An Agenda for Veterans:
The State's Turn to Serve

Little Hoover Commission

August 2013

Little Hoover Commission

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To Promote Economy and Efficiency

The Little Hoover Commission, formally known as the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, is an independent state oversight agency.

By statute, the Commission is a bipartisan board composed of five public members appointed by the governor, four public members appointed by the Legislature, two senators and two assemblymembers.

In creating the Commission in 1962, the Legislature declared its purpose:

...to secure assistance for the Governor and itself in promoting economy, efficiency and improved services in the transaction of the public business in the various departments, agencies and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies and instrumentalities, and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives....

The Commission fulfills this charge by listening to the public, consulting with the experts and conferring with the wise. In the course of its investigations, the Commission typically empanels advisory committees, conducts public hearings and visits government operations in action.

Its conclusions are submitted to the Governor and the Legislature for their consideration. Recommendations often take the form of legislation, which the Commission supports through the legislative process.

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This report is available from the Commission's website.

State of California

LITTLE HOOVER COMMISSION

August 22, 2013

The Honorable Edmund G. Brown, Jr.
Governor of California

The Honorable Darrell Steinberg
President pro Tempore of the Senate
and members of the Senate

The Honorable Robert Huff
Senate Minority Leader

The Honorable John A. Pérez
Speaker of the Assembly
and members of the Assembly

The Honorable Connie Conway
Assembly Minority Leader

Dear Governor and Members of the Legislature:

California, home to 1.8 million veterans, the most of any state, will see its veteran population increase by 35,000 annually in coming years as the Iraq and Afghanistan wars wind down.

Despite California's commitment to do more for veterans than most states, the state has not always done a good job in welcoming home its veterans. In the decades that the California Department of Veterans Affairs has had to modernize its services for today's veterans, it has been slow to anticipate and implement necessary changes, in no small part due to inconsistent leadership.

In one key area, California has lagged behind other large states in the amount of federal pension and health care benefits distributed to its veterans, in the process leaving hundreds of millions of dollars untapped each year.

Long organized around serving the 2,200 veterans who live in the state's veterans homes, the department must broaden its mission to improving the lives of all the veterans it serves, with a priority on helping eligible veterans obtain the federal pension and medical benefits they've earned. This could help California veterans immeasurably as well as bring new money into the state economy.

The Governor and the Legislature have made an important investment in such a vision in this year's budget, providing one-time funding to create state strike teams to help reduce backlogged benefit applications stacking up at the U.S. Veterans Administration regional offices. The budget also contains supplemental funding for county veterans services offices, an important outreach channel for linking veterans to benefits.

The Commission recommends closely monitoring the department's efforts in using this money to increase the number of veterans served. The department will have to demonstrate that it can improve outcomes for veterans to make the case that the funding should be extended.

Once CalVet has demonstrated that it can turn added funding into better outcomes, the Commission recommends that the state allow the department greater flexibility in redirecting savings from improved efficiency and increased revenues from veterans home reimbursements into other veterans services programs.

The Commission also recommends that state leaders continue to press our federal representatives to pressure the Veterans Administration to reduce the claims backlog, as well as see that federal agencies provide the state with up-to-date information about demobilizing service personnel returning to California.

In turn, the Department of Veterans Affairs must use this information to harness outreach efforts at the county level as well as through veterans organizations and other non-profit groups through improved coordination and cooperation. This will require redefining CalVet internally and externally as a single enterprise with the overall goal of improving veterans' lives, rather than a collection of programs that serve different needs for different veterans.

California's veteran population now features more elderly veterans as well as more young veterans. Medical advances mean that more wounded veterans are surviving injuries that previously would have killed them. The nature and duration of the Iraq and Afghanistan conflict mean that more of our newest veterans are suffering from traumatic brain injury or post-traumatic stress, and will need ongoing care. More of our newest veterans are women, with different needs than traditional programs address. Too many veterans, men and women, have suffered military sexual trauma while serving their own country.

During the months the Commission examined CalVet and its programs, the state took important steps to provide more resources to improve veterans services. At the same time, CalVet was starting initiatives to improve its homes division and filling key vacancies at the top of the organization. While it is unrealistic to expect immediate results, it is now up to the department to demonstrate that it can make the most of the opportunities before it. The Commission recommends that the Legislature monitor CalVet's performance and provide incentives for ongoing improvement.

After an extended period of turnover at the top of the department, CalVet now has a full executive management team, with experience in the same military conflicts as the newest veterans they seek to serve. As this team gels, it must be expected to lead, to modernize the culture of its own organization and to adjust CalVet's programs to meet today's needs.

Most sincerely,

Jonathan Shapiro
Chairman

AN AGENDA FOR VETERANS:
THE STATE'S TURN TO SERVE

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Background

In 1884, a San Francisco veterans' organization opened a residential and care facility for aging veterans in Yountville, in the Napa Valley. The event was two decades after President Abraham Lincoln's call to the nation in his second inaugural address to care for its veterans after the Civil War.

More than a century later, the Yountville facility, though showing its age, stands as the flagship to eight veterans homes run by the state of California, making the 1,700-patient long-term care division the single largest program of what now is the California Department of Veterans Affairs (CalVet).[1]

Long-term care is one of three primary programs of the department, the other two being a home loan division and a division dedicated to outreach, oversight and other services for California veterans. These latter two programs were added over time, broadening the stated mission and role of the department.

Services Provided by a Sea of Organizations

A wide array of agencies and service organizations provide services to veterans. These span federal, state and county government, as well as community-based organizations, non-profits and veterans service organizations such as the American Legion and Veterans of Foreign Wars. Often, these organizations operate independently of each other, though some are linked through associations. Collectively, they offer programs and services that range from comprehensive to serving narrow niches.

All of these agencies and organizations begin their work by identifying and locating individual veterans, learning about their needs and educating them about the benefits available to them. This is no small task. Each of these organizations must find these individuals one by one as they disappear into communities. The odds are stacked against these service organizations, as the veteran population has grown increasingly complex from era to era. No longer are they the homogenous population they once were considered to be. Today's veterans are old and young, men and women. Some are single parents. Some are homeless,

unemployed or suffering from post-traumatic stress or traumatic brain injury. Some have lost limbs or sustained battlefield injuries that require lifelong care. Many have been victims of military sexual trauma. Too many fail to readjust and take their own lives. Some are incarcerated.

At the same time that service organizations are trying to help them, some veterans are fresh out of uniform want nothing to do with the government, or anything that reminds them of the military. Some don't want or need services. Some don't know they need services, while others won't need services until later. Women veterans in particular, as well as those veterans who served briefly or who did not face combat, may not know they are considered "veterans" and do not identify themselves as such.[2]

Role of the Federal Government

The federal government and its branches of the military create the veteran population. Appropriately, the federal government also is the largest provider of benefits and assistance to veterans. The divisions of the U.S. Department of Veterans Affairs – the Veterans Benefits Administration, Veterans Health Administration and National Cemetery Administration – operate health clinics, provide compensation to the eligible veterans who file claims, manage educational benefits such as the G.I. Bill and vocational programs, and run national cemeteries. The agency has a total budget of approximately $150 billion.[3]

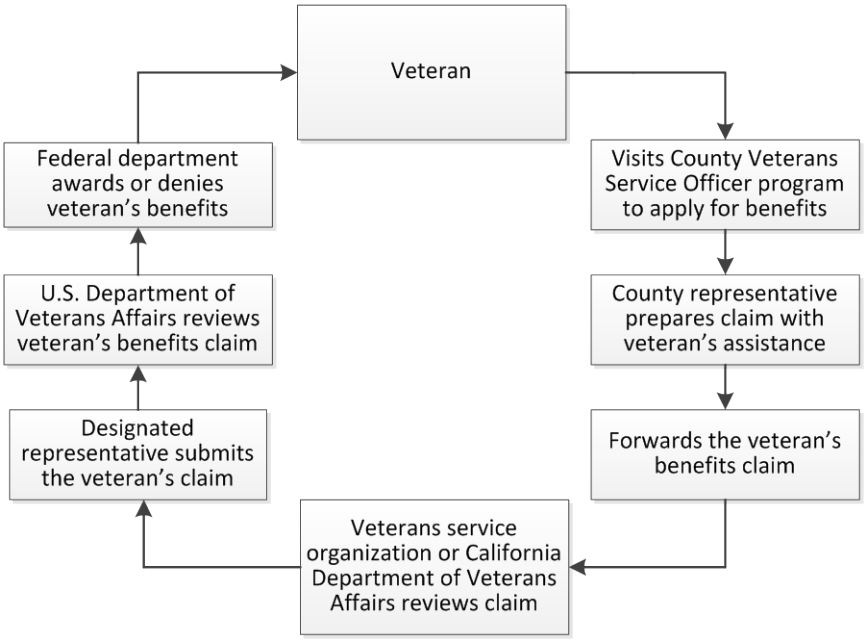
Veterans often access the U.S. Veterans Affairs' programs, particularly filing claims for compensation, pensions and other financial benefits, with the help of state and county veterans service representatives and Veterans Service Organizations. California has 56 county-level veterans service offices.

When claims are filed with the help of county staffers known as county veterans service officers, California veterans' claims first go through CalVet's district offices for review. CalVet's district offices ultimately submit the claims to federal officials in Veterans Administration regional offices in Oakland, Los Angeles and San Diego. Once in the queue, federal employees evaluate and rate the claims and return decisions on whether to award benefits. If a veteran receives an outcome that he or she believes is inaccurate or unjust, the veteran may appeal the decision to the Board of Veterans' Appeals in Washington, D.C.

Federal officials also are the gatekeepers for other agencies seeking information about individual veterans. Once service members discharge from the military, which in California occurs at 27 military bases and posts throughout the state, their records and contact information are

relayed from the U.S. Department of Defense to the home states listed on file, but there is no automatic process that ensures the information follows the veteran, if he or she moves.

Typical Claims Process for a California Veteran's Claim



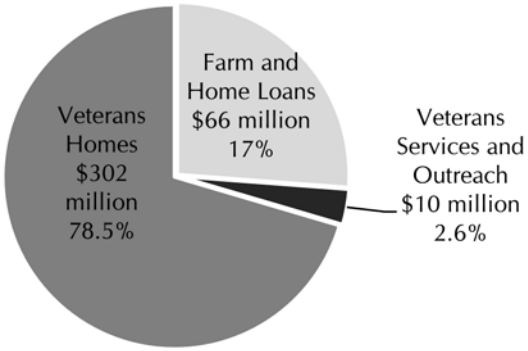
Source: California Bureau of State Audits. October 27, 2009. Report 2009-108. Page 11.

State Involvement

CalVet, as a human services organization, long resided as a department within California's Health and Human Services Agency. In 1994, to raise the profile of the department and increase the focus on veterans issues, Governor Pete Wilson signed legislation that moved the department out of the agency and required that the department's top executive be a veteran.[4] Through executive order, Governor Wilson made the department head a cabinet-level position.

The department currently employs more than 2,600 people and has a 2013-14 total budget of $405 million, including $20 million for infrastructure. Of the $385 million for operations, $315 million is from state funds, with $311 million allocated from the General Fund. The department is just one agency that administers programs that aid veterans; other state agencies include the Employment Development Department, the Department of Health Care Services, the Department of General Services and California's public higher education systems. Some of these agencies provide larger programs for veterans than others.

2013-14 CalVet Budget



Total operations: $385 million. Services division figure reflects remaining budget after county funding is passed through.

Source: California Department of Veterans Affairs.

CalVet houses three main divisions: the veterans homes, a farm and home loan program, and a Veterans Services Division that coordinates across levels of government and manages a collection of programs and services.

Department Secretary Peter Gravett, a retired U.S. Army Major General, was appointed to his position in 2011. After a period of management turnover, the department's executive team is fully staffed, with new undersecretary appointments to the homes and operations divisions, and recent appointments as deputy secretaries for the Veterans Services Division and women veterans issues.

