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## CALIFORNIA ASSOCIATION OF COUNTY VETERANS SERVICE OFFICERS LEGISLATIVE ADVOCATE REPORT JUNE 2024

### Report on the California State Budget 2024: Impact on Veterans' Funding

The California State Budget for 2024 has undergone significant revisions to address fiscal challenges while aiming to maintain critical services. This report focuses on the budget's implications for veteran-related funding, including Budget Change Proposals (BCPs) and the impact of budget cuts on veteran services.

### California State Budget 2024 Overview

Governor Gavin Newsom's revised budget for the 2024-25 fiscal year aims to balance the state's finances without increasing taxes. The budget addresses a \$27.6 billion shortfall for the current year and a projected \$28.4 billion deficit for the next year by cutting spending and utilizing reserves. This approach preserves essential services, including those for veterans, while reducing non-essential expenditures.

### Veterans' Funding in the 2024 Budget

The California Department of Veterans Affairs (CalVet) has been allocated \$663.6 million for the 2023-24 fiscal year, an increase of \$116.1 million from the previous year. This includes \$589.2 million from the General Fund, offset by \$80.6 million in federal reimbursements for Veterans Homes. Key areas of investment include facility maintenance, nursing operations, and specific services for minority and female veterans.

### Key Allocations:

- **Facility Maintenance and Improvement:** \$22 million for electrical maintenance at CalVet headquarters and \$15.9 million for roof replacements at the Yountville Veterans Home.
- **Nursing Operations:** \$25 million for ongoing nursing care costs, including overtime and registry fees.
- **Veterans Services:** \$1.3 million to staff district offices. This allocation is aimed at enhancing the operational capacity of the California Department of Veterans Affairs (CalVet) by increasing staff in district offices. The additional \$1.3 million will fund nine new positions across three district offices.
- **Minority and women veterans units:** This funding is designated to support dedicated units within CalVet that focus on the unique needs of minority and women veterans. Each unit will receive \$156,000.

### Budget Change Proposals (BCPs) for Veterans' Programs

BCPs are critical for adjusting budget allocations to meet evolving needs. For 2024, the BCPs focus on enhancing operational efficiency and service delivery within CalVet. Notable proposals include:

- **Veterans Homes Operations:** Additional funding for overtime and registry costs to ensure adequate nursing care.
- **District Office Support:** Increased staffing to manage growing workloads in veterans services offices.
- **Minority and Women Veterans Units:** Dedicated resources to address the unique needs of these groups within the veteran community.

### **Impact of Budget Cuts on Veteran-Related Programs**

Despite the overall increase in funding for veteran services, the budget includes cuts to various state operations, which could indirectly affect veterans. The budget cuts \$19.1 billion in one-time spending and \$13.7 billion in ongoing spending through 2025-26. These reductions include an 8% cut to state operations and the elimination of 10,000 unfilled state positions.

### **Case Studies and Real-Life Impacts**

The impact of budget changes on veterans can be seen through specific examples:

- **Yountville Veterans Home:** The increase in funding for nursing operations and facility maintenance ensures that residents receive high-quality care, addressing safety and operational efficiency.
- **Minority and Women Veterans:** Dedicated funding for these units helps provide targeted services, ensuring that diverse veteran groups receive the support they need.

### **Proposition 1: Accelerated Funding for Veterans**

Governor Gavin Newsom has announced an expedited rollout of Proposition 1 funds, which will be available for application this summer, months ahead of the initial schedule. This measure aims to provide \$6.38 billion in bonds, with \$1.05 billion specifically allocated for permanent supportive housing for homeless veterans suffering from mental health or substance abuse disorders.

#### **Eligibility:**

- Counties, cities, tribal entities, non-profits, and for-profit organizations will be able to apply for funding from the first round of the \$6.38 billion bond.

#### **Purpose:**

- The funds are aimed at constructing outpatient, inpatient, and residential behavioral health facilities, as well as supportive housing for veterans and others with behavioral health challenges.

