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The Policy-Making Role of the California Veterans Board - Background Paper

Senate Committee on Veterans Affairs

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CALIFORNIA LEGISLATURE
SENATE COMMITTEE ON VETERANS AFFAIRS
SENATOR WADIE P. DEDDEH, CHAIRMAN

Interim Hearing on
**THE POLICY-MAKING ROLE
OF THE CALIFORNIA VETERANS BOARD**
BACKGROUND PAPER

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City Council Chamber
Chula Vista, California
October 24, 1989

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THE POLICY-MAKING ROLE OF THE CALIFORNIA VETERANS BOARD

Background paper

Senate Committee on Veterans Affairs

Senator Wadie P. Deddeh, Chairman

Interim Hearing

October 24, 1989

9:00 a.m. - 12 noon

City Council Chamber
Chula Vista, California

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"There shall be in the Department of Veterans Affairs the California Veterans Board."

Section 64, Military and Veterans Code

"The California Veterans Board shall determine the policies for all operations of the department."

Section 72, Military and Veterans Code

"The Director of Veterans Affairs is head of the department and, as head of the department and subject to the policies adopted by the board, shall perform all duties, exercise all powers and jurisdiction, assume and discharge all responsibilities and carry out and effect all provisions now or hereafter vested by law in the department."

Section 78, Military and Veterans Code

"It's incongruous how a board within the department can tell me what to do and see that it's done."

Director Jesse G. Ugalde

Interview, August 8, 1989

* * *

Chapter 2 of the Military and Veterans Code spells out the duties and powers of both the California Veterans Board, whose seven members are appointed by the Governor, and of the administration of the Department of Veterans Affairs, whose Director also is appointed by the Governor. In examining the role of the Veterans Board, Jesse G. Ugalde, Department Director, interprets the "in the Department" description of Section 64 to mean that the Board lies under his jurisdiction in some manner.

He expresses the view that all policy is rightly established by the Governor, not the Board.

The conflict becomes apparent upon examining a questionnaire filled out by Rosalee Adams, executive officer to the California Veterans Board, in response to a survey by the Little Hoover Commission of all State boards, commissions, and authorities.

On that questionnaire, Ms. Adams noted: "The Board determines policy for all operations of the Department of Veterans Affairs and is final level of administrative appeal for veterans who disagree with administration decisions of Department regarding benefits." In addition, she responded: "Board role in determining policy for DVA and hearing appeals constitutes its main business on annual basis."

Thus the conflict: State law establishes the California Veterans Board as a policy-making body. The Board perceives itself as carrying out that role. The Department feels little or no obligation to act in accordance with policies established by the Board.

HISTORY

The dispute between the Board and Department over the board's policy-making role is not new. In 1972 Assemblyman Mike Cullen requested an opinion from Legislative Counsel on, among other items, 1) the policy-making power of the Board, 2) any recourse available to the Board if the Director fails to carry out a board policy directive, and 3) any recourse available to the Director to challenge Board policy directives. (See Appendix A)

At that time, Legislative Counsel concluded: "We think that it is clear that under Section 72, the California Veterans Board is required to determine policies for all operations of the Department. We also think that it is clear from the provisions of Section 78 that in carrying out his duties the Director of

Veterans Affairs is subject to the policies adopted by the Board."

In that opinion, Legislative Counsel spelled out legal avenues open to both the Board, to require that policy be carried out, and to the Director, to challenge policy. The suggested methods would require court action.

In 1984, Senator Alfred E. Alquist sought a Legislative Counsel opinion on 1) whether the Board can set its own budget and 2) whether the Board is required to determine policy for the Department. (See Appendix B)

At that time, Legislative Counsel determined the Board may not set its own budget, but that it is required to set Department policy.

In 1986, the Veterans of Foreign Wars sponsored SB 1718 (Dills) to address some of these same issues. With SB 1718, the VFW hoped to give the Board a meaningful policy and oversight role by changing the composition of the Board and giving the Board specific powers, including the authority to establish its own budget. (See Appendix C)

Under the terms of SB 1718, the Governor would continue to appoint five members of the Board, but one each would be appointed by the Senate Rules Committee and by the Speaker of the Assembly. The Governor would continue to appoint the Department Director.

The bill was opposed by the Department and ultimately failed passage in Assembly Ways and Means and held for interim study.

However, Director Ugalde and Board Chairman Leo Burke agree that more recently the situation has improved. Ugalde said the Board and Department "work smoothly today." He credited the fact that he and the Board chairman look for "points of concurrence rather than points of differences."

Chairman Burke described the situation as "better" in recent months. He cited as an example the Director's recent request for

Board involvement in developing policy regarding a geriatric study at Yountville.

Burke said, however, there has been no history of the board serving in a policy-making role, which has been an ongoing source of controversy that has not been completely resolved.

THE BOARD AT WORK

The Veterans Board meets 12 times a year on a Friday, with five of those meetings in Sacramento, one at the Veterans Home in Yountville and the other six meetings elsewhere in the state. The meetings are generally less than two hours in length.

An examination of minutes for meetings over a twelve-month period (June 1988 through May 1989) showed that more time is devoted to departmental reports than to policy-making activities. A typical agenda included Department reports from the administrator of the California Veterans Home at Yountville, the Division Manager of Veteran Services, the Department's Legislative Liaison, the Chief Attorney, the Division Manager of Farm and Loan, and the Director.

These reports fall in line with Section 84 of the Military and Veterans Code:

The director may whenever he deems it advisable and shall when required so to do by the board present reports and recommendations to the board concerning any matter relating to veterans' welfare whether or not provided by existing law."

Meetings also included reports from Board committees and activity reports by individual members. Individual Board members, as part of their board function, meet each month with various veterans organizations, at both the state and local level.

In addition, during the twelve months, appeals of denial of Cal-Vet loans were scheduled for seven meetings. Of the eleven appeals heard, three were granted, seven were denied, and one was dismissed. Two other appeals were scheduled for hearing in December; one was withdrawn and the other was settled.

During the twelve months reviewed, the Board, acting in areas that fall under its policy manual:

--In August, approved revisions to the Post Fund budget for the California Veterans Home at Yountville; heard suggested revisions to Board Policy A-16, regarding mileage reimbursement and submission of hotel receipts by the board; and accepted revisions to Policy E-1, relating to travel and administrative functions of the Board's Ex-POW Advisory Committee.

--In September, adopted a meeting schedule for 1989 and set interest rates on Cal-Vet loans.

--In October, heard second reading and adopted revisions to Policy E-1.

--In January, agreed that appointments to the Ex-POW Advisory Committee would be for three-year terms.

--In May, postponed review of the Post Fund budget pending review by State Controller of new IRS regulations.

During the discussion of pending legislation at its monthly meetings, the Board often adopted support or opposition positions, in some cases differing from the official stance taken by the Department and the Governor.

This disagreement over legislation is not unusual. Board members strongly supported Senator Dills' SB 1718 in 1986, while the Department worked for its ultimate defeat. The differing legislative stances have exacerbated the conflicts between the two agencies since both are seen as expressing the Administration's views. Yet the Department's official position is taken only after consultation with the Governor's office while the Board acts independently.

BOARD POLICY MANUAL

The Board, acting in accordance with its policy-making charge, has adopted a 66-page Policy Book, which is updated regularly. (See Appendix D) The book covers five areas: General Policy, Farm and Home Purchases Division, Veterans Home, Veterans Services, and Resolutions. Specific policies address such issues as Department budget, appeals to the Board, contracts by the Department, interest rates on veterans' purchase contracts, order of admissions (at Veterans Home), and POW Advisory Committee.

Director Ugalde questions whether many of the policies are merely procedural guidelines for the board's operations, not policy in the broadest meaning of the word. Webster's New World Dictionary defines policy as "a principle, plan, or course of action, as pursued by a government, organization, individual, etc."

The Department admittedly fails to adhere to many of the policies adopted by the Board; however, the reasons vary for failing to follow the adopted policy.

Let's examine several specific policies and the Department's response to each:

Policy A-1(a) calls for a first draft of the Department's budget to be presented to the Board for review and and requires further review and approval by the Board before the budget is "presented to any other governmental agency." Director Ugalde counters that the budget is "not in the public domain until the Governor approves it. Otherwise, it is a working paper not available to the public." For this reason, he said, the budget is not presented at a public meeting. He said he keeps the Board "informed" about the budget, but stressed there is a "difference between informed and presented."

Policy A-5 refers to appeals of "any decision made by a division of the Department of Veterans Affairs," which most typically deal with appeals of Cal-Vet loan denials or denials of admission to the Veterans Home at Yountville. In at least two cases in recent years, the Board has upheld appeals on denial of Cal-Vet loans, but the loans were never granted by the Department. Director Ugalde said that in cases where the Department did not carry out the board's wishes, the Department felt the Board action disregarded legal requirements. He expressed the opinion that the Department is not responsible for carrying out Board decisions that go against the law.

Policy A-12 includes a requirement that support data for agenda items be submitted to the Board's executive officer five days before meetings. The Director makes the point that the policy is an administrative procedure, not a policy. He said when the Department misses such deadlines, he talks to the Board Chairman and explains why.

Policy B-6 calls for presentation to the Board for "its prior review and consideration all RFPs (Requests for Proposals) where the anticipated contract amount is in excess of \$50,000." Director Ugalde terms this policy "impractical." He said all RFPs go to the Department of General Services. "The Board isn't manned or qualified to examine RFPs."

Policy B-10 calls for the Board to establish interest rates for the Veterans Farm and Home Building Fund (Cal-Vet) loans. Director Ugalde said the Board merely ratifies the Department's recommendation since it "would take two days to brief the Board" on the financial and cash flow analyses made by Department staff and consultants to arrive at the recommended loan rate.

As these few examples clearly show, the Board, through the years, has adopted policies on a broad range of topics which it believes fall within its purview. The Department has not recognized the Board's authority in many of these areas.

Existing statutes make no provision to accommodate the differing viewpoints on who should be determining Department policy.

HOW OTHER STATE BOARDS FUNCTION

The Veterans Board has one full-time employee and works under a \$121,000 annual budget. For comparison purposes, we looked at the State Park and Recreation Commission, with 2.1 employees and a \$119,190 budget, and the State Fish and Game Commission, with six employees and a \$319,106 budget.

The State Park and Recreation Commission is created by Section 530 of the Public Resources Code. Section 530 states: "There is in the department (Parks and Recreation Department) the State Park and Recreation Commission consisting of nine members appointed by the Governor, subject to confirmation by the Senate."

As the Veterans Board is "in" the Department of Veterans Affairs, so the Park and Recreation Commission is "in" the Department of Parks and Recreation. A key difference, however, is that the Department director also serves as the Commission secretary. (Section 534.5) Ten percent of his salary is charged against the commission's budget.