This new executive team, along with some state legislators and other officials, has proposed or begun implementing changes to some CalVet programs or policies. These changes will be discussed in greater detail later in this report.

Homes. The CalVet Veterans Homes Division runs the program most closely identified with the department's mission. Its budget has grown significantly reflecting the division's expansion from three to eight homes over the past five years. Currently, approximately 80 percent of the department's staff and operations budget are allocated to the homes division. The six operational homes are in Yountville, Chula Vista, Barstow, Ventura, Lancaster and West Los Angeles. The new Redding and Fresno homes are hiring staff and are scheduled to begin housing residents by the end of 2013.

The homes provide residence and medical care for veterans who are age 55 or older or are disabled or homeless and in need of long-term care. Applications are ranked by priority, but all applicants for the homes must have served on active duty for more than training purposes and must show proof of military service. Applicants also are required to have been honorably discharged, and must be California residents at the time of application for admission. Applicants also must meet medical and care requirements, must not have a history of violence, mental illness or criminal record that would create a risk to others or the applicant, must not be under the influence of alcohol or illegal substances, and must participate in a health insurance plan.

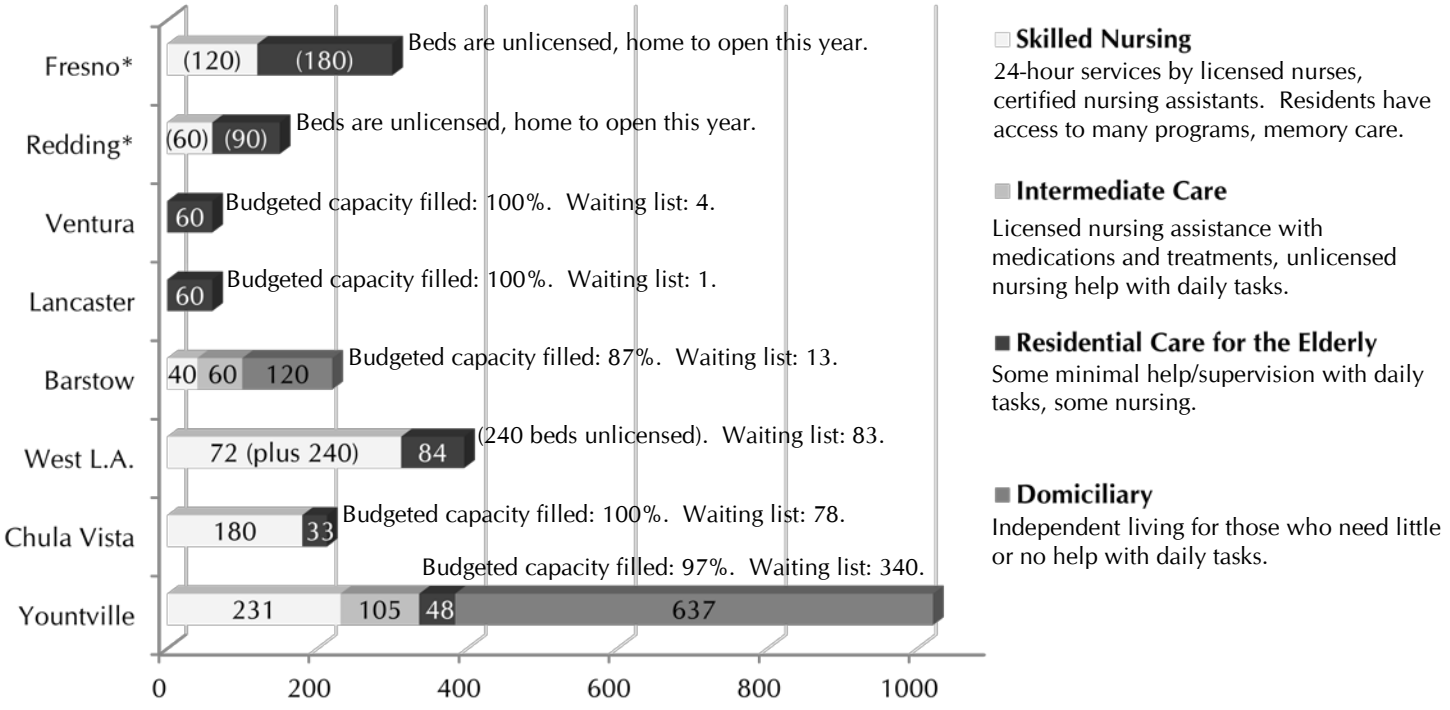
The homes house approximately 1,700 people, though during the 2012-13 fiscal year, they served a total of 2,200, the higher number reflecting turnover as residents died or moved out and others took their places. The homes have physical capacity for more residents, but the population

is limited by budget constraints and licensing requirements, despite waiting lists. The homes currently are operating at or near their budgeted capacity, and the department has begun pursuing the idea of leasing unused space to non-profit organizations that provide other services for veterans.

The federal government determines the need for veteran home beds as well as the levels of care needed in the state's homes. The federal government also provides a significant portion of the construction funding for new homes. Where the homes are located is determined at the state level through a political process. Once a veterans home is approved, funded and built, CalVet is charged with staffing, opening and operating the home.

The state has several funding sources to support its homes. Some of this is in the form of Medicare and Medi-Cal reimbursements. The federal government also pays states per diem rates for different levels of care in the facilities.[5] Finally, the long-term care division collects fees from residents for a portion of their care based on residents' ability to pay and level of care required.

California Veterans Homes Occupancy, Levels of Care



*The veterans homes in Fresno and Redding are not yet open to residents.

Note: Occupancy fluctuates throughout the year due to turnover. Numbers and percentages listed in the above chart represent a snapshot of the homes' population.

Source: Pouneh Simpson, Chief Financial Officer, California Department of Veterans Affairs Veterans Homes Division. March 6, 2013. Communication with Commission staff. Also, California Department of Veterans Affairs. "Levels of Care." http://www.calvet.ca.gov/VetHomes/LevelsOfCare.aspx. Accessed on December 31, 2012.

Operation Welcome Home

In 2009 and 2010, as one of his final acts as California governor, Arnold Schwarzenegger created Operation Welcome Home, an outreach program in which 300 recent veterans were enlisted to make regular contact with the 30,000 service members who had been newly discharged and returned to California. The 300 workers, organized into nine regional teams, were funded by $20 million of California Employment Development Department funding and contacted the newest veterans four times within their first six months out of the service. They connected veterans with programs related to employment, job training, education, housing, mental health and medical care, federal benefits and help for families. Their work was led by a collaborative effort of the California Department of Veterans Affairs, Labor & Workforce Development Agency (which included the Employment Development Department), California Volunteers office, and other local, state, federal and non-profit organizations.

According to one news source, by November 2010, the effort had produced more than 24,500 official Reintegration Forms submitted to the state to relay veterans' contact information and obtain more information about benefits. It also had provided more than 53,700 referrals (although potentially multiple referrals per veteran) to the following:

- 9,785 to employment services;
- 10,019 to one stop services and training;
- 5,485 to unemployment insurance benefits;
- 2,849 to VA compensation/disability claim;
- 5,966 to health care services;
- 2,849 to Traumatic Brain Injury/Post Traumatic Stress Disorder (PTSD) counseling and services;
- 8,993 to education benefits;
- 3,187 to housing services;
- 3,419 to financial services; and
- 1,234 to legal services.

Governor Edmund G. Brown, Jr., cut the funding for the program in 2011 as part of budget-balancing measures, and that year established the Interagency Council on Veterans. The ICV was designed to be a one-stop shop for veterans' services and needs, integrating the work of dozens of state, federal, local and non-governmental organizations toward a common goal. The ICV has been meeting since in four work groups, health, housing, education and employment, but it differs in that it focuses on programs, rather than on one-on-one contact with veterans on a case-by-case basis.

Sources: California Department of Veterans Affairs. January 6, 2010. "California's Operation Welcome Home Honoring Our Veterans as they Return Home." Press release. Also, The Fillmore Gazette. November 9, 2010. "California's Operation Welcome Home." http://www.fillmoregazette.com/military/california%E2%80%99s-operation-welcome-home. Also, Foon Rhee, The Sacramento Bee. February 20, 2012. "The Conversation: Vets' not-so welcome home." http://www.sacbee.com/2011/11/05/4031639/vets-not-so-welcome-home.html.

Home loans. The CalVet Farm and Home Loan Program, administered by the Division of Farm and Home Purchases, began in 1921 and has provided loans to more than 421,500 veterans. CalVet offers loans on houses, condominiums, duplexes, farms, mobile homes in rental parks and manufactured homes on land to which the home is permanently affixed. The department also offers construction, rehabilitation and home improvement loans. The department is a full-service lender, providing loan funds and servicing the loan over the life of the loan term, and the program is funded by tax-exempt bonds that are serviced using the mortgage payments of veteran customers.

The home loan program has undergone changes in the past 15 years, first to broaden the population of veterans the program was authorized to serve, then to restructure its debt to lower interest rates. The downturn in the housing market in the past half-dozen years slowed use of the program, but officials said that as the program lowered its interest rate from 5.95 percent to 3.9 percent through the restructuring and more efficient operations, it has become more competitive and seen more inquiries. The program issued 81 loans totaling $8.8 million in the 2012-13 fiscal year. The program also has collaborated with Habitat for Humanity to build, through a sweat-equity program, homes for veterans.[6]

Services. CalVet's Veterans Services Division manages the state's role in education and outreach to veterans regarding their benefits. This

includes managing 18 district office employees, as well as eight local interagency network coordinators who are organized by region and who conduct outreach to veterans on behalf of the state. Employees in the district offices represent veterans who appeal their claims results to the Board of Veteran Appeals in Washington, D.C. The Veterans Services Division also provides some funding and oversight over the work of the state's 56 county veterans service officers.

CalVet has the capacity to oversee the effectiveness of the county officers via a claims management system called VetPro, though stakeholders have said that the department's use of the system has been inconsistent in the past. The system catalogues every claim filed through CalVet, a county veterans service office or CalVet's district offices. The system has three functions:

- Auditing claims
- Enabling the state and counties to produce claims
- Data analysis

VetPro can produce versions of claim applications that theoretically could be submitted electronically, if the federal and state systems were able to communicate. According to CalVet, the state and federal government have plans to pilot such a program, capitalizing on the fact that California has connected its counties through VetPro.

Military Department: A Mechanism for Outreach and a Motivation

The Little Hoover Commission's review of veterans services included a look at the programs offered by the California Military Department to members of the California National Guard. The Commission found the department to exhibit strong leadership and organization under Adjutant General David Baldwin, as well as efficiency inherent in the environment in which it functions – in short, its clients remain linked as a unified group by their ongoing membership in the Guard.

The Military Department and California National Guard often are referred to interchangeably, although they are not one in the same. The state's branch of the National Guard is one of the organizations the department oversees, though the National Guard ultimately reports to the federal government. The department is led by a Governor-appointed adjutant general and run by the state's military staff, known as the Joint Staff. It oversees the Army National Guard, the Air National Guard and the State Military Reserve, as well as programs for at-risk youth. The department and the military forces it oversees have a total annual budget of approximately $1 billion, 95 percent of which is funded by the federal government. The Joint Staff exist to prepare the 23,000 Army and Air Guard members for service as needed.

The department provides National Guard members with programs that aim at ensuring their wellbeing. Some National Guard units that return from overseas combat experience a 50 percent unemployment rate. In addition, many require behavioral health services or other programs to reestablish their routines upon return. From the department's perspective, this translates into a readiness issue. The Guard participates in one rescue effort or emergency response every three days on average, and its primary mission is to stand ready to respond to large catastrophes. If members face mental health concerns, reintegration problems following combat, or trouble finding a job, this is a problem.

In response, the Guard offers behavioral health and employment programs aimed at stabilizing home lives and ensuring members' wellbeing. The Military Department, with $500,000 from the Assembly Speaker's Office and the department's own funding, launched an employment program titled Work for Warriors. Also, the department has begun two behavioral health programs, one in which personnel are embedded into units to work directly with Guard members, and another in which five liaisons stationed throughout the state link members with county providers as needed.

