

MEMBERS:

SENATOR JOSH NEWMAN  
(D-FULLERTON)  
CHAIRMAN  
SENATOR JIM NIELSEN  
(R-TEHAMA)  
VICE-CHAIR

SENATOR BILL DODD  
(D-NAPA)

SENATOR BEN HUESO  
(D-SAN DIEGO)

SENATOR JANET NGUYEN  
(R-GARDEN GROVE)

SENATOR RICHARD ROTH  
(D-RIVERSIDE)

SENATOR SCOTT WILK  
(R-SANTA CLARITA)

California Legislature  
Senate Committee  
on  
Veterans Affairs

JOSH NEWMAN  
CHAIRMAN

STAFF DIRECTOR:  
WADE COOPER TEASDALE

COMMITTEE ASSISTANT:  
CINDY BALDWIN

STATE CAPITOL  
SACRAMENTO, CA 95814-4900  
(916) 651-1503

Annual Report on Oversight Activities for 2017

In 2017, the Senate Committee on Veterans Affairs (VA Committee) engaged in the following oversight activities:

**2017 POLICY PRIORITIES: DEPARTMENT OF VETERANS AFFAIRS**

Background:

The California Department of Veterans Affairs (CalVet) provides services to California veterans and their dependents, and to eligible members of the California National Guard. The principle activities of CalVet include:

- 1) Providing home and farm loans through the Cal-Vet Farm and Home Purchase Program to qualifying veterans using proceeds from the sale of self-liquidating general obligation and revenue bonds; and
- 2) Operating veterans' homes in Yountville, Barstow, Chula Vista, Fresno, Redding, and Greater Los Angeles, Lancaster, and Ventura County with several levels of medical rehabilitation services, as well as residential services;
- 3) Operating California State Veterans Cemetery Program in compliance with the USDVA National Cemetery Administration, with locations in Igo and Yountville and soon in Monterey.
- 4) CalVet, the Department of Housing and Community Development, and CalHFA are partners in a new voter-approved program (Proposition 41, 2014) to provide multifamily housing for veterans. (Veterans Housing and Homelessness Prevention Act/VHHP)
- 5) Subventions to county veterans service officers, direct educational assistance to qualifying dependents, and assisting eligible veterans and their dependents to obtain federal and state benefits by providing claims representation on both initial claim and appeals before the Board of Veteran Appeals.

- 6) CSAAVE (The California State Approving Authority for Veteran Education) oversees the certification of educational programs that are eligible for the federal GI Bill Education Benefits, including the Montgomery GI Bill and the Post 9-11 GI Bill.
- 7) The Disabled Veterans Business Enterprise (DVBE) program requires all state governmental entities that award contracts for goods and services to expend not less than three percent of the value of all their contracts on firms owned by certified disabled veterans. The Department of General Services (DGS) serves as central administering agency for the statewide program, but CalVet is home to the DVBE Council, an advisory body consisting of DVBE business owners and others involved in state procurement legislation and administration.

CalVet Strategic Goals (per most recent CalVet Strategic Plan\*)

- 1) Increase accessibility and utilization of benefits/services through advocacy and education.
- 2) Provide highest quality CalVet-sponsored care and services to Veterans and their families.
- 3) Make CalVet an employer of choice by investing in the development of our employees.
- 4) Provide premier long-term care with fiscal efficiencies.

\*Per current CalVet Strategic Plan – FY 2013/14 – 2015/16

2017 Oversight Activities:

On March 21, 2017, the Senate VA Committee partnered with the Assembly VA Committee to conduct a joint oversight hearing in the State Capitol regarding CalVet and its major program achievements and challenges. The Committee received testimony from CalVet Secretary Vito Imbasciani, Deputy Secretary Coby Petersen (Veterans Homes), Deputy Secretary Keith Boylan (Veterans Services), and Deputy Secretary Theresa Gunn (Home Loans/VHHP).

The hearing video may be watched at the Committee’s web site (<http://svet.senate.ca.gov>) by selecting “2017-2018 Hearings” from the pull-down menu titled “Oversight/Informational.”

