

COMMITTEES
CHAIR: VETERANS AFFAIRS
ACCOUNTABILITY AND
ADMINISTRATIVE REVIEW
AGRICULTURE
HIGHER EDUCATION
JOBS, ECONOMIC DEVELOPMENT,
AND THE ECONOMY

Assembly California Legislature



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Pedro Nava, Chairman
Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95814

Dear Chairman Nava:

I have read the Little Hoover Commission (Commission) report from August of 2013 (Report) concerning the California Department of Veterans Affairs (CalVet). The Report's says, in pertinent part:

... 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 nonprofit organizations can deliver to help California veterans.

Some progress has been made since the Report. Notable victories include the expansion of the Veterans Homes of California to 8 locations, proactive action by the California State Approving Agency for Veterans to protect student veterans, formation of strike teams to assist the US Department of Veterans Affairs in reducing the claims backlog, and a permanent increase in the annual subvention for County Veteran Service Officers (CVSOs).

Nevertheless, CalVet has continued to be challenged in many areas, including an extremely high degree of turnover in the very leadership team noted by the Commission as critical to progress and the continued lack of a systemic approach. CalVet, since 2010, has had four Secretaries, with the most recent Acting Secretary lasting in that role approximately 6 months before resigning. During that same time there has been turnover in nearly every major Undersecretary and Deputy Secretary position within CalVet and high turnover in the Administrator positions at the Veterans Homes of California statewide. Managing CalVet and its major, statewide multi-million dollar initiatives requires education, training and expertise far beyond cultural competency and military service. Particularly, managing the 8 homes providing veterans with

long term care requires an administrator with significant health care experience. The lack of consistent, dynamic, visionary, skilled and experienced leadership pervades the CalVet organization and is one of its critical challenges.

The Veterans Homes of California has grown its infrastructure and capacity to eight homes. However, CalVet has struggled to treat the Home locations as a networked system and to have its regulatory and leadership structure keep pace with the growth. There is a lack of an articulable vision for the Home as a system and how that system will evolve to meet the shifting demographics of the veteran population. The Homes have been the subject of controversy over the Morale, Welfare, and Recreation funds, abrupt resignation of Home Administrators, failure of the Enterprise Wide Veteran Health Care Information System, empty beds, lack of the requisite kitchen at West Los Angeles, poor "star report" grades, inability to attract sufficient staff, the lack of transparent admissions and waiting list system, and several other issues.

The CalVet Farm and Home Loan program has struggled to remain functional and relevant. The number of loans in the program has at times drifted close to a negligible level for a statewide program and the program has been unable to respond sufficiently quickly to changes in market conditions to make itself attractive. \$500,000,000 of bond authority for the program was repurposed to provide construction financing for multi-family veterans rental housing, not due to the initiative of CalVet, but due to the vision of the former Speaker of the Assembly).

CalVet continues to struggle with a structural issue in terms of its budget. Much of the focus and increased demand from the public and the Legislature to directly serve veterans, connect them to services, assist them in obtaining benefits, etc., falls to the Veterans Services Division. Veterans Services, however, only receives about 25% of CalVet's budget due to the expense of the Homes. The mission of the Homes is extremely important but cost of the Homes is very high and they serve approximately 2,500 of the 1.8 million California veterans. CalVet's plan to increase reimbursements and reduce the shortfall in the operations of the Homes has gone nowhere.

Back in 2013, Commissioner Shapiro's cover letter to Governor Brown and the Legislature concerning the Report concluded with:

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.

California has more than 2 million veterans. The Department of Veterans Affairs ability to assist those who need services is hampered by the lack of leadership, relevant business experience, and vision. I hope that the commission will agree to conduct a new assessment and provide much needed recommendations to guide CalVet toward the standards of excellence our veterans deserve.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Irwin', with a stylized flourish at the end.

JACQUI IRWIN
Assemblymember, 44th District