The fact that Guard members remain in their units upon return from combat is an advantage the Guard has that the rest of the veteran population does not for identifying and resolving needs. The chain of command in the Guard ensures that, even if a member is not on active duty when an incident occurs, his or her commander may respond and link the person with services. The remainder of the state's veterans, by contrast, return from overseas and are largely on their own to adjust and seek services as needed.

Sources: California Military Department. http://www.calguard.ca.gov. Agency website. Also, California Military Department staff. Fall 2012 and January 2013. Several conversations with Commission staff. Also, CBS San Francisco. April 2, 2012. "California Lawmakers Helping Battle Unemployment Among National Guard."

VetPro enables CalVet to evaluate data to better understand the issues for which veterans are seeking assistance as well as to assess the effectiveness of county veterans service officers. The department can review the types of claims filed by low-performing county offices, then structure and target training accordingly. The county veterans service officers, however, work for their home counties, not for the state, which influences the degree to which the state can hold local veterans service officers accountable for their performance.

The Veterans Services Division also credentials higher education institutions and programs that are interested in accepting the G.I. Bill, conducts outreach and enrollment efforts associated with a state Department of General Services Disabled Veteran Business Enterprise program for veteran business owners, and manages state veterans cemeteries. After relaying a portion of its budget allocation to county veterans offices, the division retains about 3 percent of CalVet's total budget, funded by the General Fund and other funds and grants.

Other State Agencies

Other state government agencies and entities provide services to veterans:

- The state Employment Development Department operates One-Stop Career Centers that work with veterans who are seeking jobs.
- The Department of Health Care Services manages the state's Medi-Cal program, which benefits some veterans who do not have private health insurance. Through the Public Assistance Reporting Information System (PARIS), a pilot project, the state has been identifying veterans who are using Medi-Cal but may qualify for medical benefits through the U.S. Veterans Administration.
- The Department of General Services administers the Disabled Veterans Business Enterprise program, which promotes contracting for services with officially certified businesses owned by disabled veterans.
- The state's systems of public higher education institutions – the University of California and California State University systems, as well as the California Community Colleges – provide higher education through veterans' use of assorted federal GI Bill programs and state fee waivers.

Counties: The Gateway to Many Services

Often, the first step for veterans seeking information about and access to their benefits is locating one of the state's 56 county veterans service offices, which collectively employ 200 veterans services representatives and staff, most of whom are veterans themselves.

These offices are part of county government, which provides most of their funding. The state historically has contributed 10 to 15 percent of their funding through the CalVet Veterans Services Division.

The 56 county veterans service offices in California are designed to be the primary point of contact for veterans, functioning as a knowledge hub for a community's services and opportunities for veterans, as well as a place where veterans can learn about eligibility for federal benefits and begin the process of filing claims for federal compensation. Ted Puntillo, county veterans service officer for Solano County, said that outreach is the primary challenge for the county offices. Mr. Puntillo, a Vietnam War veteran and former deputy secretary of CalVet's Veterans Services Division, said the Solano office, near Travis Air Force Base, provides a variety of services it hopes will pull in veterans, so that they can access benefits that they have earned.

He and his fellow county veterans services officers produce columns about benefits for local newspapers and participate in the federal Transition Assistance Program courses for service members who are leaving the military. They also work to support veterans courts, partner with non-profits that provide services, visit veterans in prison and in jail as well as in state veterans homes, and through the use of the VetPro tracking program, participate in the review of veterans' benefit claims.

The claims filed on behalf of veterans by California's county veterans service officers in the 2011-12 fiscal year brought $347 million in federal funds into the state's economy, a record, according to the California Association of County Veterans Service Officers. The association said these results were achieved with total annual spending of approximately $25 million, of which $2.6 million represented state allocations to counties for veterans services. That amount has been increased on a one-time basis to $5.6 million for the 2013-14 fiscal year.

The Community Level: Non-profits and Veterans Service Organizations

Non-profits and other community-based organizations offer programs ranging from employment assistance, housing or transportation to highly

specialized activities such as using martial arts to aid in emotional adjustment, musical instruments to help with post-traumatic stress disorder, or mentoring other veterans to help potentially depressed or suicidal veterans find purpose as they cope with their new civilian routines.

Several non-profits participate in a consortium, the California Association of Veteran Service Agencies, which governs U.S.VETS, Swords to Plowshares, Vietnam Veterans of California, Veterans Village of San Diego and New Directions. These organizations provide permanent, transitional and emergency housing; employment training, placement and certification; health and wellness care; advocacy and claims assistance; and small business and entrepreneurial support. Collectively, in 2011, they provided services to 12,500 veterans, including housing for more than 3,600 and job training and placement for more than 1,800 and served more than 800,000 meals.[7]

Veterans Service Organizations. Long-standing veterans organizations are finding that the veteran population is changing in ways that their own memberships are not. Among them are the four large organizations most commonly recognized: the American Legion, the Veterans of Foreign Wars, Disabled American Veterans and AMVETS. Each has its own department for California and posts and regional offices throughout the state.

According to the American Legion and Veterans of Foreign Wars, younger service members from the Iraq and Afghanistan conflicts are leaving the military and returning home. They want education, health care and jobs, but they are not necessarily joining the old-line veterans service organizations. This trend is exacerbated by the growing number of young women veterans. The groups' representatives have said they have a hard time appealing to this new cohort, which view the groups as being geared toward older male veterans.

Younger male veterans, likewise, often have a similar inability to relate to the organizations, which are built on veterans' sense of service to each other, particularly when they return home focused on their immediate individual needs, interests and family issues. Veterans Service Organization posts depend on membership and donations for their revenue. When membership declines, so does money available for activities, including outreach, weakening a volunteer resource that has traditionally helped veterans connect to their federal benefits.

Matching Mission to Priorities

America has had a patchy history of taking care of its veterans, despite the federal government's promises of assistance and opportunities. Veterans of the First World War marched on Washington, D.C., in 1932, many of them unemployed and seeking cash payment of their service credit, fueled a 43,000-march "Bonus Expeditionary Force," only to be routed by the U.S. Army. Veterans of the largely forgotten 1918-20 Siberian intervention, many of them from California, had to fight for recognition and the same benefits awarded to World War I veterans.

Those who served during the Vietnam War years were largely marginalized upon demobilization and had to fight for recognition of their war-related disabilities, whether from the defoliant Agent Orange, or substance abuse or from what ultimately has become known as post-traumatic stress syndrome.

Veterans of the 1991 Gulf War had to fight for recognition of a series of physical ailments, collectively called "Gulf War syndrome" that plagued them after that conflict. Researchers believe that exposure to chemicals during the conflict may explain the lasting health problems affecting some 250,000 Persian Gulf veterans, who struggled to get treatment benefits while the causes of the illnesses were debated and investigated.[8]

In California, the department has suffered through long stretches of turnover at the secretary level, often when strong leadership was needed to implement needed change. As a result, the department has been slow to adapt to changes in the veteran population or take the lead to harness the potential of the state's many non-profit partners, including the main veterans organizations. Problems described at an advisory panel discussion on women veterans' issues as part of this study were described exactly the same way at a 1990 hearing of the California Commission on Women Veterans.[9]

Until 1992, the California Department of Veterans Affairs denied home loan and education benefits for dependents to any veteran who had not lived in the state before signing up for active duty. It took a four-year legal battle that went to the U.S. Supreme Court before the statute was declared unconstitutional, opening up benefits for an estimated 300,000 veterans.[10]

Though the quality of veterans home care has improved significantly, the state previously struggled to provide a consistent level of services for veterans, at one point, facing state fines and losing federal funding for its Barstow veterans home after lapses in care led to the deaths of three residents in 2000.

In the years since, divided political views at home about the first Gulf War and the extended conflicts in Iraq and Afghanistan left service members to return home to a citizenry that has been at best ignorant of the true nature of their experiences and unprepared to step up to provide the level of services these veterans deserve.

California has the opportunity and the obligation to do it right for this new generation of veterans, most of them returning from Iraq and Afghanistan and in contrast to earlier generations, many more of them women. For California's leaders, this means rethinking the state's priorities for CalVet and, in particular, bolstering how the department connects veterans to each other and to the services they need. Improving this process can help tens of thousands of veterans a year.

The overriding problem for California is that many California veterans are eligible for federal benefits that they need, but they are not enrolled to receive them. Some who do not draw down their federal veterans benefits instead turn to public aid programs. Veterans experts told the Commission that California leaves between $500 million and $1 billion a year in federal money untapped because California veterans are not signed up for benefits and services to which they are entitled and have earned.[11] Getting more California veterans signed up for their federal Veterans Administration benefits could improve their lives, bring more money into the state economy and reduce demand on state services.

Responding to this concern, two legislators, Senator Lois Wolk and Senator Lou Correa, in 2012 asked the Commission to look specifically at what could be done to improve services to veterans. Over the course of a year, the Commission met with veterans groups, held an advisory committee meeting, did extensive interviewing and held two formal hearings.

The Commission saw a department finding its feet after a period of high turnover among its executive management and extended high-level vacancies, but one that now is benefitting from a series of recent appointments that bring expertise, energy and familiarity with a new generation of veterans. It needs now to forge these energies into a unified mission across programs, and clearly articulate its priorities and the department's strategy for moving forward. The department is scheduled to release soon a new strategic plan that steers the

department further toward a mission of service and accountability through performance metrics.

Its challenges are many, not the least of which is that although California veterans groups look to the department for leadership, it is the federal government, through the Veterans Administration, that provides the largest dollar amount of benefits, primarily in pension and health benefits.

Helping California veterans get connected to their benefits traditionally has not been CalVet's main mission. CalVet is structured and funded around the Veterans Homes Division. Understandably, the opening of five new homes during the worst of the state's fiscal crisis consumed the bulk of CalVet leaders' attention.

The Legislature's focus on the veterans homes has been warranted. To a large degree, however, this focus has obscured the need to look further, and assess how well the rest of the state's programs and laws serve modern needs and conditions faced by today's veterans. The department has been slow to recognize and address the needs of a new generation of returning veterans, though there are signs that this is changing.

California's leaders can start by focusing on CalVet's overall mission – helping veterans – rather than by focusing on the department's individual programs.

More broadly, the Governor and the Legislature should hold CalVet accountable for its performance in meeting enterprise-wide goals of improving the lives of California veterans, and provide incentives for progress toward those goals. This will require California's leaders to clearly articulate their goals for the state and for the department. It also will require giving CalVet's leaders more flexibility in spending and redirecting savings and increased revenues to achieve those goals.

The state has made progress. In addition to Governor Brown's recent appointments to CalVet's executive team, the Legislature added $6 million to the department's budget on a one-time basis for two activities:

- Building strike teams to help review and clean up benefit claims to address backlogged claims at the U.S. Department of Veterans Affairs' three California regional offices;
- Bolstering counties' ability to reach out to veterans through their County Veterans Services Offices.

This represents an important opportunity for the department to demonstrate that it can produce results. It needs to show that it can improve outcomes for California veterans if it is to make the argument that these one-time allocations should be extended and added budget flexibility is justified.

The last of the new veterans homes are scheduled to open by the end of the year. The homes division is rolling out a series of initiatives to integrate the eight homes, previously operated as separate units, into a single system of care, which should improve quality and realize savings. It also is stepping up efforts to increase reimbursements for care, which will add to revenues.

A point that will be explored further below: As part of an agreement with the Department of Finance, the division has committed to return some of those revenues to the General Fund over the course of three years.

California Leaves Federal Money on the Table

Though California has the highest number of veterans among the states, it does not bring in the most in federal compensation or benefits for its veteran population. On a per veteran basis, the state of Texas last year drew down 30 percent more in veterans benefits than did California, $2,976 versus $2,282. Texas brought in $5 billion in compensation and pension benefits alone for its 1.68 million veterans, while California garnered $4.2 billion for its 1.84 million veterans. At $4.1 billion, Florida, with its 1.54 million veteran residents, nearly matched California's total dollar drawdown in benefits,[12] though its benefits averaged $2,662 per veteran, 16 percent more than in California.