Section 539 calls for the commission to "establish general policies for the guidance of the director in the administration, protection, and development of the state park system." Section 540 directs the commission to "cause to be studied...the whole problem of recreation of the people of the State of California." Also, Section 540(b): "The commission shall formulate, in cooperation with other state agencies, interested organizations and citizens, and shall recommend to the director, for adoption by him, a comprehensive recreational policy for the State of California."

The commission has adopted a 33-page policy manual that covers such matters as naming units of the State Park System, regulating off-road vehicles in state parks, awarding concession contracts in state parks, establishing and collecting entry fees, and leasing grazing land in state parks. (See Appendix E) The policies are all broad in nature and do not relate to procedural matters of the commission itself.

The Fish and Game Commission is established by Article IV, Section 20, of the State Constitution and by statute. Section 101 of the Fish and Game Code provides: "There is in the Resources Agency the Fish and Game Commission created by Section 20 of Article IV of the Constitution."

Again, the Commission is "in" the Department. Like the Veterans Board, the Fish and Game Commission has an independent staff. Section 104: "The commission may employ a secretary, but neither the commission nor such secretary shall have or be given any powers in relation to the administration of the department."

The Commission is the policy-making body for the Department. Section 703: "General policies for the conduct of the department shall be formulated by the commission. The director shall be guided by such policies and is responsible to the commission for administration of the department in accordance therewith."

In addition, Section 200 gives the commission broad powers to "regulate the taking or possession of birds, mammals, fish, amphibia, and reptiles." The code spells out the scope of those powers and details which meetings will be devoted to specific regulatory areas, for example October and December meetings are devoted to determining regulations relating to fish, amphibia, and reptiles. The commission establishes hunting, sportfishing and trapping seasons.

The relationship between the Fish and Game Commission and Department has not been without conflict. Earlier this year the Little Hoover Commission held two public hearings on the subject.

Harold C. Cribbs, executive secretary of the commission, testified at the hearing May 15 in Los Angeles, "The commission annually reviews its policies with the Department, and we believe that it is carrying out our policies consistent with available manpower and funding allocations."

However, the hearing pointed out a potential problem, the same as exists between the Veterans Board and Department of Veterans Affairs: the inability to ensure that policy is carried out. "So," summarized Little Hoover Commission Vice Chairman Haig Mardikian, "the Commission sets the policies for a director that is not directly answerable to the Commission."

The hearing included extended dialogue on the Commission staff's monitoring of the Department and the informal procedure for making certain policy is carried out.

MEMBER BARBARA C. STONE: What do you do if, by the way, you're quite sure the Department is not enforcing the low-level policy the way you guys intended it?

CRIBBS: As I indicated, my first response to that would be to go to the division chief and I would talk with the division chief and point out that there is an inconsistency. Generally, at that level, it's corrected. If it's not, then I go to the deputy director and chat with the deputy director on the issue. If it's not resolved there, then I chat with the director, and if the director and I don't resolve it, then we have a Commission policy that says that the Commission and the director will have a chat. So, it does get dealt with."

It was clear from the testimony that no specific procedure exists for the Commission to make certain its policies are being carried out.

As relates to budgeting, the Fish and Game Commission reviews the Department's budget, but plays no role in its actual preparation.

The Little Hoover Commission hearing revealed the public's perception that the Commission rubberstamps the Department's recommendations. This derives, at least in part, from the size of the Commission staff (6) in relation to the size of the department it monitors (1,568). It should be noted the Veterans Board has one full-time employee; the Department, approximately 1,240 employees.

What do the experiences of these two commissions have to tell us about the California Veterans Board?

1) The statutory language establishing the Board "in" the Department of Veterans Affairs was not meant to imply that the Department Director has jurisdiction over the Board since similar language is used routinely in establishing boards which are intended to be policy-making bodies.

2) Conflict is inherent when the Board, as an independent policy-making body, has no method of enforcing its policies by a department, especially when the board members and department are appointed by the Governor.

3) An overlap of staff, as in the case of the Park and Recreation, may reduce the potential for conflict.

4) Conflict may not be as apparent or open when boards and commissions have other clear-cut duties, such as the specific regulatory powers given the Fish and Game Commission or the more clearly defined policy-making duties of the Park and Recreation Commission.

QUESTIONS THAT SHOULD BE ADDRESSED

The Little Hoover Commission, in its July 18, 1989, report on State boards and commissions, concluded:

"Without a comprehensive review of the state's critical policy areas and the current systems and organizations in place to address those areas, the state cannot be assured that the most effective and efficient systems are currently being used."

With that in mind, key questions should be answered regarding the California Veterans Board:

- 1) Should the California Veterans Board exist?
- 2) If so, should it exist in an advisory or policy-making capacity?
- 3) If advisory, advisory to whom? The Governor? The Legislature? The Director of the Department? Should the Board's staff then continue to be independent of the Department?
- 4) If policy-making, what policies should come under its jurisdiction?
 - a) Budget: Draft, review, evaluate, recommend?
 - b) Director: Hire, recommend, interview?
- 5) Should the Board, not the Department, serve as the veterans' advocate, analyzing bills as they impact veterans; taking strong positions on legislation; actively lobbying?
- 6) Should the Board take a stronger role vis-a-vis the Veterans Home in Yountville and play a role in planning the second veterans home in Southern California?
- 7) Should the Board have the statutory power to make certain its policies are carried out by the Department?
- 8) What legislation should be considered in these areas?

These are questions that should be addressed at the interim hearing on October 24.

SOURCES

Interview with Jesse G. Ugalde, Director, Department of Veterans Affairs, July 8, 1989

Interview with Rosalee Adams, Executive Assistant, California Veterans Board, July 2, 1989

Telephone interview with Leo Burke, Chairman, California Veterans Board, July 9, 1989

Telephone interview with Edwin Munis, State Legislative Advocate, Veterans of Foreign Wars, July 10, 1989

Transcript, Little Hoover Commission Public Hearing on California's Department of Fish and Game, May 15, 1989, Los Angeles

Little Hoover Commission Study on Boards, Commissions, and Authorities, July 18, 1989

Organization Questionnaires (Background documents for Little Hoover Commission Study on Boards, Commissions, and Authorities) by California Veterans Board, Fish and Game Commission, Park and Recreation Commission, and others

Minutes of California Veterans Board, June 1988 - May 1989

APPENDIX A

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Legislative Counsel of California

GEORGE H. MURPHY

Sacramento, California
November 8, 1972

Honorable Mike Cullen
444 West Ocean Boulevard
Long Beach, California 90802

Department of Veterans
Affairs - #17625

Dear Mr. Cullen:

QUESTION NO. 1

What is the extent of the policymaking power of
the California Veterans Board?

OPINION AND ANALYSIS NO. 1

The Department of Veterans Affairs is headed by
a civil executive officer designated as the Director of Veterans
Affairs (Secs. 63 and 74, M. & V.C.). Within the department
there is a California Veterans Board composed of seven members
appointed by the Governor subject to the confirmation of
the Senate (Secs. 64 and 65, M. & V.C.).

The general function of the board is described
in Section 72 of the Military and Veterans Code, which reads
as follows:

"72. The California Veterans Board
shall determine the policies for all opera-
tions of the department." (Emphasis added.)

GERALD ROSS ADAMS
DAVID D. ALVES
MARTIN L. ANDERSON
CARL M. ARNOLD
CHARLES C. ASBILL
JAMES L. ASHFORD
JERRY L. BASSETT
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HARVEY J. FOSTER
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JAMES W. HEINZER
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BRIAN L. WALKUP
THOMAS D. WHELAN
DAVID E. WHITTINGTON
JIMMIE WING
CHRISTOPHER ZIRKLE
DEPUTIES

The function of the director is indicated generally by Section 78 of the Military and Veterans Code, which reads:

"78. The Director of Veterans Affairs is head of the department and, as head of the department and subject to the policies adopted by the board, shall perform all duties, exercise all powers and jurisdiction, assume and discharge all responsibilities and carry out and effect all provisions now or hereafter vested by law in the department."
(Emphasis added.)

The term "shall" as used in the Military and Veterans Code is mandatory (Sec. 14, M. & V.C.). Thus, we think that it is clear that under Section 72, the California Veterans Board is required to determine policies for all operations of the department. We also think that it is clear from the provisions of Section 78 that in carrying out his duties the Director of Veterans Affairs is subject to the policies adopted by the board.

There is no case which has interpreted what constitutes policymaking by the board as opposed to administration by the director. However, in Lockheed Aircraft Corp. v. Superior Court, 28 Cal. 2d 481, in construing Section 1101 of the Labor Code, which prohibits an employer from making certain policies, the court described the word "policy" as "a settled or definite course or method adopted and followed by a government, institution, body, or individual" (at pp. 485-486). With respect to administration, the court has stated that acts "which are to be deemed as acts of administration, and classed among those governmental powers properly assigned to the executive department, are those which are necessary to be done to carry out legislative policies and purposes already declared by the legislative body, or such as are devolved upon it by the organic law of its existence" (McLevitt v. City of Sacramento, 55 Cal. App. 117, 124; see also O'Loane v. O'Rourke, 231 Cal. App. 2d 774, 784).