Below are the immediate past and current data for CalVet’s personnel positions and expenditures by program area:

	<u>Positions</u>			<u>Expenditures**</u>		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
<b>Farm &amp; Home Loans</b>	103.8	94.1	94.1	\$56,861	\$64,028	\$63,999
<b>Veterans Claims/Rights</b>	75.3	69.0	69.0	17,139	19,584	17,716
<b>Care: Sick &amp; Disabled</b>	2,291.7	2,286.9	2,834.9	313,681	383,021	365,872
<b>Veterans Memorials</b>	-	-	-	222	1	1
<b>Administration</b>	201.4	198.1	198.1	30,384	41,737	33,642
<b>TOTALS</b>	<b>2,672.2</b>	<b>3,188.1</b>	<b>3,196.1</b>	<b>\$387,903</b>	<b>\$466,634</b>	<b>\$447,588</b>

\*\*Per 2017-18 Governor’s Budget (1/10/2017)

## **CHALLENGES FACING CALIFORNIA VETERANS DURING THE TRANSITION BACK TO CIVILIAN LIFE**

### **Background:**

California is home to more than 1.8 million military veterans, approximately 11% of the national total. During the recent downsizing of the active force, approximately 30,000 separating troops have been returning to California annually.

California's veterans deviate from national trends by being more racially and ethnically diverse. For example, 17 percent of California veterans identify as Hispanic or Latino, compared to only seven percent nationally. California also is home to roughly one-third of the nation's Asian-American veterans, who make up six percent of California's veteran population – compared to one percent of the veteran population nationwide.

Historically, veterans have always faced transitional challenges after returning from service and continue to be disproportionately represented among the homeless and unemployed. In addition to the complex set of factors influencing homelessness; extreme shortage of affordable housing, livable income and access to health care; a significant number of displaced and at-risk veterans live with the effects of post-traumatic stress disorder (PTSD), traumatic brain injury (TBI), and substance abuse. Compounding these issues is often times a lack of family and social support networks. Additionally, transferring military experience, education, and training to the civilian workforce can be difficult, placing some veterans at a disadvantage when competing for employment. With the growing diversity among service members, additional challenges arise in the effective delivery of service and support to this changing demographic, including services to minorities, female and LGBT veterans.

Numerous studies indicate that for a significant percentage of veterans, the transition from military service to civilian life – even during peacetime – has always presented challenges. One major study of 1,853 veterans found that nearly 30 percent said that the transition was difficult for them – a proportion that swells to 44 percent among veterans who have served since the Sept. 11, 2001, terrorist attacks.

### **2017 Oversight Activities:**

On March 14, 2017, the Senate VA Committee conducted an informational hearing on the challenges facing veterans during the transition back to civilian life. Various governmental and nonprofit entities have determined that veterans, especially those recently separated, face adjustment challenges in four major areas of post-military life: education, employment, health, and housing. The degrees to which a separated veteran successfully advances in each of those areas serve as key analytical markers for the veteran's overall success in reintegrating into civilian life. Two other helpful metrics include measuring how well the veteran mutually engages with his or her surrounding community and the strength and positivity of the veteran's connectedness to his or her family, along with the well-being of the veteran's family members.

The hearing agenda was structured to examine these markers, and testimony was taken from the following subject matter experts:

- 1) Health: Carl Castro, PhD (psychologist, Director of the Center for Innovation and Research on Veteran and Military Families, Department of Social Work, University of Southern California)
- 2) Employment: Hazel R. Atuel, PhD
- 3) Housing: Stephen Peck, MSW
- 4) Community Engagement: Nathan Graeser, PhD
- 5) Family Connectedness and Well-Being: Gregory A. Leskin, PhD, and Ron Avi Astor, PhD
- 6) CalVet goals, achievements and challenges in these areas: Keith Boylan, Deputy Secretary for Veterans Services

The hearing video may be watched at the Committee's web site (<http://svet.senate.ca.gov>) by selecting "2017-2018 Hearings" from the pull-down menu titled "Oversight/Informational."

## **BEST PRACTICES IN JOB PLACEMENT FOR VETERANS AND NATIONAL GUARD MEMBERS**

### **Background:**

According to the California Department of Veterans Affairs (CalVet), California is home to more than 1.8 million veterans—representing roughly nine percent of the veteran population nationwide. Further, CalVet estimates approximately 30,000 veterans will return to California each year for the next few years. These veterans generally will be in the younger age groups, which have recently experienced the highest levels of unemployment. Moreover, according to the U.S. Equal Employment Commission, 25 percent of recent veterans have service-connected disabilities, compared to about 13 percent of all veterans, which could pose additional challenges for them in finding work.

Veterans fare slightly better with regard to unemployment than nonveterans, with some exceptions. An analysis of American Community Survey data showed that the national unemployment rate among veterans during 2015 was 6.3 percent, compared to 7.3 percent for the overall population. However, the unemployment rate among veterans aged 18-24 was 18.6 percent compared to 14.4 percent overall, and the unemployment rate for veterans aged 25 to 34 was 8.5 percent, compared to 6.9 percent overall in the same age group.