With more than 100 state-employed veterans representatives, Texas has five times as many state employees in that position as California has, as well as more county-level veterans representatives, which may account for some of the difference in returns.[13] Veterans' advocates and CalVet officials said that California can improve its productivity through improved training, monitoring and consistency.

A county-level breakdown of federal data shows that some California counties receive more benefits per veteran than do others. As the figures are a one-year snapshot, the disparity in results might be attributed to any number of factors. The figures, however, represent a good starting point for discussion among CalVet officials and with county officials about the range of outcomes, and prominently posting the results on the CalVet Web site may help prompt that discussion. The most recent spreadsheet, breaking down 2012 spending by county, is attached as an appendix to this report. Among the counties reporting more than 50,000

veterans, San Diego topped the list of average pension and compensation benefits at $3,030, while neighboring Orange County was the lowest at $1,770. Los Angeles County veterans received an average of $1,850 in compensation and benefits in 2012. Among California's smallest counties, Del Norte County was at the top of the range; its veterans received an average of $4,070, while veterans in Mono and Alpine counties averaged $790 and $840, respectively, the lowest in the state.

Connecting Veterans To Benefits

While delay on the part of the Veterans Administration is a major reason California has not tapped these benefits to a greater degree, gaps in California's efforts to help its veterans play an important role as well. The challenges facing the California Department of Veterans Affairs in addressing this issue are daunting, and some of the remedies are beyond the state's control. They include:

- The federal government determines both whether a veteran is entitled to benefits and the level of benefits.
- The federal Veterans Administration regional offices that receive and process benefit applications are currently backlogged with new claims as well as approved claims in need of review because of rules changes regarding certain medical or mental health conditions.
- The application process is complex, and veterans typically require the assistance of someone who has received extensive training in developing applications for submittal.
- The state lacks a system for identifying veterans who could be eligible. The data the state receives about California discharged veterans from the Department of Defense is often out of date.
- Outreach efforts are underdeveloped and need to be updated to reflect the changing profile of California veterans, including women who have served in the military, who often do not identify themselves as veterans.

Claims Backlog Makes California Veterans Wait

One of the most publicized dilemmas facing veterans nationwide is the federal backlog in processing claims for compensation and benefits. When veterans file claims with Veterans Administration regional offices, their paperwork waits in a queue of several months or longer until it is reviewed and adjudicated. According to one estimate, California veterans earlier this year had more than 79,000 claims pending in the three U.S. Veterans Administration's California regional offices, in Oakland, Los

Challenging the Benefits Backlog in the Courts

Veterans have twice unsuccessfully filed class-action lawsuits against the VA seeking to eliminate the system-wide benefits backlog. The resulting court decisions largely foreclosed the judiciary as an avenue of system-wide recourse. The stumbling block for these class actions has been the Veterans Judicial Review Act (VJRA), which grants exclusive jurisdiction to review decisions made by the VA regarding benefits determinations to the Court of Appeals for Veterans Claims (CAVC) and the Court of Appeals for the Federal Circuit. Both of the class actions have attempted to avoid the effects of the VJRA by resting their claims on complaints about the *average* delay in benefits determinations rather than the individual delays affecting individual veterans.

In *Vietnam Veterans of America v. Shinseki* the veterans' attempt to work around the VRJA led the court to conclude that the veterans were not injured by the VA's delay. The Vietnam Veterans of America filed suit against the VA on behalf of its members alleging, among other things, that the average delay in benefits determinations at the VA deprived veterans of their constitutional right to due process of law. The court held that the veterans lacked standing to sue the VA because the actual injury suffered by any individual veteran – the *specific* wait time for his or her benefits determination – was not caused by the alleged illegal action, i.e., the *average* wait time for a benefits determination. Since the veterans were not being injured by the average wait time, they had no standing to challenge it in court.

In *Veterans for Common Sense v. Shinseki*, veterans were dealt another blow when the court determined that, even assuming the veterans did have standing to challenge the average delay time, the VRJA still precluded the court from exercising jurisdiction. To determine if the average wait time was illegal, the court reasoned, it would be forced to look into how the VA handled individual cases, which was proscribed by the VJRA.

Veterans can still bring suit in the CAVC, but can only challenge their individual benefits determinations, which would not achieve the system-wide backlog elimination that is ultimately sought. Thus, the courts are unlikely to play a role in eliminating the VA benefits backlog.

Sources: Vietnam Veterans of Am. v. Shinseki, 599 F.3d 654 (D.C. Cir. 2010). Also, Veterans for Common Sense v. Shinseki, 678 F.3d 1013 (9th Cir. 2012).

Angeles and San Diego. Those three offices have reported some of the nation's longest wait times, more than 600 days in some cases.[14] According to a legislative analysis, the backlogged claims in Oakland, Los Angeles and San Diego represent $886 million in benefits that could be coming to California veterans.[15]

In 2012, one World War II veteran died three months before receiving the benefits after a seven-month delay, and according to the Center for Investigative Reporting, that scenario was not rare. The center reported that, in the federal 2011-12 fiscal year the federal Veterans Affairs paid $437 million in retroactive benefits to the survivors of 19,500 veterans who had died waiting for their money.[16]

The lengthy processing time is blamed on a number of causes, including:

- Claims have become more complex and veterans often seek compensation for more than one condition in a single filing;
- More veterans survive battlefield injuries that previously would have been fatal, and they require care upon returning home;
- The federal government expanded its list of "service connected" conditions that are eligible for compensation, which prompts additional new claims as well as re-adjudication of past claims;
- County officials have increased outreach efforts, encouraging more veterans to file claims for their conditions;
- Claims are complicated to put together, and many veterans who work without the help of official veterans representatives and do not know how to write and document their claims submit poorly developed claims that require more review and often are rejected.

New Budget Adds Money to Assist Claims Review Effort

Federal veterans' benefits are a right, not a privilege. In keeping veterans waiting months or years for services and compensation they have earned, the federal government has failed in its pledge to these former service members. Recognizing that these veterans are Californians in need of advocacy, the state has stepped in to help. Since World War I, the Legislature has given returning veterans preferences in the civil service, help with education housing assistance and low-interest loans. Recognizing the need to help streamline the claims process, the 2013-14 California state budget has allocated $3 million in General Fund money for a state-led effort to help alleviate the logjam within federal Veterans Administration offices in Oakland, San Diego and Los Angeles. Faced with a changing veteran population and more complex needs, advocates and service providers at all levels of government must do better.

CalVet officials and state legislators patterned the plan on one used successfully in Texas starting in 2009. Texas officials funded and organized a "State Strike Force Team" of former claims workers who were familiar with the process and the requirements. The Texas teams were permitted access to backlogged claims in the V.A. offices, where they reviewed claimants' paperwork to ensure sufficient documentation and to ensure other requirements were met in order to win approval by federal claims reviewers. The Texas teams' efforts reduced the backlog by 17,000 claims; as a result, the state funded and authorized a second effort in 2012.[17]

CalVet has begun hiring members for three 12-person strike teams, which will review backlogged claims to ensure they were properly developed and contain all needed documentation. The teams will work alongside CalVet regional staff who already are assigned to work inside the three U.S. Department of Veterans Affairs facilities.

The decision to get involved and commit state money to help solve what essentially is a federal problem is a signal advance in the effort to aid California veterans and will become even more important as the state efforts to improve outreach and help veterans submit claims increases the volume of benefit filings.

Average Wait Times in Veterans Affairs Offices

Office	Average Processing Time, in Days
Los Angeles	619.4
Oakland	617.8
San Diego	283.3
National Average	349.6

Source: California Assembly Budget Subcommittee No. 4. May 21, 2013. Background document on hearing agenda item. Page 63. On file.

Having committed $3 million to the effort, the Legislature should provide oversight of the outcomes of this investment as part of an overall assessment of CalVet performance. At the same time, CalVet can show leadership and improve the quality of the claims that are filed by ensuring that:

- CalVet staff closely monitors claims for completeness before they are submitted to the Veterans Administration.
- In developing training materials for veterans service organizations and non-profit groups, CalVet communicates the importance of filing well-documented benefit claims.
- CalVet, along with the veterans service organizations and other non-profits, encourages veterans to seek the help of a trained representative rather than to try to file a claim on their own.
- CalVet uses its new website portal, CalVet Connect, to communicate this guidance and provide direction for connecting with trained representatives.
- CalVet continues to work with federal government representatives toward creating an electronic claim submission process.

Data Hand-Off to State is Slow

From the perspective of tracking and helping veterans apply for benefits for which they may be eligible, a major source of the system's weakness is the military's antiquated discharge process. When a service member is demobilized, the U.S. Department of Defense relays his or her records and contact information – contained in a file known as a DD Form 214 – to the home state the member has listed on file. This information often is long out of date by the time the files arrive in a service member's home state, the California Department of Veterans Affairs (CalVet) told the Commission. The Department of Defense relays the information in printed format rather than electronically and often takes as long as 90 days to arrive. The forms often list temporary or outdated addresses, such as a parent's address that was provided when the service member enlisted or an address where he or she plans to stay temporarily while making longer-term plans. By the time CalVet receives a discharge file, the veteran often has moved on to a new address or new state.[18]

CalVet is working toward a memorandum of understanding with the federal government that would give state officials the option of accessing veterans' information electronically.[19] Until now, the delay in processing and relaying the information in printed form has hindered efforts by state and county agencies to connect with veterans soon after they arrive in California and begin to sort through next steps and needs. Currently,

when CalVet receives a veteran's records, it mails a letter and packet of information about the veteran's benefits to the address on file, a wasted effort if it never reaches the veteran.

Separately, CalVet collects its own data on veterans' needs and whereabouts, through the department's own databases and through information processed by county veterans service offices. Many veterans first connect with CalVet and county offices through the "State of California Veterans Reintegration Form" printed in the back of the state's "California Veteran's Resource Book" that is distributed widely to veterans throughout the state. Women veterans also have begun joining an official roster within the CalVet Women Veterans Division.

Internal Hurdles to Sharing Data

A significant hurdle in collecting and using the information on veterans among state agencies that could offer their services to veterans is the issue of sharing data across relevant agencies, CalVet officials and veteran advocates told the Commission. Many agencies and departments at the state and local government levels provide services to veterans. Broader access to pertinent information – through proper channels and for appropriate objectives – would help them address veterans' needs more comprehensively, these advocates said.

Though state departments often balk at sharing data, citing privacy concerns, stakeholders have told the Commission that this type of collaboration is legally possible and that agencies in municipal governments or other areas of government manage to share databases and maintain privacy. At the county level, for example, Placer County agencies that provide a wide range of programs for children and families share data about clients as part of a collaborative effort to consolidate services under a single service plan when possible with the goal of administering more comprehensive approach to addressing needs. In Humboldt County, officials have merged six former services departments, including veterans services, into an integrated health and human services model. State legislation enabled this merger, along with those of other counties, but the state has had less success in merging its own related operations. In the 2011-12 legislative session, three bills, SB 893, SB 1258 and SB 1279, aimed at data-sharing and measuring success across related topic areas in children's, adults' and veterans services, but failed.

As better economic times spur mobility, California officials will continue to face hurdles in identifying and locating veterans. CalVet officials told the Commission that the agency's efforts would be aided by having veterans' contact information and records relayed from the federal

Military Sexual Trauma

Women veterans have taken issue with the ways in which the federal government learns of, investigates and prosecutes military sexual trauma, and with its practices in compensating victims. Estimates indicate that one in five women and one in 100 men are victims of military sexual trauma. Often, these victims are reluctant to report the incidents out of fear they will be punished or retaliated against, or because the superiors to whom they would report are the perpetrators. At times, these higher-level officers are simply moved to new positions, often with a clean slate. Members of the California Military Department, which oversees the California National Guard, told the Commission that that service members on active duty have an option of reporting incidents of military sexual trauma in manner in which victims are able to receive treatment without triggering a formal investigation. Members of the U.S. Congress are attempting to change laws and the organizational structure governing reporting. President Obama and Defense Secretary Chuck Hagel called for reforms following the release of a report in early May that military sexual trauma had increased from 19,000 cases in 2010 to 26,000 cases in 2012.