~~Viewed in this manner, it is our opinion that the board is to establish the course or methods to be employed by the department and the director is to be subject to these decisions in carrying out his duties. The line between these two areas of responsibility will not always be precisely defined. The resolution of any conflict between the two will depend on all the facts and circumstances for a solution.~~

~~The policies formulated by the board must in any event be reasonable and further the objects of the laws being administered, and it may not alter or enlarge these laws in any way (see Hodge v. McCall, 185 Cal. 330, 334, Whitcomb Hotel, Inc. v. California Employment Commission, 24 Cal. 2d 753, 757).~~

QUESTION NO. 2

~~What recourse is available to the California Veterans Board if the Director of Veterans Affairs fails to carry out a policy directive of the board?~~

OPINION AND ANALYSIS NO. 2

Since a public officer is impliedly bound to exercise the powers conferred on him (see Noble v. City of Palo Alto, 89 Cal. App. 47, 51), it is our opinion that where the director fails to carry out a policy directive of the board that the board was legally authorized to issue (see Sec. 72, M. & V.C.), ~~the board may institute a mandamus proceeding in a court of law to compel the director to carry out the directive~~ (see Secs. 1085 and 1094.5, C.C.P.; Sec. 11523, Gov. C.; Board of Social Welfare v. County of Los Angeles, 27 Cal. 2d 98, 100-101, and People ex rel. Younger v. County of El Dorado, 5 Cal. 3d 480, 491). ~~We think that in such a case the court could issue a writ of mandate compelling the director to act pursuant to the writ, unless the director was vested with discretion by the directive (see Spear v. Board of Medical Examiners, 146 Cal. App. 2d 207, 212-213, and People ex rel. Younger v. County of El Dorado, supra).~~

QUESTION NO. 3

~~What recourse is available to the Director of Veterans Affairs to challenge a policy directive of the California Veterans Board?~~

OPINION AND ANALYSIS NO. 3

If the director believes that a policy directive of the board has no basis in law, is unreasonable, or attempts to alter or enlarge the law being administered (see Hodge v. McCall and Whitcomb Hotel, Inc., supra), ~~we think that the director could institute a proceeding in a court of law for an injunction to challenge the enforcement or validity of the directive (see Sec. 525, et seq., C.C.P., and Challenge Cream & Butter Assn. v. Parker, 23 Cal. 2d 137).~~

~~If the director is of the same belief, we are of the opinion that he might, as an alternative, institute a proceeding for a writ of mandate to require the board to act in accordance with law (Secs. 1085 and 1094.5, C.C.P., and see Board of Supervisors v. Archer, 18 Cal. App. 3d 717, 720).~~

~~Still a third possibility is the institution of a declaratory relief proceeding (see Sec. 1060, et seq., C.C.P.; Chas. L. Harney, Inc. v. Contractors' State License Board, 39 Cal. 2d 561; Independent Laundry v. Railroad Commission, 70 Cal. App. 2d 816; and Sperry & Hutchinson Co. v. California State Board of Pharmacy, 241 Cal. App. 2d 229).~~

QUESTION NO. 4

Are the benefits provided by Section 699.5 of the Military and Veterans Code available to veterans who have served their country honorably during peacetime or periods of undeclared hostilities?

OPINION NO. 4

In our opinion, the benefits provided by Section 699.5 of the Military and Veterans Code are available to veterans who have served their country honorably during periods of undeclared hostilities constituting "war" between the United States and another country, but not to veterans who have served only during peacetime when the United States was not involved in such activities.

ANALYSIS NO. 4

Section 699.5 of the Military and Veterans Code provides as follows:

"699.5. The department may assist every veteran of any war of the United States and the dependent of every such veteran in presenting and pursuing such claim as the veteran or dependent may have against the United States arising out of war service and in establishing the veteran's or dependent's right to any privilege, preference, care, or compensation provided for by the laws of the United States or of this State. The

department may cooperate and, with the approval of the Department of Finance, contract with any organization of veterans chartered by the Congress of the United States and authorized by the Veterans Administration to pursue claims before federal agencies and which has regularly, for a period of five years next preceding the date of such contract, maintained an established committee or agency, in a Veterans Administration regional office in the State of California, rendering similar services to veterans and dependents as the services referred to in this section and pursuant to such contract may compensate such organization for services within the scope of this section rendered by it to any veteran or dependent. No such contract shall be made unless the department determines that, owing to the confidential relationships involved and the necessity of operating through agencies which the veterans or dependents involved will feel to be sympathetic towards their problems, the services cannot satisfactorily be rendered otherwise than through the agency of such veterans organization and that the best interests of the veterans or dependents involved will be served if such contract is made." (Our emphasis.)

Thus, Section 699.5, among other things, authorizes the Department of Veterans Affairs to furnish assistance to a veteran of any war in processing claims against the United States arising out of war service.

The term "war," as used in Section 699.5, is neither expressly nor generally defined either in the Military and Veterans Code or elsewhere in the statutory law. There is a definition of the term in Section 18 of the Military and Veterans Code, but only in respect to the reemployment rights of public employees who are called into military service.

Whether, in the absence of an official declaration of war, a particular state of hostilities constitutes "war" has generally been treated as a question of fact by the courts.

A state of war may in fact exist between two countries without any official declaration to that effect between either nation (Taylor v. Albion Lumber Co., 176 Cal. 347, 352-353). On this premise, the United States is actually engaged in war in Vietnam (Vandegrift v. Board of Supervisors of Butte County, 23 Cal. App. 3d 228, 233, 234). Conversely, in a situation arising out of World War I, the court held that the fact of war ended with the armistice, and military service after the armistice but before the ratification of the formal peace treaty did not constitute service in time of war (Kaiser v. Hopkins, 6 Cal. 2d 537, 539-540).

The federal courts have also held that a state of war can, generally, exist without a formal declaration thereof (Bas v. Tingy, 1 L. ed. 731, 733; The Prize Cases, 17 L. ed. 459, 477-479; Commonwealth of Massachusetts v. Laird, 451 Fed. 2d 26, 33; Weissman v. Metropolitan Life Insurance Company, 112 Fed. Supp. 420, 424; and see 44 S.C.L.R. 461, 465-466). In United States v. Mitchell, 246 Fed. Supp. 874, 896, for example, the court stated, "[V]iewed realistically, most of our wars have been in full course before Congress has gotten around to a formal declaration."

In view of these court decisions we think that the benefits provided by Section 699.5 would be available to veterans who have served during periods of undeclared hostilities constituting "war" between the United States and another country.

Section 699.5 has no application to any veteran who has not served in a war to which the United States was a party. The benefits provided by the section are consequently unavailable to veterans who have served only in peacetime when the United States was not a party to undeclared hostilities constituting "war."

Very truly yours,

George H. Murphy
Legislative Counsel

By 
John Fossette
Deputy Legislative Counsel

APPENDIX B

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May 11, 1984

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Honorable Alfred E. Alquist
Senate Chamber

California Veterans Board: Budget and
Functions - #5495

Dear Senator Alquist:

QUESTION NO. 1

May the California Veterans Board set its own budget?

OPINION NO. 1

The California Veterans Board may not set its own budget.

ANALYSIS NO. 1

The California Veterans Board (hereafter referred to as the board) is established within the Department of Veterans Affairs (Sec. 64, M. & V.C.*) and is given no statutory authority to set its own budget.

* All section references are to the Military and Veterans Code, unless otherwise indicated.

Under Section 13320 of the Government Code, every state agency for which an appropriation has been made is required to submit to the Department of Finance for approval a complete and detailed budget, at the time prescribed by the department, setting forth all proposed expenditures and estimated revenues for the ensuing fiscal year.

Since the board is part of the Department of Veterans Affairs, support for the board is included within the department's support budget.

For example, the Governor's Budgets for both the 1983-84 and 1984-85 fiscal years place the board under the heading "General Administration" within the budget proposed for the Department of Veterans Affairs (see 1983-84 Governor's Budget, p. SCS 131, lines 51 to 73, incl., and 1984-85 Governor's Budget, p. SCS 140, lines 22 to 47, incl.). Similarly, the Budget Act of 1983 (Ch. 324, Stats. 1983) contains appropriations for the support of the Department of Veterans Affairs without specific itemization of funds for the board (see Item 1960-001-001; also see Budget Act of 1982 (Ch. 326, Stats. 1982), Item 1960-001-001; Budget Act of 1981 (Ch. 99, Stats. 1981), Item 196-001-001; Budget Act of 1980 (Ch. 510, Stats. 1980), Item 150).

It is therefore our opinion that the board may not set its own budget.

QUESTION NO. 2

Is the board required to determine policy for the Department of Veterans Affairs?

OPINION NO. 2

The board is required to determine policy for the Department of Veterans Affairs.

ANALYSIS NO. 2

As stated under Analysis No. 1, the board is established within the Department of Veterans Affairs (hereafter referred to as the department) (Sec. 64). The general function of the board is described in Section 72, which reads as follows:

"72. The California Veterans Board shall determine the policies for all operations of the department."

The function of the Director of Veterans Affairs (hereafter referred to as the director) is indicated generally by Section 78, which reads as follows:

"78. The Director of Veterans Affairs is head of the department and, as head of the department and subject to the policies adopted by the board, shall perform all duties, exercise all powers and jurisdiction, assume and discharge all responsibilities and carry out and effect all provisions now or hereafter vested by law in the department." (Emphasis added.)

The term "shall," as used in the Military and Veterans Code, is mandatory (Sec. 14). Thus, under Section 72, the board is required to determine policies for all operations of the department. Under Section 78, the director, in carrying out his or her duties, is subject to the policies adopted by the board.

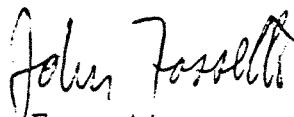
There is no case which has interpreted what constitutes policymaking by the board, as opposed to administration by the director. However, in Lockheed Aircraft Corp. v. Superior Court, 28 Cal. 2d 481, in construing Section 1101 of the Labor Code, which prohibits an employer from making certain policies, the court defined the word "policy" as "[a] settled or definite course or method adopted and followed by a government, institution, body, or individual" (pp. 485-486). With respect to administration, the courts have stated that acts "which are to be deemed as acts of administration, and classed among those governmental powers properly assigned to the executive department, are those which are necessary to be done to carry out legislative policies and purposes already declared by the legislative body, or such as are devolved upon it by the organic law of its existence" (McKevitt v. City of Sacramento, 55 Cal. App. 117, 124; see also O'Loane v. O'Rourke, 231 Cal. App. 2d 774, 784).

Even though the line of responsibility between policymaking and administration cannot always be precisely defined, Section 72 is clear in vesting policymaking authority in the board. Of course, the policies formulated by the board must be reasonable and further the objects of the laws being administered, and the board may not alter or enlarge these laws in any way (see Hodge v. McCall, 185 Cal. 330, 334; Whitcomb Hotel, Inc. v. California Employment Commission, 24 Cal. 2d 753, 757).

It is therefore our opinion that the board is required to determine policy for the department.

Very truly yours,

Bion M. Gregory
Legislative Counsel

By 
John Fossette
Deputy Legislative Counsel

JF:jdg

APPENDIX C

STAFF ANALYSIS OF SENATE BILL NO. 1718 (Dills)
As Amended April 14, 1986

SUBJECT

Department of Veterans Affairs: California Veterans Board

DESCRIPTION

1. SB 1718 transfers the Department of Veterans Affairs from the State and Consumer Services Agency, and makes it an independent department in state government.
2. The California Veterans Board will remain within the department. The 7 members of the board will serve staggered terms, and be appointed as follows:
 - a. 5 appointed by the Governor, subject to Senate confirmation.
 - b. 1 appointed by the Senate Rules Committee.
 - c. 1 appointed by the Speaker of the Assembly.
3. The bill restates current law that the board will determine the policies for all operations of the department. In addition, it may specify the prior military experience required for the exempt positions within the department. Also, the board may require that first preference for employment in the department be given to disabled veterans, and second preference be given to other veterans.
4. The board will have the authority to establish its own budget, and will have the authority to review and approve the budget of the department annually.
5. The board will be authorized to appoint a part-time legal counsel, and other staff to assist the board in its functions and duties. The exempt position of Board Secretary, will be retitled Executive Director.
6. The director of the department will continue to be appointed by the Governor, subject to Senate confirmation, and will be the appointing power for all positions within the department. The director will have no appointment authority over the board.
7. The board may hear and adjudicate the appeal of any veteran for any right, benefit, or service denied by the department, or the grievance of any veteran who alleges injury or damage by act or omission of the department. The board may require the attendance and participation of the director at these hearings.