The Employment Development Department (EDD) is California's designated state workforce agency. The EDD provides a comprehensive range of employment and training services in partnership with Local Workforce Development Boards (Local Boards) and other public and private entities through America's Job Center of California locations throughout California.

The EDD administers several federal employment and training programs that serve veterans, including the Workforce Innovation and Opportunity Act, Wagner-Peyser Act, and Jobs for Veterans State Grant.

Unemployment and underemployment are among the most critical issues facing currently serving National Guard and reserve members, and their families. Personnel returning from deployments face a particularly high unemployment rate. The California National Guard (CNG) was the first in the nation to implement a National Guard Employment Initiative, Work for Warriors (W4W) to address unemployment within its ranks. The organization leverages existing resources in the public and private sectors and utilizes the military chain of command to link returning Guard members with employers who have stepped forward and expressed a desire to hire serving veterans. This pilot program, initially established with support from the Assembly Speaker's Office, has helped reduce the rate of unemployment within the California Guard. The W4W program uses a direct placement model, which walks service members through each step of the hiring process, includes resume preparation, and interviews.

In addition, numerous nonprofit organizations manage a wide variety of job training and placement programs.

#### 2017 Oversight Activities:

On May 12, 2017, the Senate VA Committee and Senate Budget Subcommittee No. 4 jointly conducted an oversight hearing in the city council chamber, City of Brea, which reviewed best practices and challenges in the CNG's W4W Program and veteran job placement programs. Testimony was taken from:

- 1) Major General Matt Beevers, Deputy Adjutant General, California National Guard
- 2) Major Chris Mitchell, Program Director, Work for Warriors, California Military Department
- 3) Two local (Southern California) business partners served by W4W
- 4) Mary Ann Profeta, Vice President, Career Success Institute/VetNet Working Wardrobes
- 5) Chase Wickersham, Director, Tierney Center for Veteran Services, Goodwill of Orange County

The hearing video may be watched at the Committee's web site (<http://svet.senate.ca.gov>) by selecting "2017-2018 Hearings" from the pull-down menu titled "Oversight/Informational." This hearing addresses the above employment-related topic for approximately 1 hour, 30 minutes, and then switches to a different veteran-related topic.

## VETERANS TREATMENT COURTS

### Background:

California law authorizes counties to establish collaborative justice courts, including drug and mental health courts. These “problem-solving” justice courts address the cases of nonviolent offenders by combining judicial monitoring with intensive treatment services over approximately 18 months. These court-administered programs are funded through realignment moneys.

Military veterans comprise a significantly sized subset of the nonviolent offender population. Caught up in the maelstrom of serious mental illness, addiction and co-occurring disorders, they run afoul of the law and find themselves seriously entangled in the criminal justice system.

Oftentimes, the root causes of many veterans’ underlying problems result directly from the military service they performed on behalf of our nation. Research has shown that traditional services do not always adequately meet the needs of veterans; indeed, veterans generally respond more positively to rehabilitative efforts that affirm their veteran status and provide veteran peer-based camaraderie and expectations.

In addition, many veterans are entitled to medical and related treatment through the United States Department of Veterans’ Administration’s (USDVA). VTCs help connect them to the benefits.

During the last decade, this emerging recognition of the particular challenges and opportunities for dealing with nonviolent veteran offenders led to creation of the veterans treatment court (VTC), a hybrid drug and mental health court that uses the drug court model. The VTC offers veterans of the United States Armed Forces a comprehensive, treatment-based alternative to incarceration for non-violent criminal offenses. Since 2008, more than 200 VTCs have opened across the nation with 25 such courts operating in 20 California counties (as of May 2017).

The VTC combines rigorous treatment and accountability for veterans facing incarceration due to charges stemming from substance abuse and/or mental health issues. They promote sobriety, recovery and stability through a coordinated response and the understanding that the bonds of military service and combat run deep.

Veterans treatment courts not only allow veterans to go through the process with other veterans, who are similarly situated and have common past experiences, but also link them with services uniquely designed for the distinct needs that arise from that military experience. The approach requires a coordinated response involving collaboration among the traditional county and nonprofit partners found in typical drug and mental health courts, the USDVA’s health care and benefits agencies, the California Department of Veterans Affairs (CalVet), county veterans service officers (CVSOs), and, in some programs, volunteer veteran mentors and veterans’ family support organizations.

On March 3, 2015, the Senate VA Committee conducted a comprehensive oversight hearing on VTCs at the State Capitol.