U.S. Congresswoman Jackie Speier's proposed "STOP Act," the Sexual Assault Training Oversight and Prevention Act, would move the reporting, oversight, investigation and victim care out of the chain of command and under the jurisdiction of an autonomous office. In California, state lawmakers and CalVet officials have proposed additional state-run training for county veterans service officers, including addressing the aftermath of military sexual trauma.

Women veterans told the Commission that military sexual trauma victims face difficulty after separating from the military, as they seek compensation or help with treatment through the federal claims process. Participants in a March 2013 Commission meeting on women veterans' concerns said that those who seek federal assistance in battling post-traumatic stress brought on by combat are able to support their claim with a firsthand account of the experience, but that those who seek the same federal assistance due to post-traumatic stress created by military sexual trauma are not afforded this opportunity. Proposed federal legislation, the Ruth Moore Act of 2013, would address this.

Sources: California Research Bureau. September 2012. "California's Women Veterans and Military Sexual Trauma (MST)." Also, Little Hoover Commission Advisory Committee Meeting. March 13, 2013. Sacramento, CA. Also, Congresswoman Jackie Speier. "New Bill Aims to Help Victims of Military Rape, Sexual Assault." http://speier.house.gov/index.php?option=com_content&view=article&id=534:new-bill-aims-to-help-victims-of-military-rape-sexual-assault&catid=2:jackie-in-the-news&Itemid=15. Also, Assembly Budget Subcommittee No. 4. May 21,2013. Background document for hearing.

government through an electronic data transfer, rather than the existing printed format and the postal system.

The California Veteran: A Changing Identity

Such information will become even more important as California welcomes an estimated additional 35,000 or more Iraq and Afghanistan veterans each year for the next several years, as military service members separate from the military and join California communities.[20] California already is home to approximately 1.8 million veterans, the most of any state in the country, and roughly 12 percent of the nation's total. It is a population that is changing. The end of the conflicts in Iraq and Afghanistan will create an influx of younger veterans, who join the aging of veterans who served during the Vietnam, Korean and first Gulf wars. As a result, the distribution of the state's population will swell at each end of the age spectrum. In effect, the population will grow older and younger simultaneously. Currently, more than 70 percent of the state's veteran population is age 50 or older; the number of veterans who are age 85 or older is projected to increase 20 percent between 2010 and 2019.[21]

California's veteran population also is becoming more female, as women veterans increase as a percentage of the veteran population nationwide and in California. Currently, women comprise 10 percent of the U.S. veteran population. They are expected to grow to 15 percent by 2030 and to nearly 18 percent by 2040.[22] California is home to approximately 185,000 women veterans, second only to Texas among U.S. states.[23]

This new face of the California veteran will bring with it increased needs in several areas. To handle the increasing number of elderly vets, CalVet officials told the Commission they are anticipating a rise in demand for residence and care in the veterans homes.[24] Simultaneously, organizations that provide assistance in career development and job searches for veterans say that those newly separated from the military widely cite finding a job as their highest priority as they begin or resume civilian lives.[25] Newly separated veterans, eager to quick-start civilian life, also seek help with immediate goals and needs, such as attending school or receiving training, or obtaining housing, transportation or services for dealing with post-traumatic stress or medical conditions. As these veterans return, they will need assistance in filing claims with the U.S. Veterans Administration for compensation and benefits offered by the federal government.

Women veterans have told researchers and the Commission that, while many of their needs are the same as their male counterparts, they also seek some services that are gender specific or are more common for women.[26] These include help with child care, transportation and housing for women veterans with children, emergency and transitional housing for women with children and standard women's medical procedures. Many women also have said they simply need more information about their benefits.

Stakeholders told the Commission that women veterans often face greater challenges as they leave the military and re-enter civilian life. First, they struggle with identity and recognition hurdles, as they at times do not realize their own statuses and entitlements as veterans alongside their male counterparts. At other times, they are not acknowledged as equal veterans by the general public. Many women veterans testified that, upon visiting federal Veterans Administration health clinics, it was assumed they were there as spouses of veterans, rather than as veterans themselves. Finally, estimates indicate that one in every five women in military service is a victim of military sexual trauma. This experience for these women, as well as the one in 100 male service members who are victimized, creates psychological trauma and exacerbates identity challenges upon departure from the service.

Recommendation 1: Now that the Legislature has allocated one-time money to fund the California Department of Veterans Affairs' plan to help alleviate the backlog of claims in U.S. Veterans Administration offices in California, the Legislature should monitor the department's results to determine whether additional funding is warranted.

Recommendation 2: California's state and federal representatives should continue to work with and press federal agencies to obtain up-to-date information from veterans and relay it to appropriate state agencies through electronic means, enabling state agencies to reach veterans sooner after their departure from the military. Following this, the California Department of Veterans Affairs should move quickly to create a reliable database of California veterans capable of connecting veterans with their county and state representatives in the field.

Outreach Underfunded, Unconnected

Veterans representatives who work for the state, counties and service organizations across California employ a wide range of efforts to identify veterans and inform them of their benefits. They host stand-down events designed to combat homelessness, job fairs, women veterans' networking events, and regional meetings for veterans – all aimed at connecting veterans to each other and helping them learn about state and federal benefits.

Outreach efforts typically become the only way for service providers and advocates to find these client veterans. These organizations lack a leader to connect their efforts and to provide uniform guidance.

While many well-intended organizations provide benefits, services and assistance for veterans in need, they operate largely independently of each other. Government agencies that serve veterans often lack coordination, as well as modern tools and strategies that would provide the best service to these citizens. The lack of a structured and responsive network creates a labyrinth difficult to navigate and at times sluggish in producing results. Not surprisingly, veterans look to the California Department of Veterans Affairs for leadership through this thicket, and to serve as a voice.

CalVet officials told the Commission that the department's goal is to be the central reference point for veterans and organizations, but it is a goal that has yet to be realized, according to the stakeholders CalVet seeks to serve. They point to the small share of the department's budget allocated for the operations of the Veterans Services Division, less than 3 percent for operations and salaries. Veterans Service Organizations such as the Veterans of Foreign Wars and American Legion note that the work their members do on behalf of veterans is done without state funding.

Counties play the biggest direct government role in outreach through 56 county veterans services offices. The state historically has made only a small contribution to these county efforts, though in the most recent budget, the Governor and Legislature increased funding to $5.6 million for the 2013-14 fiscal year, in addition to the $7 million in operations funding for the division. The $5.6 million is up from an annual $2.6 million in state funding for the previous eight years.[27]

County veterans service officers told the Commission that with more money, they could do more to help veterans, and in doing so, bring more money into the state. With the 2013-14 budget, they have been given the opportunity to demonstrate this. According to the California Association of County Veterans Service Officers, claims filed with the assistance of the county offices brought into the state more than $346 million in the 2011-12 fiscal year, for a state investment of $2.6 million. Ted Puntillo, a former CalVet deputy secretary for veterans services, and now a county veterans services officer in Solano County, said CalVet should introduce a performance incentive system for at least part of the funding that counties receive for veterans outreach. Texas, for example, uses a performance-based funding structure for some of its outreach staff.[28]

Mr. Puntillo said the state should invest its dollars for outreach officers strategically, working with county veteran services offices and using state outreach staff to regularly contact each of the 27 military posts and bases where military personnel are demobilized, and work more closely with the military to be included in discharge preparation briefings that soon-to-discharge personnel are required to attend.

Interagency Council on Veterans

Governor Edmund G. Brown, Jr., created the Interagency Council on Veterans in August 2011 with the goal of eliminating the barriers that typically exist between government agencies. The council, which was established at the Governor's direction by the secretary of the California Department of Veterans Affairs (CalVet), was charged with identifying and prioritizing the needs of veterans and coordinating programs and services across levels of government.

The membership officially includes the secretaries of the California Labor & Workforce Development Agency, California Volunteers, California Business, Transportation & Housing Agency, California Health & Human Services Agency, California Department of Corrections and Rehabilitation, and the directors of the California Employment Development Department, California Department of Consumer Affairs, California Department of Rehabilitation and California Department of Housing and Community Development. Additionally, each member secretary and director was instructed to appoint an ombudsman for veterans affairs, and the CalVet secretary was asked to invite representatives of certain federal agencies, associations, higher education systems, other state organizations and the Legislature.

Created by executive order, the council has no permanent status; its staff, office space and equipment are pieced together using resources of existing related agencies. The council officially is under the direction of the CalVet secretary, who is the council's chair.

The council participated in a conference in February 2012, at which time the members identified veterans' needs and divided the council into four work groups, on employment, education, housing and health. The work groups have met regularly since that conference and have pursued numerous projects and collaborative efforts, as have subcommittees of the four groups. These projects include changes to state apprenticeship programs to better assist veterans, and designing a California version of the federal transition assistance program in which service members participate as they prepare to leave the military.

The four work groups rarely meet as a whole body, although some work group subcommittees have cross-membership.

Sources: Governor Edmund G. Brown, Jr. August 23, 2011. Executive Order B-09-11. http://www.icv.ca.gov/files/ExecutiveOrder.pdf. Also, communication with council staff. August 2013.

The increased mobility of today's veterans, together with new social media technology and, most important, the changing demographics of the nation's youngest veterans suggest that new outreach approaches are essential. The four major veterans service organizations, likewise, have expressed awareness that women veterans and younger male veterans do not relate to their organizations the same way as previous generations did. These organizations, as well as the many non-profits that provide veterans' programs, fill a gap in the nation's service to these individuals. They exist as peers, rather than government agencies, and their role is vital. To evolve and appeal to a changing veteran population, these organizations should consider launching subgroups developed by and for younger and female veterans, perhaps coordinated more often through social media than traditional in-person meetings. CalVet, to meet its own mission, must help them in this effort.

In response to the changing veteran population, county veterans service officers are adapting with a wide range of outreach efforts. The recent additions of younger executives who are themselves veterans to CalVet's management warrant optimism that CalVet is moving in this direction as well. The dawning of this new arena of veterans services – the evolving population and their changing needs and priorities, as well as the media they use – warrants new approaches at all levels. County, state and federal officials alike must take fresh looks at the ways in which they fund and prioritize their outreach to veterans. Education of veterans and their families will be crucial and will require funding and focus.

For CalVet, it is a transition that has taken considerable time to gain traction, the delay being one product of extended vacancies at the executive management level. In 2009, the California State Auditor found that the department then was undertaking a new approach to the work of its Veterans Services Division, but that many of these efforts were, in effect, in their infancy. The auditor reported:

> *"The department has only recently shifted its attention from focusing primarily on the veterans homes, deciding that Veterans Services should take a more active role in increasing awareness among veterans about available services and benefits. To increase such awareness, Veterans Services is implementing various activities to further its outreach efforts, such as gathering veterans' contact information, updating its outreach materials, and better coordinating with organizations that provide services to veterans, although many of these efforts only began in 2008."*[29]

The auditor noted that the department previously had poorly organized agreements with partnering agencies and organizations, at times being unable to sufficiently track the success of funding that the division had allocated. The auditor recommended the division continue with its planned changes, along with strengthening its role in working with county veterans service officers and partnering organizations, updating its website, conducting an assessment of veterans' needs and developing measurable goals related to that assessment.[30]

Four years later, these are still areas that need to show progress, yet CalVet can point to concrete achievements. The department has established a small, but active, Women Veterans Division that, among other work, has created a women veterans roster and collaborated in research and outreach with the California Research Bureau and the state's Commission on the Status of Women and Girls. CalVet also now has a social media presence and has developed a cell phone application to help veterans or family members locate services. In 2014, CalVet will launch its website portal, CalVet Connect, that gives the department a new way of reaching veterans and providing them information about their benefits.