(CONTINUED)

BACKGROUND

Under current law, the California Veterans Board was established within the Department of Veterans Affairs to determine the policies for all operations of the department. However, current law is not specific beyond this point, and over the years confusion and conflict has erupted from time to time between the board and the department.

For example, current law does not give the board authority to set its own budget, or hire staff other than the Board Secretary. As a result, the budget of the board is prepared by the department with little input from the board, and the Board Secretary (an administrative officer) is supported by a clerical employee on loan from the department.

Although current law does specify that the board is to determine department policies, the lack of any other specific authority in the law has relegated the board to the role of an advisory board with little if any real authority over department operations.

In addition, the Governor appoints all the members of the board and the department director. This has led to confusion as to whether the board or the department director represents the policies of the Governor. More problems surface when a new Governor is elected and appoints a new department director, while the board is composed of a majority appointed by the old Governor.

The sponsors of SB 1718 wish to give the board more authority, and to make the board a meaningful policy and oversight agency. This measure seeks to accomplish that goal by changing the composition of the board, and providing the board with more decision-making authority.

The department was opposed to the bill in its original form and argued that there was no evidence that the board needed a separate legal counsel, or that removing the department from the present agency would result in better services to veterans.

(CONTINUED)

KNOWN POSITIONS:

The following organizations SUPPORT SB 1718:

Veterans of Foreign Wars
California Paralyzed Veterans Association
Orange County Veterans Advisory Council
California State Employees Association
(approximately 50 communications from private
citizens)

The State Personnel Board OPPOSES SB 1718.

WRITTEN COMMUNICATIONS: All of the above.

FISCAL COMMITTEE: Senate Appropriations Committee.

* * * * *

LWM:dm

APPENDIX D

CALIFORNIA VETERANS BOARD
POLICY BOOK

Section: Introduction
Revision: 10/28/88

Subject: California Veterans Board Policy Book

Purpose: The Policy Book will provide uniformity in the functions of the Board. It will provide easy access to policies adopted by the Board to guide the Department of Veterans Affairs.

Contents: The contents of the Policy Book are approved by and published with the authority of the California Veterans Board. The Director, Chief Deputy Director, Assistant Director and Division Managers, of the Department, are expected to comply with the policies contained herein and make its contents available to their staff.

Section A - General Policy:

| | | | |
|--------|--|-----------|----------|
| A-1 | General policy statement | Revised | 8/26/88 |
| A-1(a) | Department budget | Effective | 1/20/84 |
| A-2 | Executive Officer | Revised | 8/26/88 |
| A-3 | Board meeting publicity | Revised | 8/26/88 |
| A-5 | Appeals to the Board | Revised | 8/26/88 |
| A-6 | Time limit for appeals | Effective | 10/17/80 |
| A-7 | Board Members | Effective | 10/17/80 |
| A-9 | Department meetings and Board appeals | Effective | 8/26/88 |
| A-10 | Board meetings | Revised | 8/26/88 |
| A-11 | CVB Budget Subcommittee | Effective | 4/27/84 |
| A-12 | Board meeting DVA Agenda Items | Effective | 8/26/88 |
| A-13 | Quarterly Report on Litigation | Effective | 9/17/82 |
| A-14 | Board Meeting Agenda Items-Public Sector | Effective | 1/25/85 |
| A-15 | Transaction of Official Board Business | Effective | 2/22/85 |
| A-16 | Board Travel/Per Diem Salary | Revised | 8/26/88 |

Section B - Farm and Home Purchases Division:

| | | | |
|------|---|-----------|----------|
| B-1 | Non-Veteran assignees - interest rates | Revised | 10/17/80 |
| B-2 | Interest rates | Revised | 10/17/80 |
| B-3 | Interest rates | Revised | 09/23/88 |
| B-4 | Waiting period for home improvement | Effective | 2/23/79 |
| B-5 | Property substitution | Effective | 5/14/82 |
| B-6 | Contracts by the Department | Revised | 1/20/84 |
| B-7 | Cal-Vet loan priorities | Revised | 10/17/80 |
| B-8 | Prepayment charge | Effective | 2/25/55 |
| B-9 | Secondary financing | Effective | 8/20/76 |
| B-10 | Interest rates on Veterans' purchase contracts | Effective | 2/8/80 |
| B-11 | Assignment or transfer of Cal-Vet loan contract | Effective | 4/10/81 |
| B-12 | Loan Refinancing for Wounded/Disabled Veterans | Effective | 2/17/78 |

Section C - Veterans Home:

| | | | |
|------|---|-----------|----------|
| C-1 | Order of admissions | Effective | 3/16/73 |
| C-2 | Emergency admissions | Effective | 11/15/68 |
| C-3 | Financial qualifications | Effective | 11/15/68 |
| C-4 | Disqualifying conditions | Revised | 10/17/80 |
| C-5 | Alcoholism problems | Effective | 11/15/68 |
| C-6 | Disciplinary procedures | Effective | 11/15/68 |
| C-7 | Uniforms and military titles | Effective | 8/18/61 |
| C-8 | Medical staff on duty | Revised | 10/17/80 |
| C-9 | Post Fund statements | Effective | 2/25/83 |
| C-10 | Post Funds | Effective | 2/25/83 |
| C-11 | Post Fund budget | Effective | 10/26/73 |
| C-12 | Land use | Revised | 10/17/80 |
| C-13 | Burial procedure | Effective | 11/15/68 |
| C-14 | Debt reserve policy | Effective | 10/17/80 |
| C-15 | Perpetual care and maintenance of graves and Memorial Cemetery at the Home | Effective | 11/19/82 |
| C-16 | Alcoholic Beverage sale at the Home | Revised | 7/25/86 |
| C-17 | Post Fund Investment Insurance | Effective | 6/29/84 |

Section D - Veterans Services:

| | | | |
|-----|----------------------------------|-----------|---------|
| D-1 | Revocation of powers of attorney | Effective | 1/01/75 |
|-----|----------------------------------|-----------|---------|

Section E - Resolutions:

| | | | |
|-----|------------------------|-----------|----------|
| E-1 | POW Advisory Committee | Effective | 10/28/88 |
|-----|------------------------|-----------|----------|

Maintenance: The Executive Officer shall be responsible for the maintenance of the Policy Book. Requirements for supplements or revisions to the material contained in the book will be generated by the California Veterans Board.

Distribution: It shall be the responsibility of the Executive Officer to distribute supplements/revisions to the Director, Chief Deputy, Assistant Director, and all Division managers of the Department. Each policy book shall be kept current and updated by these individuals.

SECTION A - - - - - GENERAL POLICY

Section: A-1
Revision: 8/26/88
Effective: 10/26/73

Subject: General Policy Statement

Purpose: The Military & Veterans Code states in Section 72: The California Veterans Board shall determine the policies for all operations of the Department." This policy statement is intended to generally define the work policy as it pertains to the California Veterans Board. The listing of areas of policy which follows should not be considered all encompassing as there may be areas not listed in which the Board will find a need for making policy determinations.

Policy Statement:

A. It is the policy of the Board that all recommendations, information, data, requests for action, and similar material be submitted to the Executive Officer at least two weeks in advance of the Board meeting at which this material is to be considered;

B. All changes (except administrative) in on-going programs, proposed programs, and long-range planning and considerations are within the purview of the Board;

C. It is the policy of the Board that the Executive Officer and the Board members shall be kept informed of all significant details of all planning sessions related to policy.

D. Policy Areas

1. Farm and Home Loan Purchases Division

Loan Eligibility Criteria
Priorities for Loan
Resale to Cal-Vets and Non-Vets
All Insurance Coverage
Interest Rate
Bond Sales and Bond Acts
Revenue Bond Reserve

2. Veterans Home Division

Post and Trust Fund Uses
Capital Expenditures
Admissions Policy

3. Veteran Services Division

Educational Assistance Program
Subvention to Counties

4. Board Budget

The Executive Officer, at the direction of the Board, shall develop an annual budget representative of a proportionate amount of the funds allocated to the Department of Veterans Affairs.

E. The proposed budget for the Board will be reviewed by the Board. The Board will be informed as to proposed changes in the Department's funding level by being furnished with copies of Budget Change Proposals, after the Department's meeting with Agency. The Chairman shall set up a Budget Committee to carry out these responsibilities.

The Executive Officer will be informed as to budget hearings as soon as the information is available to the Department, such information to be furnished the Board Chairman by telephone.

F. The Board shall be informed as to staff changes at the division chief level and above, and shall be informed as to structural changes of significance.

Section: A-1(a)
Revision:
Effective: 1/20/84

Subject: Department Budget

Purpose: To ensure that the policies of the California Veterans Board are carried out in accordance with Sections 72 and 84, Military and Veterans Code.

Policy Statement:

It shall be the policy of the California Veterans Board that the Department and the Director thereof shall present to the Board the first draft of the proposed departmental budget.

Following this first preliminary review of the budget, it shall again be presented to the Board for its review and approval prior to the time it is presented to any other governmental agency.

This policy does not preclude the Department from working with another agency of state government to formulate the first draft of the budget, and subsequent budgets.

Section: A-2
Revision: 8/26/88
Effective: 7/1/74

Subject: Executive Officer

Purpose: To define position and duties of the Executive Officer of the Board

Policy Statement:

The California Veterans Board shall appoint an Executive Officer exempt from Civil Service (Article VII, Sec. 4, California Constitution), who shall be a disabled veteran or veteran as defined by the Military & Veterans Code, Section 980. The Executive Officer shall report directly to the Chairman of the Board, and shall be governed by the same attendance rules and allotted the same benefits as civil service employees.