### 2017 Oversight Activities:

On May 12, 2017, the Senate VA Committee and Senate Budget Subcommittee No. 4 jointly conducted an oversight hearing in the city council chamber, City of Brea, which reviewed California's VTCs, focusing on emerging best practices and identified program barriers. The Committee received testimony from the following:

- 1) The Hon. Mary Kreber Varipapa, Presiding Judge, Orange County VTC
- 2) The Hon. Mark A. Mandio, Presiding Judge, Riverside County VTC)
- 3) Deborah Lucky, Supervising Deputy District Attorney, Riverside County VTC
- 4) The Hon. Nathan Fletcher (Former member California State Assembly, and Founder, Three Wise Men Veterans Foundation)
- 5) Duncan MacVicar, California Veterans Legal Task Force.

The hearing video may be watched at the Committee's web site (<http://svet.senate.ca.gov>) by selecting "2017-2018 Hearings" from the pull-down menu titled "Oversight/Informational." Because the first half of this hearing dealt with a different topic, the VTC portion begins at the 1:24:50 time marker.

### **CALIFORNIA NATIONAL GUARD: FEDERAL BONUS RECOUPMENT AND OTHER CURRENT GUARD PROGRAM INITIATIVES**

#### Background:

Bonuses. From 2005-2010 the Department of the Army was urgently trying to recruit and retain enough troops to fight two wars simultaneously. To increase Soldier retention, the Army funded a number of very generous bonus programs. These programs were implemented far too quickly, without the appropriate institutional checks and balances. This, along with extreme pressure put on recruiters to meet high enlistment and reenlistment quotas resulted in thousands of Soldiers receiving bonuses that they were not entitled to. Though a small number of Soldiers took bonus money knowing that they were committing fraud, a vast majority acted on good faith resulting from bad information from recruiters and others in positions of authority.

A whistleblower from within the CNG exposed fraud within the California National Guard bonus program in 2011. Those in charge of managing the bonus programs were swiftly punished. The non-commissioned officer managing the bonus program was sentenced to 30 months in federal prison; a Brigadier General and two Colonels were also punished and separated from the U.S. Armed Forces. Additionally, nearly 100 Soldiers were formally disciplined for misconduct.

As a result of the whistleblower's actions, the Army and the United States National Guard Bureau directed the CNG to audit more than 30,000 bonus and student loan repayment records. Of the 14,000 Soldiers whose records were audited, 9,700 were found to have improperly received bonuses or student loan repayments (or both).

At the same time the audits were being conducted, the Military Department created the Soldier Incentive and Assistance Center (SIAC) <http://www.calguard.ca.gov/G1/Pages/Incentives-Task-Force.aspx>. The SIAC serves as an advocate for affected soldiers who acted in good faith. The SAIC offers legal and administrative support that has, to date, allowed 4,000 Soldiers to apply to the Army and have their debt forgiven; resulting in \$37 million that was not recouped by the federal government.

The California National Guard, a state agency, cannot waive the debts, as that authority rests at the federal level. Three years ago, however, California Military Department requested federal legislation that would allow the Department of Defense to forgive these debts in a much more efficient and effective way than the current system which examines each case individually and takes a year to complete. The current operative National Defense Authorization Act, enacted in December 2016, provides such authority. The NDAA requires a review of all cases of recoupment between 2004 and 2015. It also shifts the burden of proof to the Pentagon to show soldiers "knew or reasonably should have known" they were ineligible for the benefit. Ultimately, only a handful of soldiers were found to be negligent in receiving a bonus, the other 17,000 never had a debt established or were forgiven of debt or received their money back.

#### 2017 Oversight Activities:

On March 27, 2017, the Senate VA and Assembly Veterans Affairs Committees jointly conducted an oversight hearing at the State Capitol to review several issues pertaining to the California National Guard and its parent state agency California Military Department. The issues examined included:

- 1) Federal and state progress on recoupment of the National Guard bonuses.
- 2) Sustainable Armory Renovation Program.
- 3) Cyber Network Defense Team
- 4) Youth Challenge Program
- 5) Safety-related support operations re the Oroville Dam
- 6) Behavioral Health Corps

All testimony was provided by Major General Matt Beevers, Deputy Adjutant General, California National Guard, who appeared on behalf of Major General David Baldwin, the Adjutant General of California, who was traveling abroad on military business.

The hearing video may be watched at the Committee's web site (<http://svet.senate.ca.gov>) by selecting "2017-2018 Hearings" from the pull-down menu titled "Oversight/Informational."