In February 2012, with the appointment of Veterans Services Division Deputy Secretary Keith Boylan, the agency is planning new programs and a new approach to how the division offers services and reaches veterans.

The Veterans Services Division also is adding a department-run training program for county veterans service officers, using funding already included in the department's budget. The program will enable the division to offer a uniform set of information to these county officers, and to

Previous Reviews of CalVet Programs

The California Department of Veterans Affairs (CalVet) has come under scrutiny several times as its programs have evolved. In May 2013, the California State Auditor released a report on the department's Homes Division. The review acknowledged the initiatives, efficiency efforts and programs under way, but told the Legislature that CalVet could take bigger strides in bringing in reimbursements for homes operations. The auditor's office recommended CalVet review its practices for enrolling residents in appropriate insurance programs to maximize revenue for covering costs, as well as evaluate its cost-recovery model and the state laws that dictate the amount that CalVet can collect from residents. These recommendations were accompanied by ideas for better utilizing space in the homes, serving a higher number of veterans, and increasing the use of technology for conducting outreach to veterans.

In its separate 2009 report, in addition to evaluating the Veterans Service Division, the State Auditor criticized the department for administering an underutilized home loan program – although it acknowledged that the results were in part due to restrictive federal law. Prior to that, reviews by the Legislative Analyst's Office and the State Auditor, in 1994, 2001 and 2002, found that the Homes Division lacked needed software and employee training; lacked policies that enabled them to collect enough to cover their costs; neglected to recover all of the federal reimbursements and revenue from residents possible; and failed to submit for reimbursements in a timely manner, and, in the case of the Barstow home, lost federal reimbursements because of poor patient care.

Sources: California State Auditor. May 2013. "California Department of Veterans Affairs: It Has Initiated Plans to Serve Veterans Better and More Cost-Efficiently, but Further Improvements Are Needed." Report 2012-119. Also, California State Auditor. October 2009. "California Department of Veterans Affairs: Although It Has Begun to Increase Its Outreach Efforts and to Coordinate With Other Entities, It Needs to Improve Its Strategic Planning Process, and Its CalVet Home Loan Program Is Not Designed to Address the Housing Needs of Some Veterans." Report 2009-108. Chapter 4. Also, California State Auditor. December 2001. "Department of Veterans Affairs: Weak Management and Poor Internal Controls Have Prevented the Department From Establishing an Effective Cash Collection System." Report 2001-113. Also, Legislative Analyst's Office. "Analysis of the 2002-03 Budget Bill." Also, California State Auditor. April 1994. "The Veterans Home of California Has Not Maximized Revenue From Residents and Reimbursements From the Federal Government." http://www.bsa.ca.gov/reports/summary/93027.

Broader Housing Options?

The Legislature is considering Assembly Bill 639, which would reform the way in which the state offers housing to veterans.

The bill, authored by Assembly Speaker John Pérez, would redirect $600 million in bond funding from the CalVet home and farm loan program to other options of housing for veterans, combined with services offered in the same locations, if voters approve the measure in 2014.

Sources: AB 639 (Pérez).

have a more direct role in the work and outreach efforts these offices employ as they assist and advocate for veterans. The Veterans Services Division also will launch a website portal for veterans titled CalVet Connect. The portal will enable the department to offer information about a range of programs and services in one online location.

Better Homes Operation Should Benefit Services

The changes in Veterans Services have without question been slow in coming. Turnover at the top is one reason. The departmental effort to open five new veterans homes in five years during a fiscal crisis is certainly another. But with the homes in Fresno and Redding due to open this year, the department and the Governor and Legislature have the opportunity to reassess how the department can serve the greatest number of California veterans.

The Homes Division initially accounted for the department's entire mission, and as noted earlier, still accounts for nearly 80 percent of the department's $385 million operating budget and a similar share of its 2,677 headcount. It has come under scrutiny for the operations of the homes, but in the past year in particular, under new undersecretaries, it has implemented several major initiatives that should improve efficiency and patient safety and reduce costs.

Among the initiatives:

- Rather than being operated as separate facilities as they have been in the past, the eight homes are being integrated into a single system that offers a broad range of care.
- The new system is using an automated pharmacy that officials say will reduce pharmacy waste and increase patient safety.
- The division is changing its staffing model to a social model from a medical model, including standardizing qualifications, to better reflect the needs of its residents, which will cost less and increase efficiency.

In recognition of the expected efficiencies these changes will bring, the Veterans Homes Division has an agreement with the Department of Finance to reduce its dependence on the state General Fund by 7 percent per year for three years.

Set Goals, Reward Efficiency, Incentivize Progress

Advocates for California veterans and county veterans services officers make the case that the state should spend more money on outreach and strengthening veterans services. This money does not have to be new spending. It could reflect General Fund dollars the department has been receiving. A natural place to look is in efficiencies or increased revenues that can be realized in other part of the department's budget, starting with the biggest program, the homes division. In testimony to the Commission, however, CalVet Secretary Peter Gravett said that there is a "misperception that resources can be redirected from the homes to support other parts of the CalVet mission. The resources can't be redirected without breaking federal contracts and reducing the quality of care and the scope of services to the neediest veterans living in our long-term care facilities. The misperception continues to foster the false expectation that adequate funding has already been allotted to serving veterans in this state through CalVet's other programs and divisions."[31]

"It is simply not good enough to keep doing business as usual. This administration's lack of proactive response to seeking resources to address the issue of connecting our returning veterans to their benefits, to continuing to do business as usual, tells us where these battle torn veterans lie on the priority list – at the bottom."

Ted Puntillo, Solano County Veterans Service Officer
January 2013

The Commission would not endorse spending money already allocated as part of federal contracts, but notes that CalVet already is trying to reduce spending in its homes division through efficiencies and by recovering more reimbursement for care. This represents savings that will be reflected in lower General Fund allocations for the homes in the future. The department has committed to reduce its reliance on General Fund support for its homes division while promising to improve quality and scope of services to the state's neediest veterans. The Secretary's comment that a "false expectation" exists that adequate funding already has been allocated to the department's other programs reflects a view common in government departments that programs are not adequately funded. Without judging the adequacy of any individual allocation, it is worth noting that the General Fund budget allocates the money that is available.

If the department can fulfill its homes mission while committing to finding efficiencies and raising revenues, a stronger argument might be in showing how more spending on the services division serves the state's interests as well – as long as that spending produces improved outcomes. The added money the Veterans Services Division will receive in the FY 2013-14 budget provides the opportunity to demonstrate that the department can use the money to improve outcomes, whether through reaching more veterans or helping them file more claims. Ultimately, linking more eligible veterans to federal benefits holds the potential to bring more disposable income into the state and, in the cases where veterans without federal benefits are relying on state services such as Medi-Cal, the state can avoid costs it otherwise would incur. This argument does not preclude reinvesting some of the efficiency savings or

increased revenues into the homes division to further increase efficiency. The Yountville home, for example, could be operated more efficiently if some of the savings were redirected to maintenance and spare parts for broken cooking equipment and cold storage units for the home's central kitchen.[32]

It does, however, require a vision of a unified department, rather than collection of programs, in which all divisions work together to improve the lives of California veterans. And this requires leadership that can communicate that vision to the department as well as to other parts of government and to stakeholders.

Considering CalVet as a single enterprise, rather than a collection of different programs, the flows of money for services and homes should be linked. All inefficiencies have a cost, including foregone opportunities to capture more reimbursement, no more so than when the state is operating in a tight financial environment. Eliminating efficiency should not require an incentive, but it often does when the cost or tradeoffs for inefficiency are not easily identified or the department achieving the savings does not benefit from its efforts. Before the savings from the homes division's efficiencies are scored in future budgets, the administration and Legislature should consider redirecting at least part of the projected General Fund savings to outreach efforts. This argument depends most on CalVet demonstrating that it has a strategy for managing its existing resources across programs to maximize its mission outcomes. Once it has done so, and shown that it has used the added Veterans Services funding well, it should be given the flexibility to use at least part of the savings from realized efficiencies to invest in strategies that will help veterans and benefit the state.

The state should continue to focus on increasing efficiency. But after years of using efficiencies to cut budgets, the state now can focus on turning efficiencies into opportunities. It can do so most effectively when it aligns the incentives properly. This would seem to be one of those opportunities.

Recommendation 3: To improve outreach to veterans and to increase the amount of veteran benefits entering California, the state should allow greater funding flexibility for the California Department of Veterans Affairs, including the redirection of savings from operational efficiencies for demonstrated strategies that help veterans file benefit claims and pursue referrals for services.

- The California Department of Veterans Affairs and the Department of Finance should discuss the potential for redirecting additional homes division revenues from reimbursements for use in outreach and other work of the Veterans Services Division, rather than returning the money to the General Fund.
- Upon providing increased funding for county veterans service officers in the 2013-14 budget, the Legislature should monitors the performance of the county veterans service offices. Increased funding for the county offices in future budgets may include money for an additional county staff person at each of California's 27 military service discharge sites, but its allocation must be dependent upon the county offices showing effective, efficient use of the additional resources.
- The Legislature and CalVet should tie the distribution of this funding to individual counties' performance in successfully securing benefits for their veterans. CalVet should track the counties' work using the department's VetPro software and formal performance metrics.
- The Legislature also should specify that some of this money be used to increase outreach to women and minority veterans.
- The department should pursue social media strategies to reach out to younger veterans, and invite the participation of media experts and engage non-profit veterans organizations to raise money for this effort.
- The department should regularly review its training courses and requirements to ensure programs are responsive to evolving needs among veterans, including those of women veterans. The department also should ensure county offices are appropriately staffed for addressing the needs of women veterans. This may include coordinating services with those of nearby larger offices when appropriate.

CalVet Legal Foundation Needs Updating

Over the course of its study, the Commission found that not only programs needed to be modernized, the California Military and Veterans Code, the legal foundation for CalVet, is obsolete and needs updating to reflect changes in the veteran population and changes in the department.

The code was first written decades ago and has been updated only in piecemeal fashion over the years. Many stakeholders representing a wide range of roles in the delivery of services to veterans told the Commission the code is convoluted, confusing, at times contradictory. Among the topics warranting review:

- ***Eight Homes***. The code was written prior to all of the state's eight veterans homes being built. It has not been updated to outline uniform procedures across all of the homes in the system.[33]
- ***Morale, Welfare & Recreation Fund***. Integrating the homes into a system will require addressing the debate over the Morale, Welfare & Recreation Fund for each home. This will involve standardizing the processes and levels of authority required in making decisions about how these funds are spent. The assets in each fund largely represent money from the estates of residents of the homes who die while receiving care or living in the homes. Upon their death, the home may take from their estates an amount that represents the outstanding balance on fees due the home; this money is deposited as directed by the Military and Veterans Code into the Morale, Welfare & Recreation Fund for the home, rather than into a more general state fund. The Morale, Welfare & Recreation Fund may be used only for projects or activities on the home's site that enhance veterans' quality of life and experiences at the home. The question is whether that money is more properly owed to the General Fund, as the resident's care was subsidized by the General Fund while they were alive, or should be available for broader CalVet use. The homes do not have a standard approach in how this money is disbursed or accounted for.
- ***California Veterans Board***. The Military and Veterans Code establishes a California Veterans Board and charges its seven members with meeting several times each year to "determine the policies for all operations of (CalVet)." In reality, the board devotes a great deal of its time hearing appeals of veterans who object to a CalVet decision regarding veterans home admissions, the home loan program or a school fee waiver. Regarding changes to CalVet policy, though there is ambiguity and debate regarding the board's role. The board's policy document on its website indicates that the board's role in "determining the policies for all operations" of the department pertains to setting the tone with which the department designs its programs.
- ***Use of Force Discretion***. Section 366 of the code outlines a procedure and level of authority that warrant revisiting. The section states:

> *"Whenever any portion of the National Guard, or of the unorganized militia when called into the service of the State or Naval Militia is called into active service to suppress an insurrection or rebellion, to disperse a mob, or in an emergency or in any of the cases provided for in Sections 128, 143, or 146 of this code, or to enforce the execution of the laws of the State or of the United States, the commanding officer shall use his own discretion with respect to the propriety of attacking or firing upon any mob or unlawful assembly, or of attacking or using fire power in the military situation present. His honest and reasonable judgment in the exercise of his duty shall be full protection, civilly and criminally, for any act or acts done while on duty.*

A renewed look at the Military and Veterans Code would afford officials an opportunity for the state's leaders to reevaluate and perhaps redefine a vast spectrum of regulations that govern the state's primary agencies that provide services to veterans and oversee state military operations.