The Executive Officer shall serve as administrative officer to the Board, and shall be assigned the following duties:

1. coordinate action on all appeals resulting from actions taken on Farm & Home loan applications. Serve as hearing officer for the appeals and coordinate complex appeals with the Department's legal office; *no longer applicable*
2. prior to appeal hearings, prepare recommendations to the Board for appropriate disposition;
3. maintain close liaison and effective working relationships with the Department of Veterans Affairs, and coordinate with the Department the activities of the Board;
4. serve as the Board's administrative link between city, county, and state legislative bodies who advise on those issues with impact on the veteran population;
5. analyze and synthesize data and other material for the Board's edification within the framework of interests expressed by the Board in the exercise of its program policy-making responsibilities;
6. keep informed of the Board's desires and needs for departmental program information and other related data and present requests for same to the Department;
7. keep the Board informed of desires of the Department for Board consideration of certain program policy matters;

8. arrange for Board and committee meetings and hearings, including space logistics and travel accommodations, to prepare and distribute notices of and agendas for meetings and hearings, and provide other assistance to Board members as requested;
9. make appropriate arrangements with the Department for desired publicity relating to Board activities;
10. take appropriate action to stimulate community awareness, interest, attendance, and participation in advance of regularly scheduled Board meetings;
11. maintain liaison with veteran organizations, civic, and community groups as directed by the Board and in coordination with the Department;
12. keep records of Board proceedings, and in accordance with direction from the Chairman of the Board, prepare and distribute minutes of such proceedings;
13. attend all regular Board and committee meetings and assist in the conduct of the meetings as directed by the Chairman of the Board;
14. prepare correspondence, reports, resolutions, and other documents as directed by the Board;
15. update and maintain the Board Policy Book and supply each Board member with an updated copy;
16. budget and direct the utilization of the time any temporary help allocated to the Board;
17. perform such other duties as the Board may from time to time direct;
18. distribute relevant material to Director and related Department heads.

Section: A-3
Revision: 8/26/88
Effective: 3/21/75

Subject: Board Meeting Publicity

Purpose: To insure that veterans are informed of Board meetings in advance and that attendance and input to Board decisions is encouraged.

Policy Statement:

The Department shall utilize all existing resources to fully publicize the Board meetings and proceedings through all available media; to include the use of the Department's public information officer in conjunction with the Executive Officer of the Board to prepare and disseminate press releases, notices for veterans' groups, to meet from time to time with various representatives of veterans' groups in the region in which the next Board meeting is to be held, in advance of that meeting, for the purpose of informing veterans of the meeting, of the purpose and function of the Board, to gather ideas and opinions which may be appropriate for consideration by the Board and to encourage these veterans to attend the Board meetings for the purpose of presenting and discussing such topics before the Board.

Section: A-5
Revision: 8/26/88
Effective: 2/8/80

Subject: Appeals to the California Veterans Board in accordance with Military & Veterans Code 86.

Purpose: To allow the veteran to appeal any decision made by a division of the Department of Veterans Affairs to the California Veterans Board.

To see that the Board members are kept informed of scheduled appeals, and are given adequate time to review proposed decisions, and to ensure timeliness in the handling of appeals.

Policy Statement:

1. any veteran eligible for benefits, whose application has been denied by any division of the Department of Veterans Affairs, has the right to appeal the decision to the California Veterans Board;
2. the veteran will be notified of his appeal procedure by the division head or his delegate in writing;
3. appeals shall be submitted to the Board in writing;
4. the Executive Officer of the Board shall date and log the appeal and shall forward it to the legal officer;
5. unless otherwise requested by the veteran, the appellant will be granted a hearing NO LATER THAN 30 DAYS upon receipt of the appeal. The appeal will be heard by the Board at its next regularly scheduled meeting, at which a quorum is present, following the official log-in date. The official log-in date will be the Board meeting date following the receipt of the appeal;
6. the legal officer of the Department shall prepare a proposed decision on the appeal setting forth the applicable facts and laws and reasoning supporting the proposed decision;
7. proposed decisions shall be submitted to the Board office NO LATER THAN TWO WEEKS (10 working days) prior to the scheduled Board meeting in which the appeal will be heard. The Executive Officer of the Board shall ensure that each Board member receives a copy of the proposed decision and the appeals prior to the Board meeting in which the appeal will be heard;
8. in those cases where the Department is willing to concede the issue, the legal officer or other Department official shall indicate in writing to the appellant, with a copy to the Executive Officer. In cases where a review of record is requested, the legal officer shall transmit the proposed decision so that it can be acted upon by the Board within 30 days of the date the appeal is deemed received by the Board. Where an informal or formal hearing is requested, the legal officer shall transmit the proposed decision to the

Executive Officer so it can be acted upon by the Board within 30 days of the date of the hearing. The legal officer shall at the same time send copies of the proposed decision to the appellant and to the Director of Veterans Affairs. The Board may adopt, modify, change, or reject the proposed decision;

9. The appellant may file a dissent from the proposed decision with the Executive Officer and may request a further hearing before the Board. If the appellant requests a hearing, the 30 day decision requirement will be waived by the appellant;

10. The Director of Veterans Affairs may file a dissent from the proposed decision by writing a letter to the Executive Officer.

SECTION: A-6

REVISION:

EFFECTIVE DATE: Oct. 17, 1980

SUBJECT: Time limit for appeals to the California Veterans Board

PURPOSE: To set a specified period of time that an adverse decision made by the Department can be appealed to the Veterans Board.

POLICY STATEMENT:

It shall be the policy of the California Veterans Board, effective May 1, 1981 that appeals to the Board must be made within one year from the date of the adverse decision by the Department. Previous procedures for appeals to the Board still apply.

SECTION: A-7
REVISION:
EFFECTIVE DATE: Oct. 17, 1980

SUBJECT: Board Members

PURPOSE: Provide continuity between fixed terms of Board members.

POLICY STATEMENT:

Members of the Board serve fixed terms, but if a successor is not appointed, continues to serve beyond such fixed term until a successor is appointed and --- a new appointee becomes a member upon taking his oath of office the exact time of this action is not necessarily determinable in advance.

A continuing member may be displaced by a new member while such continuing members are in travel status on Board business and the expenses incurred by a continuing member are proper charges against the state.

*Outdated
60 days post
app. date must
reason*

Section: A-9
Revision: 8/26/88
Effective: 4/10/81

Subject: Department Meetings and Board Appeals

Purpose: To keep the Board informed of all activities of the Department of Veterans Affairs.

Policy Statement:

The Executive Officer will be involved in all meetings and discussions within the Department to include Department Head meetings which pertain to or would have an effect on existing policies.

The Executive Officer, at the discretion of the Board, shall attend the hearings on appeals as an observer for the Board. The Executive Officer will submit a report on the hearing to the Board for their review.

Section: A-10
Revision: 8/26/88
Effective: 4/10/81

Subject: Board Meetings

Purpose: To establish general guidelines regarding the selection of dates and locations of Board meetings.

Policy Statement:

1. The Board shall convene a meeting on the third, fourth, or fifth Friday of each month. The Board shall determine which particular date by vote of the majority.
2. The Board shall determine the location of its meetings by vote, but may accept an invitation to convene a meeting outside the Sacramento area. In the event that an invitation is issued, to hold a meeting in an area outside Sacramento, the following shall be considered:
 - a. budgetary constraints regarding travel etc.;
 - b. veteran representation in the community where the meeting is to be convened;
 - c. appropriate meeting site.
3. Dates and locations shall be determined 90 days in advance.
4. The Chairman may vary the date and location of a meeting by obtaining the consent of a majority of the Board by telephone or letter 10 days in advance of the newly scheduled date/location.
5. In accordance with Section 69, Military & Veterans Code, special meetings may be called at any time by the Chairman or the Executive Officer at the request of any four members of the Board. The subject matter must be specified and no other matter may be discussed during the meeting.

Section: A-11
Revision:
Effective: 4/27/84

Subject: CVB Budget Subcommittee

Purpose: To implement CVB Policy A-1(a) pertaining to DVA's budget.

Policy Statement:

In accordance with Policy A-1(a), the California Veterans Board shall establish a subcommittee to consider the Department of Veterans Affairs Budget and any Budget Change Proposals (BCPs).

Section: A-12
Revision: 8/26/88
Effective: 7/27/84

Subject: Board Meeting Agenda Items

Purpose: To establish general guidelines regarding the submission of items for monthly Board meeting agendas.

Policy Statement:

All agenda items shall be submitted to the Executive Officer in outline form, 14 days prior to meeting date in order to allow sufficient mail out time.

Five days before the meeting is held, all supporting data, for items, shall be submitted to the Executive Officer in order to have data available to the Board during its meeting.

Section: A-13
Revision:
Effective: 9/17/82

SUBJECT: Quarterly Report on Litigation

PURPOSE: To keep the Board apprised of the legal activities of the Department of Veterans Affairs.

POLICY STATEMENT:

The Department legal office shall prepare a quarterly report on litigation which shall include:

- (1) the number of cases,
- (2) specific results of each case that is settled,
- (3) the cost, to the Department, of each settlement.

Section: A-14
Revision:
Effective: 1/25/85

Subject: Board Meeting Agenda Items - Public Sector

Purpose: To establish appropriate veterans topic criteria that falls within the authoritative powers vested in the California Veterans Board.

Policy Statement: Veterans, representatives of veteran organizations and any concerned citizen regarding veterans issues, services, programs, etc., are urged to present communication to members of the California Veterans Board, whereby policy may be established, amended, or endorsed that will effect positive activity reflective of the California State veterans. Individual and personal grievances against one or more individuals is not within the powers of the California Veterans Board to resolve and though Board members may empathize, it is appreciated that only issues significant of all veterans and or affected segments of the veterans' population be addressed by this Board.

SECTION: A-15
REVISION: 12/18/87
EFFECTIVE: 02/22/85

SUBJECT: Official Board Business

PURPOSE: To ensure that the Board's professional integrity is maintained.

POLICY STATEMENT:

To prevent the appearance of any conflict of interest, Board members who may realize any economic gain to their company or business should abstain from voting on the matter being presented.

All Board meetings are public meetings and are a matter of record. The positions taken in each case, by Board members, are also a matter of record. In cases where approval or denial is not unanimous within the Board, the Board members representing the minority vote should not make public statements expressing disfavor with the decision. The Board should speak in public as one voice. This is not to imply that Board members cannot make public statements as long as they are couched as personal opinions and not the position of the Board.

Section: A-16
Revision: 8/26/88
Effective: 5/23/86

Subject: Board Travel/Per Diem Salary

Purpose: To establish general guidelines and procedures regarding Board travel and per diem.

Policy Statement:

In accordance with Military & Veterans Code (Sec. 69), DVA Executive Notice 84-5C, and the California State Administrative Manual (Sec. 4182.3-4187.4), the following guidelines are established:

I. What activities shall constitute Board business:

Board business shall consist of:

1. regularly scheduled monthly meetings;
2. special meetings in accordance with Sec. 69, Military & Veterans Code;
3. attendance at chartered veteran organization functions, when approved by the chair, e.g. conventions, state executive meetings, "Commanders Council" meetings, etc.;
4. attendance at other veteran related activities as approved by the chair, e.g. Board committee meetings, and functions when a member has been invited as a guest.

II. Who shall represent the Board at a given activity and how it shall be determined:

In accordance with Section I, all activities shall be approved by the chair who shall determine the number of members participating in any given activity and the duration of the stay.