#### **New Website:**

- A new website, [MentalHealth.ca.gov](https://MentalHealth.ca.gov), has been launched as a one-stop source for mental health support and includes information about the state's ongoing behavioral health transformation.

#### **Guidance:**

- The state Department of Health Care Services has published bond guidance for nonprofits and local governments. Later this year, the Department of Housing and Community Development and the California

Veterans Affairs Agency will publish similar guidance for supportive housing, with half earmarked for housing for veterans with substance use or mental illness.

For more detailed information, including applications and grants, you can refer to the official [California Budget and Policy Center Report](#) and the [press release from the Governor's office](#).

### **Bills CACVSO has taken a position on:**

#### **AB 46: Personal Income Taxes Exclusion**

- **Author:** Ramos
- **Summary:** Excludes from gross income retirement pay received for service in the uniformed services and annuity payments from a U.S. Department of Defense Survivor Benefit Plan.
- **Status:** Held under submission in the committee as of 9/1/2023.
- **Location:** Senate Appropriations Suspense File as of 8/14/2023.

#### **AB 1328: Cosmetology Licensure Compact**

- **Author:** Gipson
- **Summary:** Facilitates interstate practice and regulation of cosmetology by recognizing a multistate license for practice.
- **Status:** Amended and re-referred to committee on 6/6/2023, set for hearing on 7/01/2024.
- **Location:** Senate Business, Professions and Economic Development Committee as of 5/23/2024.

#### **AB 1793: Student Financial Aid Eligibility**

- **Author:** Ta
- **Summary:** Extends Cal Grant and Middle Class Scholarship Program eligibility to dependents of military members stationed outside California.
- **Status:** Read first time in Senate on 5/24/2024.
- **Location:** Senate Rules Committee as of 5/24/2024.

#### **AB 1854: Service Member Protections**

- **Author:** Schiavo
- **Summary:** Enhances financial protections for activated guard and reserve members, allowing deferral requests up to 180 days after active duty.
- **Status:** Referred to Committee on Military and Veterans Affairs on 5/1/2024.
- **Location:** Senate Military and Veterans Affairs Committee as of 5/1/2024.

#### **AB 1994: Veterans Affairs**

- **Author:** Committee on Military and Veterans Affairs
- **Summary:** Establishes the position of Deputy Secretary of Minority and Underrepresented Veterans Affairs within the Department of Veterans Affairs.
- **Status:** Referred to Committee on Military and Veterans Affairs on 5/8/2024.
- **Location:** Senate Military and Veterans Affairs Committee as of 5/8/2024.

## **AB 2557: Local Agencies: Contracts for Special Services and Temporary Help: Performance Reports**

- **Author:** Ortega
- **Summary:** Requires semiannual performance reports and audits for specified contracts for special services exceeding 2 years.
- **Status:** Referred to Committees on Local Government and Labor, Public Employment & Retirement on 5/29/2024.
- **Location:** Senate Local Government Committee as of 5/29/2024.
- **Position:** Oppose

## **ACR 126: Sergeant Nicole Gee Memorial Highway**

- **Author:** Patterson, Joe
- **Summary:** Designates a portion of State Route 80 in Placer County as the Sergeant Nicole Gee, United States Marine Corps Memorial Highway.
- **Status:** Referred to Committee on Rules on 5/24/2024.
- **Location:** Senate Rules Committee as of 5/24/2024.
- **Position:** Support

## **SB 726: Property Tax Exemption for Disabled Veterans**

- **Author:** Archuleta
- **Summary:** Provides a property tax exemption for the principal residence of 100% disabled veterans.
- **Status:** Hearing canceled on 7/10/2023.
- **Location:** Assembly Revenue and Taxation Committee as of 6/21/2023.
- **Position:** Support

## **SB 871: Property Tax Exemptions**

- **Author:** Archuleta
- **Summary:** Expands homeowners' exemption to include property also receiving veterans' or disabled veterans' exemption, effective January 1, 2025, pending voter approval.
- **Status:** Referred to Committee on Revenue and Taxation on 5/13/2024.
- **Location:** Assembly Revenue and Taxation Committee as of 5/13/2024.
- **Position:** Support