Recommendation 4: State lawmakers should review and update the Military and Veterans Code. The process should include strong consideration of the perspectives of the following:

- Members of the Assembly and Senate legislative committees on veterans;
- Representatives of relevant state agencies such as CalVet, the Military Department and the Employment Development Department;
- County veterans service officers;
- Veterans Service Organization representatives;
- Representatives of community-based organizations that serve veterans;
- Administrators of veterans homes;
- Members of allied councils of the veterans homes;
- The general public.

Conclusion

The federal government, through its armed forces, is good at turning civilians into warriors and preparing them for battle. In the aftermath of the conflicts, however, the system for returning veterans back to civilian life is nowhere as efficient or thorough, especially with the individuals who need assistance in rebuilding those lives. Many fail, and fail completely, before they seek help.

For some veterans, tapping into funding and programs aimed at helping with education costs, job searches, medical and mental health treatment or housing may be the final steps needed to cement a civilian lifestyle that already is on track. For others, such services may be a lifesaver, keeping veterans from homelessness, prolonged unemployment or the pain and consequences of untreated medical or mental health conditions. Further, for those in more dire need, using programs that are dedicated to veterans may help them avoid needing to rely on other state- and county-funded services.

The emphasis must be on outcomes, not just on inputs and process. If these agencies measure only the steps they have undertaken, and not the results, they will not be able to be sure they have succeeded in helping veterans in their transition back to civilian life. California's leaders must hold the Department of Veterans Affairs accountable for the added money it has been allocated to expand veterans services and to form strike teams to help reduce the backlog of benefit claims at VA regional offices. At the same time, the department must hold county veterans service offices accountable for their outreach efforts.

Veterans are promised benefits, and many need them in order to complete that transition. California's approach to helping veterans currently lacks a network structure, and some parts of it lack accessibility, cohesion or flexibility needed to provide the most efficient, effective service now and as veterans' needs change from generation to generation. The department's leadership team now is in place. It will be up to them to forge a strategy that will make the most of the state's assets and the very real value that veterans groups, volunteers and non-profit organizations can deliver to help California veterans.

California can do better, and to honor those who have sacrificed for the many, it must do better.

Appendices & Notes

- ✓ ***Public Hearing Witnesses***
- ✓ ***Little Hoover Commission Public Meeting***
- ✓ ***2012 Federal Expenditures, California Counties***
- ✓ ***Notes***

Appendix A

Public Hearing Witnesses

Public Hearing on Veterans Services
January 22, 2013
Sacramento, California

Brigadier General Matthew Beevers, Assistant Adjutant General, California Military Department

Keith Boylan, Government Relations Liaison, California Association of Veteran Service Agencies

Peter Cameron, Executive Director, Vietnam Veterans of California, Inc.

Lt. Col. Susan Pangelinan, CNG Behavioral Health Coordinator/Joint Staff Medical Advisor, California Military Department

Ted Puntillo, Director of Veteran Services, Solano County

Lindsey Sin, Deputy Secretary for Women Veterans Affairs, California Department of Veterans Affairs

J.P. Tremblay, Deputy Secretary for Communications and Legislation, California Department of Veterans Affairs

Public Hearing on Veterans Services
April 23, 2013
Sacramento, California

Major General (Retired) Peter Gravett, Secretary, California Department of Veterans Affairs

Dean Lee, Assistant State Adjutant, Veterans of Foreign Wars Department of California

Scott McKee, Department Service Officer, American Legion Department of California

Pouneh Simpson, Chief Financial Officer, California Department of Veterans Affairs Veterans Homes Division

Tom Splitgerber, President, National Association of County Veterans Service Officers, and County Veterans Service Officer, San Diego County

Appendix B

Little Hoover Commission Public Meeting

Advisory Committee Meeting on Women Veterans
March 13, 2013
Sacramento, California

Mary Baker, Surgeon and Women Veterans Chair, Veterans of Foreign Wars Department of California

Rebecca Blanton, Senior Policy Analyst, California Research Bureau

Rea Cichocki, American Indian Veterans Association of Northern California

Juliene Crisostomo, Analyst, Women Veterans Affairs Division, California Department of Veterans Affairs

Lieutenant Colonel Kimberely Derouen, Director of Human Resources, California Military Department

Patricia Jackson-Kelley, Women Veterans Outreach Coordinator, American Legion Department of California

Starlyn Lara, Women Veterans Coordinator, Swords to Plowshares

Lieutenant Colonel Susan Pangelinan, California National Guard Behavioral Health Coordinator/Joint Staff Medical Advisor, California Military Department

Lindsey Sin, Deputy Secretary for Women Veterans Affairs, California Department of Veterans Affairs

Stephanie Stone, Chief Deputy Director, Los Angeles County Department of Military and Veteran Affairs

Captain Shannon Terry, California Military Department

Colonel Laura Yeager, Chief of Staff, Joint Staff, California Military Department

Appendix C

2012 Federal Expenditures, California Counties

FY12 GEOGRAPHIC DISTRIBUTION OF VA EXPENDITURES (GDX)

CALIFORNIA
Expenditures in $000s

County/ Congressional District	Veteran Population*	Total Expenditure	Compensation & Pension	Construction	Education & Vocational Rehabilitation/ Employment	Loan Guaranty#	General Operating Expenses	Insurance & Indemnities	Medical Care	Unique Patients**
ALAMEDA	60,309	$ 351,994	$ 117,968	$ 224	$ 32,894	$ -	$ 34,828	$ 5,932	$ 160,147	12,590
ALPINE	148	$ 284	$ 124	$ -	$ -	$ -	$ -	$ 3	$ 157	19
AMADOR	4,361	$ 14,669	$ 7,007	$ -	$ 770	$ -	$ -	$ 522	$ 6,370	811
BUTTE	17,800	$ 88,343	$ 43,507	$ -	$ 6,666	$ -	$ -	$ 1,042	$ 37,128	4,998
CALAVERAS	5,593	$ 21,994	$ 10,496	$ -	$ 740	$ -	$ -	$ 358	$ 10,401	1,509
COLUSA	1,183	$ 4,759	$ 2,327	$ -	$ 261	$ -	$ -	$ 77	$ 2,095	230
CONTRA COSTA	55,291	$ 257,285	$ 101,569	$ 11,777	$ 24,726	$ -	$ 5,512	$ 6,083	$ 107,618	10,931
DEL NORTE	2,539	$ 17,002	$ 10,336	$ -	$ 307	$ -	$ -	$ 26	$ 6,333	840
EL DORADO	15,224	$ 61,319	$ 33,079	$ -	$ 3,764	$ -	$ -	$ 1,096	$ 23,379	3,079
FRESNO	44,206	$ 273,759	$ 105,373	$ 3,919	$ 24,010	$ -	$ 2,844	$ 2,852	$ 134,761	13,087
GLENN	1,849	$ 7,161	$ 3,633	$ -	$ 325	$ -	$ -	$ 155	$ 3,047	467
HUMBOLDT	10,366	$ 71,587	$ 31,809	$ -	$ 2,331	$ -	$ -	$ 889	$ 36,558	4,498
IMPERIAL	7,589	$ 38,893	$ 15,722	$ -	$ 8,526	$ -	$ -	$ 561	$ 14,085	1,763
INYO	1,552	$ 6,046	$ 3,185	$ -	$ 221	$ -	$ -	$ 126	$ 2,514	335
KERN	47,015	$ 183,088	$ 99,926	$ -	$ 24,685	$ -	$ -	$ 2,310	$ 56,167	8,349
KINGS	12,006	$ 49,210	$ 24,494	$ -	$ 10,753	$ -	$ -	$ 487	$ 13,475	1,985
LAKE	6,658	$ 43,085	$ 19,126	$ -	$ 924	$ -	$ -	$ 264	$ 22,771	2,356
LASSEN	3,559	$ 12,805	$ 6,459	$ -	$ 588	$ -	$ -	$ 150	$ 5,608	819
LOS ANGELES	319,623	$ 1,810,193	$ 589,977	$ 22,738	$ 235,382	$ -	$ 39,659	$ 28,638	$ 893,798	71,102
MADERA	8,313	$ 45,010	$ 18,947	$ -	$ 2,710	$ -	$ -	$ 401	$ 22,951	2,438
MARIN	12,859	$ 52,028	$ 19,404	$ -	$ 3,084	$ -	$ -	$ 2,260	$ 27,280	2,078
MARIPOSA	2,134	$ 9,891	$ 4,794	$ -	$ 280	$ -	$ -	$ 123	$ 4,695	610
MENDOCINO	6,858	$ 46,861	$ 21,933	$ -	$ 1,039	$ -	$ -	$ 721	$ 23,168	2,278
MERCED	11,428	$ 60,256	$ 29,199	$ -	$ 4,062	$ -	$ 1,835	$ 763	$ 24,398	2,979
MODOC	956	$ 5,135	$ 2,736	$ -	$ 86	$ -	$ -	$ 74	$ 2,238	336
MONO	1,150	$ 2,231	$ 914	$ -	$ 82	$ -	$ -	$ 31	$ 1,203	149
MONTEREY	19,872	$ 137,385	$ 71,109	$ -	$ 10,724	$ -	$ -	$ 2,815	$ 52,737	6,341
NAPA	9,909	$ 40,068	$ 21,019	$ -	$ 2,462	$ -	$ -	$ 857	$ 15,729	1,956
NEVADA	8,991	$ 38,544	$ 22,069	$ -	$ 1,855	$ -	$ -	$ 852	$ 13,768	2,370
ORANGE	127,012	$ 501,882	$ 224,985	$ -	$ 84,698	$ -	$ -	$ 14,253	$ 177,947	21,543
PLACER	29,673	$ 110,197	$ 59,774	$ -	$ 13,084	$ -	$ -	$ 2,700	$ 34,638	5,369
PLUMAS	2,058	$ 10,414	$ 4,684	$ -	$ 290	$ -	$ -	$ 170	$ 5,271	695
RIVERSIDE	133,476	$ 727,933	$ 345,290	$ 2,089	$ 119,956	$ -	$ 10,858	$ 7,930	$ 241,810	33,278
SACRAMENTO	92,449	$ 471,493	$ 225,286	$ -	$ 56,783	$ -	$ -	$ 7,642	$ 181,782	20,358
SAN BENITO	2,680	$ 15,097	$ 7,561	$ -	$ 893	$ -	$ -	$ 238	$ 6,405	784
SAN BERNARDINO	112,720	$ 585,564	$ 252,800	$ 10,927	$ 74,061	$ -	$ 2,634	$ 5,411	$ 239,732	26,590
SAN DIEGO	226,852	$ 1,687,511	$ 687,540	$ 6,959	$ 429,945	$ -	$ 62,339	$ 23,906	$ 476,823	58,358
SAN FRANCISCO	26,336	$ 265,957	$ 52,002	$ 6,796	$ 16,781	$ -	$ 8,784	$ 3,923	$ 177,670	7,423
SAN JOAQUIN	35,836	$ 176,644	$ 81,007	$ -	$ 15,801	$ -	$ -	$ 1,793	$ 78,043	8,619

FY12 GEOGRAPHIC DISTRIBUTION OF VA EXPENDITURES (GDX)