III. How the activity shall be shared with the other members of the Board:

An activity shall be shared, verbally, with the Board during regularly scheduled Board meetings and a written brief shall be submitted to the Executive Officer for inclusion in the official minutes.

Procedure:

In addition to general travel guidelines (encl.), the following guidelines are provided:

1. all official business shall be approved by the chair, prior to commencement of travel, other than regularly scheduled Board meetings;
2. once an activity is completed, a report shall be submitted at the next regularly scheduled meeting during the "Board Activity" segment of the agenda. In the event that the Board member cannot be present at a meeting, a report shall be submitted in writing to the chair;
3. all travel shall be submitted to the Executive Officer by the 10th of each month;
4. travel shall include a full intinerary including a copy of hotel receipts, auto rental receipts, and airline tickets incurred during the travel. Travel shall be by most efficient and economic means. (Mileage claims shall be at the rate of 22.5¢ per mile.);
5. the Executive Officer shall use the claimant's intinerary to prepare the official State of California "Travel Expense Claim" (encl.), items 1 thru 10. The completed travel claim shall be returned to the claimant for signature at item 11. The signed travel claim will be returned to the Executive Officer. This procedure will insure consistency in the payment of travel for Board members;
6. upon receipt of the signed travel claim, the Executive Officer shall sign as the officer approving payment.

SECTION B - - - - FARM & HOME

SECTION: B-1
REVISION: October 17, 1980
EFFECTIVE DATE: December 10, 1976

SUBJECT: Non-Veteran Assignees -- Interest Rates.

PURPOSE: To establish interest rates for this category of loans.

POLICY STATEMENT:

All non-veteran assignees of both 1943 and 1974 act contracts shall pay 2% higher than the current veterans rate.

SECTION: B-2
REVISION: October 17, 1980
EFFECTIVE DATE: September 19, 1975

SUBJECT: Interest Rates

PURPOSE: Recommend Interest Rates for Farm and Home Loan

POLICY STATEMENT:

Board is required to annually recommend an interest rate charged veterans for Farm and Home Loans and it is essential that data be available for support and recommendation.

Section: B-3
Revision: 9/23/88
Effective: 4/11/80

SUBJECT: Interest Rate on Cal-Vet Farm & Home Loans

PURPOSE: To set the annual interest rate for Cal-Vet farm and home loans

POLICY STATEMENT:

Rates of interest to be charged on farm and home loans made under the Veterans Farm and Home Purchase Act of 1974 shall be set at 8 percent per annum, except that interest rate on mobilehomes, in mobilehome parks, which shall be set at 9 percent per annum. (The rate of interest to be charged on all farm and home purchase loans made under the Veterans Farm and Home Purchase Act of 1943 shall be continued at 4.4 percent per annum.) The rate of interest shall be lowered or raised wherever it is per statutory provisions.

**CALIFORNIA VETERANS BOARD
RESOLUTION AND FINDING**

INTEREST RATES ON CAL-VET LOANS

WHEREAS, under the Veterans Farm and Home Purchase Acts of 1943 and 1974, the California Veterans Board and the Veterans' Finance Committee of 1943 are required to make a finding at least once each year as to the rates of interest to be charged to Cal-Vet contract holders; and

WHEREAS, the interest rate on 1943 Act loans has been set at 4.4% since May 1, 1977, and the interest rate on 1974 Act loans has been set a 7% since March 1, 1987; and

WHEREAS, taking into consideration the actual costs of general obligation and revenue bond sales, the current value of money, the solvency of the Veterans Farm and Home Building Fund of 1943, and the administrative costs of the program, it is deemed unnecessary to change the interest rate for loans made under the 1943 Act, but is deemed necessary and in the best interests of the Department of Veterans Affairs, and its contract holders, to increase the interest rate on 1974 Act loans to 8% effective March 1, 1989;

NOW, THEREFORE, IT IS HEREBY RESOLVED, and the California Veterans Board hereby finds, that the rate of interest to be charged on all farm and home purchase contracts made and entered into under the Veterans Farm and Home Purchase Act of 1943 shall remain at 4.4% per annum; and


IT IS FURTHER RESOLVED, and the California Veterans Board hereby finds, that the rate of interest to be charged on all farm and home purchase contracts made and entered into under the Veterans Farm and Home Purchase Act of 1974 shall be 8% per annum; and

IT IS FURTHER RESOLVED, and the California Veterans Board hereby finds, that the rate of interest to be charged on farm and home purchase contracts assigned to non-veterans under the Farm and Home Purchase Acts of 1943 and 1974 shall be set at least 2% above the current veterans' rate.

The Executive Officer of the California Veterans Board is directed to attest this resolution, provide copies thereof to the Department of Veterans Affairs and the Veterans' Finance Committee of 1943, and to place a copy thereof in the Veterans Board Policy Book.

ADOPTED: September 23, 1988

ATTESTED:


Executive Officer

SECTION: B-4

REVISION:

EFFECTIVE DATE: February 23, 1979

SUBJECT: Waiting Period for Home Improvement Loans

PURPOSE: Length of time required for applying for a Home Improvement Loan.

POLICY STATEMENT:

There will be a two year waiting period from the date of purchase of a Cal-Vet Home to apply for a Home Improvement Loan.

SECTION: B-5
REVISION:
EFFECTIVE DATE: 5/14/82

SUBJECT: Property Substitution

PURPOSE: The Department may in specific cases allow the veteran to substitute another property under the same terms and conditions as contained in the original application.

POLICY STATEMENT: An applicant may be allowed to substitute another property under the same terms and conditions as contained in the original application under the following conditions:

1. The applicant clearly intends to purchase the property.
2. The specific case is one where circumstances are clearly beyond the applicant's control.
3. The applicant has exercised due diligence to remedy the situation.
4. There is no alternative to the property substitution.
5. The applicant submits the new property selection within 90 calendar days of the approval for property substitution.

Section: B-6
Revision: 1/20/84
Effective: 4/11/80

Subject: Contracts by the Department

Purpose: To ensure, by timely review, that all RFPs entered into by the Department meet with and are not in conflict with any policy of the Department as promulgated by the Board. Furthermore, to provide for compliance with the legislative purpose and intent of Section 84, Military and Veterans Code. And lastly, to guarantee that any potential obligation of the Department furthers the welfare of veterans.

Policy Statement:

1. The Director shall present to the Board for its prior review and consideration all RFPs (Requests for Proposals) where the anticipated contract amount is in excess of \$50,000.
2. All pertinent materials shall be submitted to the Secretary in sufficient time to enable the Board's review in accordance with Cal Vet Board Policy A-10, para. 5.

SECTION: B-7
REVISION: October 17, 1980
EFFECTIVE DATE: April 27, 1973

SUBJECT: Cal-Vet Loan Priorities

PURPOSE: In times of limited funding preference should be given to Veterans who have not yet purchased their homes at time of application. Federal legislation which is pending, restricts the use of income tax exempt bond proceeds for financing of homes---to allow refinancing only for bridging, construction and rehabilitation loans.

POLICY STATEMENT:

To maintain the tax exempt status of the Cal-Vet bond financing and to give preference to Veterans who have not yet purchased their homes at time of application, no refinancing will be allowed except for bridging and construction loans in accordance with Military and Veterans Code 987.85 (a), (b), (d) and (e).

SECTION: B-8

REVISION:

EFFECTIVE DATE: February 25, 1955

SUBJECT: Prepayment Charge

PURPOSE: To establish a prepayment charge for Cal-Vet properties.

POLICY STATEMENT:

Contract holders shall be required to pay an additional sum equal to 2% of the purchase price of the contract property if the contract account is prepaid within two years of its date of execution. This additional sum shall not be required wherein the contract property is condemned or sold in lien of condemnation.

SECTION: B-9

REVISION:

EFFECTIVE DATE: August 20, 1976

SUBJECT: Secondary Financing

PURPOSE: A Veteran Contract purchaser shall be permitted to immediately encumber the property to be financed with a Cal-Vet loan to provide all or part of the cash difference between the selling price of the property and the amount of the Cal-Vet loan.

POLICY STATEMENT:

The following conditions will apply:

1. The combined amount of the Cal-Vet loan and the encumbering loan does not exceed 90% of the Department's appraisal of the market value of the property.
2. The encumbering loan does not otherwise harm or impair the Department's interest in the property.
3. The combined average interest rate on the Cal-Vet loan and the encumbering loan does not exceed the current rate permitted for Veterans Administration home loan guarantees.
4. The Department's consent to encumber is obtained prior to the signing and recording of the instrument securing the encumbering loan.

SECTION: B-10

REVISION:

EFFECTIVE DATE: February 8, 1980

SUBJECT: Interest Rates on Veterans' Purchase Contracts

PURPOSE: Establishment of interest rates on Veterans' Purchase Contracts so as to produce sufficient revenues to pay debt service on bonds issued to fund the Veterans' Farm and Home Building Fund of 1943.

POLICY STATEMENT:

The Board is to establish and fix interest on all veterans' purchase contracts at such rate or rates as will produce an amount which, together with principal payments on said contracts and income derived from investments of the Fund and the bond reserve fund for the Bonds, will yield annual revenues which will, in the aggregate, be sufficient with respect to each ensuing fiscal year to pay and provide for:

1. Interest to become due and payable on all said Bonds and on all general obligation bonds of the State of California issued to provide monies for the Fund.
2. The principal amount of all said Bonds and of all general obligation bonds of the State of California issued to provide monies for the Fund.
3. The aggregate minimum sinking account payments, if any, required to be made for each such fiscal year on account of said Bonds and of all general obligation bonds of the State of California issued to provide monies for the Fund.
4. Such sums as may be required by the resolution of issuance for said Bonds to make deposits into the bond reserve fund for said Bonds in each such fiscal year.
5. The estimated expenses of administration, maintenance, and operation of the Department as provided in the budget of the Department for each such fiscal year.
6. Such additional aggregate sum or sums as may be required to maintain the Fund's equity in an amount not less than One Hundred Million Dollars (\$100,000,000), as shown by the formal, quarterly balance sheet of the Fund during each such fiscal year.

SECTION: B-11

REVISION:

EFFECTIVE DATE: April 10, 1981

SUBJECT: Assignment or Transfer of Cal-Vet Loan Contracts or Property

PURPOSE: To provide that Cal-Vet Loan Contracts and Properties shall not be assigned, encumbered, or transferred without the written consent of the Department and that the rate of interest charged to non-veterans will be set by the Department.

