 2011

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS

Paul J. Cook, Chair

AB 882 (Cook) – As Amended: April 25, 2011

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

SUMMARY: This bill establishes the California Veterans Services and Workforce Development 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. Specifically, this bill:

1. Establishes a new division within the Department called the California Veterans Services and Workforce Development Division ("Division").
2. Requires the Division to coordinate with other state agencies that serve veterans to ensure that information about veterans assistance programs and benefits is made available to all state agencies that serve veterans in the state.
3. Transfers administrative control and responsibility to the Division for the Transitional Assistance Program (TAP) from the Employment Development Department ("EDD") to the division. All EDD TAP administrative and support staff shall be transferred to the Division per the plan referenced below.
4. Requires the Division and the EDD to prepare a plan for the transfer of the TAP by April 12, 2012.
5. Establishes a pilot project in Los Angeles and San Diego Counties and the City and County of San Francisco for the purposes of collaborating with the Employment Development Department and the California County Veteran Service Officers ("CVSO") of those respective counties in order to more effectively achieve increased compensation and pension benefit claims for veterans, through the established One-Stop Centers as a part of the Local Veteran Employment Representative program ("LVER"), as prescribed by the United States Department of Labor.
6. Requires that the Department enter into agreements with the counties in order to combine the resources and personnel of the CVSOs, the Department, and the EDD. The purpose of the project is to have the EDD one-stops share information with CVSOs.
7. This bill sunsets on January 1, 2016 unless extended by another statute.

EXISTING LAW:

1. Establishes the Department 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 Department, 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.

COMMENTS:

Texas Outreach Model

In Fiscal Year 2010, total U.S. Department of Veteran Affairs ("USDVA") expenditures in California (including all veterans benefits, staff salaries, operating expenditures and construction) were \$9.1 billion. Of this amount \$3.8 billion was in the form of compensation and pensions. In Texas, total USDVA expenditures totaled \$9.4 billion where \$4.5 billion was in compensation and pension benefit claims.

The genesis for the introduction of previous legislation, AB 2143 and this, a similar successor, was the success of the Texas Model. In a span of two years, Texas increased the amount of veterans receiving federal benefits from 12.3 percent to 16.1 percent.

In 2005, the Texas veteran workforce program ranked 32nd 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). Texas has an 81% veteran employment retention, according to the DEPARTMENT OF LABOR'S VETERANS EMPLOYMENT TRAINING SERVICE, "Performance Outcomes by State" quarterly report ending September 30, 2010. For the same period, California had a 72% rate.

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. In 2007 Texas had increased the percentage of veterans receiving benefits to 16.1%, as compared to 12.3% of California veterans.

Currently, California has approximately 1,971,959 veterans, while Texas is home to approximately 1,693,79. Currently, California secures approximately \$1,929/ per veteran in compensation and pensions, while Texas secures approximately \$2,634/per veteran.

Employment Service to Veterans

The TAP is a federal program that was created to assist military personnel that are preparing to separate or retire. TAP is a cooperative effort between Department of Labor's Veterans Employment Training Service, the Department of Defense (DOD), Department of Homeland Security and the USDVA. This program was instituted in 1990 and has provided job preparation assistance to over 2 million separating and retiring members of the military.

If a separating military member is stationed within the U.S., the TAP classes are given by local DVOP/Local Veteran Employment Representatives on base. When the member is stationed overseas the DOD provides TAP classes. The curriculum covers three days of classroom instruction and provides information on a variety of topics from career assessment to health issues.

The Department's Operational Capabilities

The mission of the 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 USDVA, certain state agencies, veterans' service organizations, and counties.

The October 27, 2009 audit report published by the California State Auditor ("Audit") 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 (besides the Department) that might serve veterans.

The Audit found that the California Department of Veterans Affairs had collaborated with, or was making some efforts to collaborate with all of those state entities. Since the publication of the Audit, the Department has made agreements with the Department of Motor Vehicles: to establish a new source of veteran contact information with the purpose of outreach to veterans and their families, the Department of Mental Health to address continuum of prevention, early intervention, treatment and infrastructure support, the Department of Health Care Services to operate a Public Assistance and Reporting Information System pilot program to identify veterans and their dependents or survivors who are receiving Medi-Cal benefits, and the California Association of County Veterans Service Officers to support veteran outreach efforts.

The Audit reveals areas of challenge at the Department

The Audit found that the Department 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 Audit additionally noted that the Department's 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 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.

Policy Considerations:

The changes this bill would create explore whether the successes of the "Texas Model" might work here in California. Proposed are a pilot project and the transfer of the TAP from EDD to the Department.

The pilot project brings the EDD, the Department, and the CVSOs to the table to collaborate in order to more effectively address veterans' needs. This approach may promote sufficient change/improvement such that more sweeping changes in overall structure are not indicated. Pilot projects, however, take time, money and effort to implement and may be especially challenging in a time of increasing demand for services and budget challenges.

The bill shifts administrative control and responsibility for the TAP program to the Department and thus represents a small shift toward the Texas Model of "housing" veterans programs in one agency. This change moves the Department into the role of providing more direct services for veterans. Shifting personnel and roles will have associated costs, potential disruption of services, and other challenges the scale and duration of which is unknown. After such transfer is complete, there is at least some evidence in the form of the Texas Model, that improvement will occur, however, it is difficult to predict to what extent success in Texas is predictive of success in California.

Related Legislation

AB 557 (J.A. Perez) - This bill would create in state government the California Interagency Council on Veteran Services and Programs, composed of specified members, for the purpose of bringing together key state agencies and departments, federal officials, legislative representatives, local governments, and stakeholder organizations to with the goal that the state's programs that serve veterans are efficiently administered and properly integrated with federal and local government and other stakeholder organizations.

AB 1378 (V.M. Perez, 2010) - Implemented the federal Workforce Investment Act, requiring fund recipient entities to meet criteria indicative of competence in serving veterans. AB 1378 failed to pass through the Senate.

AB 1569 (Committee on Veterans Affairs, 2010) - This bill, as ultimately amended, was essentially the same measure as the current AB 557. AB 1569 failed to pass through the Senate.

AB 2143 (Gilmore, 2010) - This bill, as introduced, was essentially the same measure as the current bill, AB 882. It was substantially amended and the original language was inserted into AB 748 of 2010 (Gilmore) while in the Senate. AB 748 failed to pass through the Senate.

REGISTERED SUPPORT / OPPOSITION:

Support

California Mental Health Directors Association.

Opposition

None on file.

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