CALIFORNIA
Expenditures in $000s

County/ Congressional District	Veteran Population*	Total Expenditure	Compensation & Pension	Construction	Education & Vocational Rehabilitation/ Employment	Loan Guaranty#	General Operating Expenses	Insurance & Indemnities	Medical Care	Unique Patients**
SAN LUIS OBISPO	20,986	$ 68,701	$ 39,276	$ -	$ 5,381	$ -	$ -	$ 1,985	$ 22,058	4,682
SAN MATEO	28,683	$ 191,546	$ 46,061	$ 105	$ 12,816	$ -	$ 5,031	$ 4,414	$ 123,118	6,663
SANTA BARBARA	23,619	$ 95,275	$ 50,467	$ -	$ 10,360	$ -	$ -	$ 3,129	$ 31,320	5,212
SANTA CLARA	61,596	$ 440,677	$ 112,152	$ 55,846	$ 28,675	$ -	$ 6,836	$ 6,241	$ 230,927	14,419
SANTA CRUZ	12,059	$ 66,573	$ 30,410	$ -	$ 4,294	$ -	$ -	$ 956	$ 30,914	3,383
SHASTA	16,512	$ 117,485	$ 64,133	$ -	$ 5,062	$ -	$ -	$ 1,156	$ 47,133	6,705
SIERRA	410	$ 1,968	$ 599	$ -	$ 77	$ -	$ -	$ 45	$ 1,247	104
SISKIYOU	4,284	$ 20,016	$ 11,420	$ -	$ 563	$ -	$ -	$ 366	$ 7,667	1,543
SOLANO	33,923	$ 223,964	$ 127,800	$ -	$ 27,952	$ -	$ -	$ 3,585	$ 64,627	8,004
SONOMA	29,624	$ 141,363	$ 61,050	$ -	$ 9,430	$ -	$ -	$ 3,148	$ 67,735	6,723
STANISLAUS	26,145	$ 139,286	$ 66,133	$ -	$ 11,097	$ -	$ -	$ 1,406	$ 60,650	6,594
SUTTER	6,906	$ 34,274	$ 20,739	$ -	$ 3,181	$ -	$ -	$ 485	$ 9,869	1,371
TEHAMA	5,720	$ 26,841	$ 12,423	$ -	$ 903	$ -	$ -	$ 301	$ 13,214	1,815
TRINITY	1,526	$ 8,517	$ 4,163	$ -	$ 133	$ -	$ -	$ 33	$ 4,189	543
TULARE	18,486	$ 93,134	$ 48,688	$ -	$ 8,723	$ -	$ -	$ 1,286	$ 34,437	5,361
TUOLUMNE	6,301	$ 33,224	$ 15,240	$ -	$ 907	$ -	$ -	$ 738	$ 16,339	2,146
VENTURA	43,665	$ 183,175	$ 86,064	$ -	$ 34,620	$ -	$ -	$ 5,250	$ 57,241	8,348
YOLO	9,613	$ 46,170	$ 23,230	$ -	$ 6,737	$ -	$ -	$ 935	$ 15,268	1,858
YUBA	6,314	$ 38,989	$ 20,532	$ -	$ 6,425	$ -	$ -	$ 440	$ 11,591	1,474
CALIFORNIA (Totals)	**1,844,803**	**$ 10,274,754**	**$ 4,219,749**	**$ 121,381**	**$ 1,393,887**	**$ -**	**$ 181,161**	**$ 164,331**	**$ 4,194,246**	**431,268**
CONG. DIST (01)	49,263	$ 279,941	$ 133,573	$ -	$ 14,355	$ -	$ -	$ 4,095	$ 127,919	14,552
CONG. DIST (02)	59,324	$ 327,405	$ 173,513	$ -	$ 22,478	$ -	$ -	$ 4,019	$ 127,395	18,219
CONG. DIST (03)	60,793	$ 261,274	$ 125,615	$ -	$ 28,540	$ -	$ -	$ 4,649	$ 102,469	12,660
CONG. DIST (04)	67,617	$ 276,940	$ 147,222	$ -	$ 23,027	$ -	$ -	$ 5,601	$ 101,090	14,549
CONG. DIST (05)	40,291	$ 241,212	$ 115,507	$ -	$ 29,113	$ -	$ -	$ 3,502	$ 93,090	9,687
CONG. DIST (06)	37,668	$ 172,518	$ 71,460	$ -	$ 11,126	$ -	$ -	$ 4,905	$ 85,029	7,717
CONG. DIST (07)	40,640	$ 261,402	$ 123,994	$ 7,346	$ 28,410	$ -	$ 5,512	$ 2,677	$ 93,463	9,355
CONG. DIST (08)	21,046	$ 239,280	$ 46,695	$ 3,826	$ 15,069	$ -	$ 8,784	$ 3,248	$ 161,659	6,413
CONG. DIST (09)	24,698	$ 174,711	$ 51,592	$ 4,656	$ 14,386	$ -	$ 34,278	$ 3,126	$ 66,674	5,818
CONG. DIST (10)	43,747	$ 202,064	$ 97,742	$ -	$ 22,799	$ -	$ -	$ 6,245	$ 75,277	8,877
CONG. DIST (11)	42,856	$ 192,911	$ 83,295	$ 244	$ 18,027	$ -	$ -	$ 3,461	$ 87,884	8,678
CONG. DIST (12)	25,780	$ 124,248	$ 27,963	$ 3,075	$ 8,016	$ -	$ 5,031	$ 3,493	$ 76,668	5,458
CONG. DIST (13)	26,070	$ 122,259	$ 46,820	$ -	$ 13,055	$ -	$ -	$ 1,820	$ 60,565	5,260
CONG. DIST (14)	26,963	$ 286,519	$ 60,692	$ 42,901	$ 15,039	$ -	$ 7,387	$ 4,270	$ 156,229	6,315
CONG. DIST (15)	24,015	$ 121,868	$ 38,631	$ 117	$ 9,877	$ -	$ -	$ 2,213	$ 71,030	5,213
CONG. DIST (16)	20,969	$ 131,032	$ 41,923	$ -	$ 10,719	$ -	$ -	$ 1,386	$ 77,004	5,594
CONG. DIST (17)	30,518	$ 199,834	$ 100,290	$ 11	$ 14,670	$ -	$ -	$ 3,752	$ 81,111	9,504

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17. Jeremy Schwartz, Austin American-Statesman. July 19, 2012. "Texas to create 'strike force team' to reduce VA benefit claims backlog." On file.

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19. Michael Wells, Undersecretary, Operations, California Department of Veterans Affairs, and Keith Boylan, Deputy Secretary, Veterans Services, California Department of Veterans Affairs. August 16, 2013. Communication with Commission staff.

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21. California Department of Veterans Affairs. See endnote 20.

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25. Participants. California Veteran Engagement Summit, hosted by the California Association of Veteran Service Agencies. January 10, 2013. University of Southern California Davidson Conference Room. Los Angeles, CA.

26. Little Hoover Commission advisory committee meeting. March 13, 2013. Sacramento, CA. Also, California Research Bureau. October 2012. "California's Women Veterans Benefit Utilization: Patterns and Identified Needs." Short Subjects fact sheet in the bureau's Women Veterans Series.

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30. California State Auditor. See endnote 29.

31. Secretary Peter Gravett, California Department of Veterans Affairs. April 23, 2013. Written testimony to the Commission.

32. Little Hoover Commission staff visit to Veterans Home of Yountville. April 15, 2013.

33. California Association of County Veterans Service Officers. "CACVSO State Legislative Priorities 2013/2014." On file.

Little Hoover Commission Members

Chairman Jonathan Shapiro *(D-Beverly Hills)* Appointed to the Commission by the Senate Rules Committee in April 2010. Writer and producer for FX, HBO and Warner Brothers. Of counsel to Kirkland & Ellis. Former chief of staff to Lt. Governor Cruz Bustamante, counsel for the law firm of O'Melveny & Myers, federal prosecutor for the U.S. Department of Justice Criminal Division in Washington, D.C., and the Central District of California. Elected Chairman of the Commission in March 2013.

Vice Chairman David A. Schwarz *(R-Beverly Hills)* Appointed to the Commission by Governor Arnold Schwarzenegger in October 2007 and reappointed by Governor Schwarzenegger in December 2010. Partner in the Los Angeles office of Irell & Manella LLP and a member of the firm's litigation workgroup. Former U.S. delegate to the United Nations Human Rights Commission.

Assemblymember Katcho Achadjian (R-San Luis Obispo) Appointed to the Commission by Speaker of the Assembly John Pérez in July 2011. Elected in November 2010 to the 33rd Assembly District and re-elected to the 35th District in November 2012. Represents Arroyo Grande, Atascadero, Grover Beach, Guadalupe, Lompoc, Morrow Bay, Paso Robles, Pismo Beach, San Luis Obispo, Santa Maria and surrounding areas.

Virginia Ellis *(D-Sacramento)* Appointed to the Commission by the Senate Rules Committee in January 2011. Former Sacramento bureau chief for the Los Angeles Times and award-winning political investigative reporter.

Senator Bill Emmerson *(R-Redlands)* Appointed to the Commission by the Senate Rules Committee in February 2013. Elected in June 2010 to represent the 37th Senate District. Re-elected in November 2012 to the 23rd District, representing portions of Los Angeles, Riverside and San Bernardino counties, including Banning, Beaumont, Big Bear Lake, Calimesa, Hemet, Highland, Loma Linda, Menifee, Rancho Cucamonga, Redlands, San Bernardino, San Jacinto and Yucaipa.

Jack Flanigan *(R-Granite Bay)* Appointed to the Commission by Governor Edmund G. Brown, Jr. in April 2012. A member of the Flanigan Law Firm. Co-founded California Strategies, a public affairs consulting firm, in 1997.

Pedro Nava *(D-Santa Barbara)* Appointed to the Commission by Speaker of the Assembly John Pérez in April 2013. Advisor to telecommunications industry on environmental and regulatory issues and to non-profit organizations. Appointed in 2011 to the California Department of Fish & Game Blue Ribbon Commission to assist in the development of the Wildlife Strategic Vision. Former state Assembly member. Former civil litigator, deputy district attorney and member of the state Coastal Commission.

Loren Kaye *(R-Sacramento)* Appointed to the Commission by Governor Arnold Schwarzenegger in March 2006 and reappointed by Governor Schwarzenegger in December 2010. President of the California Foundation for Commerce and Education. Former partner at KP Public Affairs. Served in senior policy positions for Governors Pete Wilson and George Deukmejian, including cabinet secretary to the governor and undersecretary for the California Trade and Commerce Agency.

Tom Quinn *(D-Marina del Rey)* Appointed to the Commission by Governor Edmund G. Brown, Jr. in February 2012. Chairman and CEO of City News Services Inc., managing partner of Sierra Investments, president of Americom Broadcasting and chairman of Reno Media Group.

Assemblymember Anthony Rendon *(D-Lynwood)* Appointed to the Commission by Speaker of the Assembly John Pérez in February 2013. Elected in November 2012 to represent the 63rd Assembly District. Represents Bell, Cudahy, Hawaiian Gardens, Lakewood, Lynwood, Maywood, Paramount and South Gate and the North Long Beach community.

Senator Richard Roth *(D-Riverside)* Appointed to the Commission by the Senate Rules Committee in February 2013. Elected in November 2012 to the 31st Senate District, representing Corona, Coronita, Eastvale, El Cerrito, Highgrove, Home Gardens, Jurupa Valley, March Air Reserve Base, Mead Valley, Moreno Valley, Norco, Perris and Riverside.

Sumi Sousa *(D-San Francisco)* Appointed to the Commission by Speaker of the Assembly John Pérez in April 2013. Officer of policy development for San Francisco Health Plan. Former advisor to Speaker Pérez. Former executive director of the California Health Facilities Financing Authority, special assistant to San Francisco Mayor Willie Brown, Jr., and member of the California Children and Families Commission, the California Health Facilities Financing Authority and the Asian Pacific Youth Leadership Project.

Full biographies available on the Commission's website at www.lhc.ca.gov.

"Democracy itself is a process of change, and satisfaction and complacency are enemies of good government."

Governor Edmund G. "Pat" Brown,
addressing the inaugural meeting of the Little Hoover Commission,
April 24, 1962, Sacramento, California