POLICY STATEMENT:

1. The Department shall give its consent to assignments or transfers of Cal-Vet loan contracts or properties only to other eligible California veterans.
2. In the event of an assignment or transfer of a Cal-Vet loan contract or property to other than an eligible California veteran, the Department may take such action as it deems appropriate or necessary, including without being limited to acceleration and/or cancellation of the Cal-Vet loan and contract, and from and after the date of any such assignment or transfer the interest rate on the Cal-Vet loan so assigned or transferred shall be and is hereby fixed at a rate one percent (1%) higher than the interest rate in effect on the date of such assignment or transfer on VA-guaranteed or FHA-insured loans, whichever is higher.
3. Nothing contained in this policy shall affect the rights of non-veteran spouses or heirs or devisees of veteran purchasers, nor the authority of the Department to dispose of a Cal-Vet loan property after cancellation of a Cal-Vet loan contract.

Section: B-12
Revision: 8/17/84
Effective: 2/17/78

SUBJECT: Loan refinancing for wounded and disabled veterans.

PURPOSE: To assist veterans who were wounded or disabled as a result of their service in securing refinancing for their home loans.

POLICY STATEMENT:

The Department shall: (1) implement a policy of refinancing loans of veterans who were wounded or disabled as a result of their service and meet the general eligibility standards and special provisions of Section 987.85(c) of the Military and Veterans Code, (2) set aside not more than five million dollars from the insurance reserve refund or other available funds for this purpose, and (3) provide periodic reports to the Board regarding any problems which arise and the amounts of loans being funded.

SECTION C - - - - VETERANS HOME

SECTION: C-1

REVISION:

EFFECTIVE DATE: March 16, 1973

SUBJECT: Order of Admissions

PURPOSE: To establish policy governing the order of admissions to the Home.

POLICY STATEMENT:

Applications for admission to the Home will be considered in the order of their receipt according to the classification of care for which the applicant is determined by the Department to require. The Administrator, with full benefit of medical staff advice, will have the power and final authority on all applications for admission to the Veterans Home Hospital. When applicants may not be admitted immediately, lists of applicants will be maintained.

The Veterans Home will admit eligible veterans on the basis of the urgency and greatness of their health care needs and requirements as determined by the Director of the Department of Veterans Affairs and/or his Administrator.

SECTION: C-2
REVISION:
EFFECTIVE DATE: November 15, 1968

SUBJECT: Emergency Admissions

PURPOSE: To allow admittance to the Hospital for veterans whose medical condition requires immediate attention.

POLICY STATEMENT:

When a physician on duty judges an applicant's condition to constitute a medical emergency, the person will be immediately admitted and treated until arrangements can be made to transfer the individual to another medical facility without undue hazard.

SECTION: C-3

REVISION:

EFFECTIVE DATE: November 15, 1968

SUBJECT: Financial Qualifications

PURPOSE: To allow Veterans Home staff to investigate the financial status of veteran applicants.

POLICY STATEMENT:

The Department shall inquire into the financial condition of the applicant for admission to the Veterans Home insofar as is required to meet the standards of the Veterans Administration or any other Federal or State Agency from which funds are being procured.

SECTION: C-4
REVISION: October 17, 1980
EFFECTIVE DATE: September 21, 1973

SUBJECT: Disqualifying Conditions

PURPOSE: To delineate areas of care and diagnoses for which the Veterans Home is not designed.

POLICY STATEMENT:

The Veterans Home cannot admit or care for the following diagnoses: those suffering from acute mental illness which needs help in stabilizing the condition, addiction to narcotic drugs as defined in Division 6, Part 1 of the Welfare and Institutions Code; those afflicted with active pulmonary tuberculosis.

SECTION: C-5

REVISION:

EFFECTIVE DATE: November 15, 1968

SUBJECT: Alcoholism Problems

PURPOSE: To provide programs to combat alcoholism among members.

POLICY STATEMENT:

The Veterans Home of California shall continue an effective and intelligent program to combat the alcoholic member problem. Alcoholism alone shall not be used as a basis for discharge from the Home.

SECTION: C-6

REVISION:

EFFECTIVE DATE: November 15, 1968

SUBJECT: Disciplinary Procedures

PURPOSE: To insure proper disciplinary procedures.

POLICY STATEMENT:

The Veterans Home of California shall have good order and disciplinary procedures which are known to the members of the Home, including their knowledge of right to redress.

SECTION: C-7
REVISION:
EFFECTIVE DATE: August 18, 1961

SUBJECT: Uniforms and Military Titles

PURPOSE: To discontinue use of uniforms and military titles.

POLICY STATEMENT:

The wearing of uniforms and the use of all military titles, except those specifically designated in the Military and Veterans Code, are discontinued.

SECTION: C-8
REVISION: October 17, 1980
EFFECTIVE DATE: January 28, 1955

SUBJECT: Medical Staff on Duty

PURPOSE: To insure proper medical care.

POLICY STATEMENT:

It is a policy of this Department that at all times a physician will be present and on duty on the grounds of the Veterans Home.

Section: C-9
Revision:
Effective: 2/25/83

Subject: Post Fund Statements

Purpose: To insure proper utilization of Post Fund Monies

Policy Statement:

Each member of the California Veterans Board shall receive a monthly statement of income and expenditures from the Post Fund of the Home prior to its monthly scheduled meeting.

SECTION: C-10
REVISION:
EFFECTIVE DATE: Feb. 25, 1983

SUBJECT: Post Funds

PURPOSE: To insure proper utilization of Post Fund Monies.

POLICY STATEMENT:

A minimum-maximum operating balance of the Post Fund shall be used as a guide to authorize fund uses:

1. Anytime the fund balance is over \$400,000, capital improvements for the comfort and care of Home members may be considered by the California Veterans Board.
2. The Home Committee of the California Veterans Board shall be informed of proposed capital expenditures in excess of \$1,000.
3. Preliminary approval of the California Veterans Board must be received before obligating the Post Fund for capital expenditures in excess of \$1,000 for any one project.
4. Planning expenditures are included for the purpose of this policy statement.
5. All consultant and personal service contracts must be approved by the Board during its scheduled monthly meetings.
6. All maintenance contracts shall be reviewed by the Board during its scheduled monthly meetings.
7. All budget change proposals must be reviewed by the Board during its scheduled monthly meetings.

SECTION: C-11

REVISION:

EFFECTIVE DATE: October 26, 1973

SUBJECT: Post Fund Budget

PURPOSE: To insure proper examination and passage of the Post Fund Budget.

POLICY STATEMENT:

The Post Fund Budget shall be submitted to the Board two weeks prior to its May meeting each year.

SECTION: C-12
REVISION: October 17, 1980
EFFECTIVE DATE: September 21, 1973

SUBJECT: Land Use

PURPOSE: To insure proper utilization of excess land.

POLICY STATEMENT:

The 72 acres of land in front of the Home may be used for agricultural purposes or for another purpose not inimical to welfare of members.

SECTION: C-13

REVISION:

EFFECTIVE DATE: November 15, 1968

SUBJECT: Burial Procedure

PURPOSE: To provide proper burial procedures for Home members.

POLICY STATEMENT:

Burials shall be performed in accordance with the wishes of the deceased or the immediate family, and in the absence of instructions, proper burials will be carried out in keeping with the dignity and honor of the veteran.

SECTION: C-14
REVISION:
EFFECTIVE DATE: October 17, 1980

SUBJECT: Debt Reserve Policy

PURPOSE: Investing of Reserve Funds.

POLICY STATEMENT:

The Department may invest surplus funds in other than the state's pooled money investment fund where safety and return factors so warrant.

SECTION: C-15

REVISION:

EFFECTIVE DATE: Nov. 19, 1982

SUBJECT: Perpetual Care and Maintenance of the Graves and Memorial Cemetery at the Veterans Home of California.

PURPOSE: To provide adequate procedures to insure a perpetually maintained Memorial Cemetery to honor our war heroes and deceased veterans.

POLICY STATEMENT:

The Administrator of the Veterans Home of California (formerly named the commandant) shall be directly responsible to the Director of Veterans Affairs in assuring that the Memorial Cemetery is perpetually maintained to insure any known grave of any such honorably discharged soldier, sailor, or marine of the United States, and shall keep such graves properly marked and identified in conformity as nearly as possible, to the Rules and Regulations of the United States Veterans Administration for their National Cemeteries and Memorials.

The graves and cemetery area shall be free from weeds and rubbish, and kept in decent order and repair and free from defacement, injury and any unlawful markings on any headstones and markers.

Maintenance of the California Veterans Home Memorial Cemetery will come from the General Fund and other funds subject to such restrictions as the Director of Veterans Affairs may prescribe with the California Veterans Board's approval. The Administrator may accept gifts, devices, or bequests from legitimate societies and organizations or reputable individuals, made in any manner, which are made for the purpose of beautifying this Memorial Cemetery, or are determined to be beneficial to it.

Section: C-16
Revision: 7/25/86
Effective: 2/24/84

SUBJECT: Alcoholic Beverage Sale at the Home

PURPOSE: To establish guidelines governing the sale of alcoholic beverages on the grounds of the Home.

POLICY STATEMENT:

In Accordance With California Penal Code 172 (e), and under guidelines specified by Veterans Home of California Administrative Manual Section VH 01-3600 (July 1, 1986) "Veterans Home Club Policy", the California Veterans Board endorses the sale of beer and wine on the grounds of the Veterans Home of California (Yountville).

Section: C-17
Revision:
Effective Date: 6/29/84

Subject: Post Fund Investment Insurance

Purpose: To ensure that Home members' individual investments are fully protected.

Policy Statement:

The Veterans Home shall ensure that member-owned investments are individually insured by FSLIC/ FDIC for full amount up to \$100,000.

SECTION D - - - - VETERAN SERVICES

SECTION: D-1

REVISION:

EFFECTIVE DATE: January 1, 1975

SUBJECT: Revocation of Powers of Attorney

PURPOSE: To allow the Division of Veteran Services to revoke powers of attorney in specific situations.

POLICY STATEMENT:

When the Division of Veteran Services has assisted a veteran or dependent and when all avenues of assistance have been exhausted and the claimant still is dissatisfied with the results, authority is granted to the Manager, Division of Veteran Services, or his designee, to revoke an existing power of attorney. Revocation of any power of attorney shall not be an arbitrary act and will be made in extreme cases after a complete investigation of all circumstances surrounding the case.

SECTION E - - - - - RESOLUTIONS

Section: E-1
Revision: 10/28/88
Effective: 11/21/86

Subject: POW Advisory Committee

Purpose:

To establish, by resolution, an Ex-POW Advisory Committee and to promulgate general guidelines and procedures governing the committee.

Statement of Resolution:

In accordance with the parameters specified in Military and Veterans Code (Section 73) and the general guidelines outlined in Department of Veterans Affairs correspondence of August 14, 1986, the California Veterans Board does hereby establish an American Ex-POW Advisory Committee for the specific purpose of bringing those concerns unique to the Ex-POWs to the general public.