## **SB 911: Income Taxation Exclusion**

- **Author:** Seyarto
- **Summary:** Excludes from gross income survivor benefits or payments received under the federal Survivor Benefit Plan, up to \$20,000 per taxable year.
- **Status:** Held in committee and under submission as of 5/16/2024.
- **Location:** Senate Appropriations Suspense File as of 4/22/2024.
- **Position:** Support

## **SB 916: Public Postsecondary Education Waivers**

- **Author:** Seyarto
- **Summary:** Prohibits campuses from charging tuition or fees for specified students who enroll in an extended education course used to meet undergraduate degree requirements.
- **Status:** Read first time in Assembly on 5/24/2024, held at desk.
- **Location:** Assembly Desk as of 5/24/2024.

- **Position:** Support

### **SB 920: California Purple Star School Designation Program**

- **Author:** Seyarto
- **Summary:** Establishes a program to support military-connected pupils and their families, recognizing public schools that meet specified requirements.
- **Status:** Read first time in Assembly on 5/24/2024, held at desk.
- **Location:** Assembly Desk as of 5/24/2024.
- **Position:** Support

### **SB 1186: Fairs: Free Admissions**

- **Author:** Ochoa Bogh (R)
- **Summary:** Expands free admission to fairs for military personnel, regardless of whether they are in uniform.
- **Status:** Referred to Committee on Agriculture on 4/29/2024.
- **Location:** Assembly Agriculture Committee as of 4/29/2024.
- **Position:** Support

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### **Military and Veterans Affairs Committees:**

#### **[Senate Military and Veterans Affairs:](#)**

The California Senate Military and Veterans Affairs Committee for the 2023-2024 session includes the following members:

- Senator Bob Archuleta (D-Pico Rivera), Chair
- Senator Shannon Grove (R-Bakersfield), Vice-Chair
- Senator Marie Alvarado-Gil (D-Jackson)
- Senator Caroline Menjivar (D-San Fernando Valley)
- Senator Thomas J. Umberg (D-Santa Ana)

The committee's office is located at 1020 N Street, Room 251, Sacramento, CA 95814, and their phone number is (916) 651-1503.

#### **[Assembly Military and Veterans Affairs:](#)**

The California Assembly Military and Veterans Affairs Committee for the 2023-2024 session includes the following members:

- Assembly Member Pilar Schiavo (D-Los Angeles), Chair
- Assembly Member Laurie Davies (D- Orange, San Diego), Vice Chair
- Assembly Member Jacqui Irwin (D-Los Angeles, Ventura)
- Assembly Member Devon Mathis (District 33)
- Assembly Member Dawn Addis (District 30)
- Assembly Member Juan Alanis (District 22)
- Assembly Member David Alvarez (District 80)
- Assembly Member Tasha Boerner Horvath (District 77)
- Assembly Member Juan Carrillo (District 39)
- Assembly Member Avelino Valencia (District 68)
- Assembly Member Carlos Villapudua (District 13)

The committee's office is located at 1020 N Street, Room 389, Sacramento, CA 95814. You can contact them via phone at (916) 319-3550

**Legislative team:**

I am grateful for your keen interest in the Veterans Affairs Committee's initiatives. Your commitment to enhancing the lives of our veterans and their families does not go unnoticed. As the leading advocate at Reeb Government Relations, I am here to ensure you're always in the loop and actively participating in our legislative efforts that impact the veteran community.

Should you wish to dive deeper into any specific piece of legislation, I encourage you to coordinate with your legislative team to connect with me to set up a Zoom or phone discussion. I'm more than willing to arrange a video conference to explore these matters further. It's an excellent opportunity for me to explain the legislative process in detail and, most importantly, to listen to veterans' firsthand accounts on how proposed laws could affect them. We do not always see unintended consequences.

Don't hesitate to contact me for any inquiries, feedback, or ideas you might have. I'm looking forward to our collaboration and hearing from you soon. [sethr@water-warrior.com](mailto:sethr@water-warrior.com)