The following guidelines shall be observed:

1. the Committee shall consist of three members who shall be appointed by the California Veterans Board and who shall serve at the pleasure of the Board:
 - a. Committee selection - selection shall be made by soliciting the American Ex-POWs, the veteran organizations and the Board membership for candidates. Upon receipt of the candidates, the Board shall appoint a subcommittee which shall review and make recommendation to the members of the Board.
 - b. Terms of appointment - at the Board's pleasure;
2. each member shall serve without compensation from the State of California: notwithstanding the provisions of the final sentence of Military & Veterans Code Section 73 regarding reimbursement for "actual and necessary expenses," no reimbursement of any kind shall be forthcoming from the California Veterans Board, the Department of Veterans Affairs, nor shall there be any expense incurred against any account of the State of California;
3. the State of California has appropriated in FY1989 funds to the California Department of Veterans Affairs for use by the California Veterans Board as start-up funds for the Ex-POW Advisory Committee of the California Veterans Board. The Committee will share Room 100 in the Department of Veterans Affairs building at 1227 "O" Street, Sacramento, California. Funds will not be used to lease office space, but the Ex-POW Advisory Committee will hire a secretary who shall serve at the direction of the Executive Officer;

4. all Ex-POW Advisory Committee travel plans shall be cleared and approved by the Chairman of the California Veterans Board prior to making commitments. Actual travel shall be approved by the Chairman of the California Veterans Board prior to commencement of the travel;

5. travel by Ex-POW Advisory Committee members, when approved by the Chairman of the California Veterans Board, shall be conducted and reimbursed in accordance with California Veterans Board Policy A-16, which also applies to Board members;

6. Ex-POW Advisory Committee meetings throughout the State of California shall use public meeting halls rather than renting or leasing private meeting rooms. This is the procedure used by the California Veterans Board;

7. the Committee shall be under the direction of the California Veterans Board which shall designate a chairman and vice-chairman;

8. the Committee shall meet no less than three times yearly for the purpose of gathering information to keep the Board and general public informed as to the needs and concerns of the Ex-POWs and shall:

- maintain a current roster of all former POWs residing in California;

- coordinate all California State related POW functions by advising the California Veterans Board regarding recommended action on such functions;

- involve itself in other functions which the Committee chair and Chairman of the California Veterans Board shall deem appropriate to the mission of the Ex-POW Committee in representing the needs of California's Ex-POWs;

9. the Committee shall submit a written report of its activities to the California Veterans Board no later than the next regularly scheduled Board meeting following the Committee meeting.

SELECT COMMITTEE GUIDELINES

Section I - General Guidelines:

1. There shall be five select committees within the California Veterans Board: Budget/Finance, Farm and Home Loan, Legislation, Veterans Home and Veterans Services;
2. In addition to the five select committees, there shall be two adhoc committees within the California Veterans Board: Policy, and Prisoner of War Advisory Committee;
3. It shall be the duty of the Chairman of the California Veterans Board to annually appoint Board members to serve as select committee members. Each committee shall consist of a chairman and a member. The Chairman of the Board shall serve as an exofficio member of each select committee;
4. Members shall serve for one calendar year. In the event that a member fails to perform his/her duties as a committee member, in the opinion of the Chairman of the Board, the Chairman of the Board shall appoint a replacement;
5. Each select committee shall meet quarterly for the specific purposes outlined in Section II. In keeping with Board policy and budgetary constraints, when possible, the quarterly committee meetings should be held prior to, or immediately following, a regularly scheduled Board meeting. A quarterly report shall be issued to the Board during a regularly scheduled meeting.
6. It is NOT a function of the select committee to involve itself in the day to day business of any division of the Department of Veterans Affairs.

Section II - Committee Purposes:

1. BUDGET/FINANCE:

a. shall annually review the Board's budget, with assistance from the Department of Veterans Affairs' fiscal division, and shall recommend to the Board any budget change proposals which may be needed;

b. in accordance with CVB Policy B-3, shall recommend to the Board an annual Farm and Home Loan interest rate;

c. shall hold a quarterly review of th Board's travel/per diem expenditures and make a report of expenditures to the Board:

1) all travel, other than regularly scheduled Board meetings, shall be approved by the Chairman of the Board;

2) travel arrangements shall be made thru the Board office only after travel has been approved by the Chairman of the Board;

3) in accordance with California State travel guidelines, DVA Executive Notice and Board Policy A-16, travel shall be by most economic means. Hotel receipts, when in a high designated area, auto rental receipts, taxi receipts, and receipts for other related travel expenses shall accompany monthly travel claims;

4) in the absence or unavailability of the Chairman, the Vice-Chairman may be contacted. It is hoped that Board members would submit travel requests at least 10 days in advance of travel period;

d. shall yearly review the Veterans Home Post Fund Budget and recommend to the Board prior to its May meeting;

e. shall review and update CVB policies regarding budgetary matters and recommend to the Board any changes, deletions, etc.;

f. shall perform any other duties as specified by the Chairman of the Board.

2. FARM AND HOME:

a. shall bring to the Board's attention any Farm and Home matter which may require Board action;

b. shall visit district offices when coordinated thru the division manager;

c. shall review and update CVB policies regarding farm and home and recommend to the Board any changes, deletions, etc.;

d. shall perform any other duties as specified by the Chairman of the Board.

3. LEGISLATIVE:

a. shall meet with the Department of Veterans Affairs' legislative staff and the veteran community during the legislative year (January - September) for purpose of update on veteran legislation;

b. shall make recommendations to the Board regarding legislation;

c. shall attend legislative hearings and in the event that the Board has taken a position, shall testify on behalf of the Board;

d. in the event that the Board is approached by the veteran community and/or general public for support, the issue will be referred to the Committee for consideration and recommendation by the next regularly scheduled Board meeting when possible;

e. shall perform any other duties as specified by the Chairman of the Board.

4. VETERANS HOME:

a. in addition to the duties as chairman of the committee, the chair shall also serve as a member of the Veterans Home "Hall of Fame" committee;

b. shall review and update CVB policies regarding the Veterans Home and shall recommend to the Board any changes, deletions, etc.;

c. shall represent the Board at functions held at the Veterans Home;

d. shall perform any other duties as specified by the Chairman of the Board.

5. VETERAN SERVICES:

a. shall visit district offices when coordinated thru the division manager;

b. shall bring to the Board's attention any Veteran Services matter which may require Board action;

c. shall review and update CVB policies regarding Veteran Services and shall recommend to the Board any changes, deletions, etc.;

d. shall perform any other duties as specified by the Chairman of the Board.

6. POW ADVISORY COMMITTEE SELECTION:

a. the committee shall screen all applicants for membership in the Advisory Committee and shall make recommendation to the Board in sufficient time to allow it to review the recommendations prior to the January 23, 1987 Board meeting;

b. upon selection of the three Advisory Committee members, the Chairman of the Board, shall select a member of the Board who shall serve as a liaison between the POW Advisory Committee and the Board;

7. POLICY:

a. shall review and update CVB "General Policies" and shall recommend to the Board any changes, deletions, etc.;

b. shall develop any new policies under direction of the California Veterans Board;

c. shall perform any other duties as specified by the Chairman of the Board.

APPENDIX E

Preamble

The function of the California State Park and Recreation Commission and the Department of Parks and Recreation is to acquire, protect, develop, and interpret for the inspiration, use, and enjoyment of the people of the state a balanced system of areas of outstanding scenic recreational and historic importance. These areas shall be held in trust as irreplaceable portions of California's natural and historic heritage.

The transfer of care, maintenance, or control of units of the State Park System shall be in agreement with Sections 5003 and 5007 of the Public Resources Code.

Public Resources Code Sections 535, 539, and 540 provide that the commission shall study the whole problem of recreation in California and shall recommend a comprehensive recreational policy for the state. The commission reports on and recommends to the Governor needed recreational and park facilities at the state and local level. It establishes general policies for the guidance of the Director of Parks and Recreation in the administration, protection, and development of the State Park System. In determining these policies, the commission is cognizant of the interest of the public, the State Legislature and Administration, and the duties assigned by law and good business procedure to other departments of government.

A continuing review of park policies is essential to keep them consistent with recreational trends, public needs, and financing, and to see that the aims which led to the establishment of the various units are maintained.

Recommendations from the policy committee shall be circulated for criticism and suggestions; the replies shall be reviewed by the policy committee and submitted to the commission for adoption. It shall be the responsibility of the Secretary of the State Park and Recreation Commission to maintain a current compilation of policy statements and to ensure its dissemination to the Governor, members of the Legislature, the State Park and Recreation Commission, the Administrator of the Resources Agency, the Director of Parks and Recreation, and to any interested persons, institution, or organization.

No State Park and Recreation Commission policy shall be construed in derogation of the legal authority of the Director of Parks and Recreation or of any employee of the Department of Parks and Recreation nor shall they be construed to authorize or permit to anyone, easement, concession, property right, or contractual right which is not otherwise provided for by law.

The lines of communication between the Commission and the departmental staff are always through the Director's office and/or those staff members assigned as staff to the Commission.

The responsibilities of the various committees shall be to gather information on their particular subject and make recommendations to the whole Commission for general policies to be adopted. All matters pertaining to Commission business (policy or decision) originating within the Department of Parks and Recreation shall first be submitted by the Secretary to the appropriate committee chairman for its study and thence by the committee chairman for the full Commission for final consideration and action.

Besides the creation of general policy statements for the guidance of the director

Preamble

(which the Director must follow), the Commission will make recommendations to the department based upon the results of committee study and/or statements made by individuals appearing at Commission meetings. Since these recommendations are based upon the "public hearing" aspect of the Commission's meetings, they are entitled to much consideration by the Department, but they do not occupy the same position as policy statements, and the Director may for good reason make decisions contrary to such recommendations (Report of Commission on California State Government Organization and Economy).

The facilities of the State Park System whether operated directly by the Department of Parks and Recreation, by agreement with other jurisdiction, or by concessioner, shall be open to all, without discrimination because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40) or sex.

POLICY NUMBER 1
PLANNING
(Amend 11-4-83)

Few responsibilities of the Department of Parks and Recreation are more important than planning. To ensure that the recreational needs of the people, particularly with respect to the State Park System will be met, there shall be current and advance planning.

Recreation Planning

Such planning shall anticipate the types, qualities, and extent of public needs for recreation, and shall determine the potential areas, the land-carrying capacities, and the developments and services to meet those needs with estimated costs for acquisition, development, and operation. Advance planning as a continuing function shall consider on a statewide basis competitive demands for land use and the total recreation requirements of California in order to assess the responsibility of the state in relation to federal, county, city, and special district governments.

Advance planning shall be done in cooperation with all appropriate agencies and levels of government. It is a recognized program of the Department of Parks and Recreation to encourage and assist these agencies and levels of government in assuming their fair share of responsibility in meeting public recreational needs, with no gaps or overlaps in service.

Resources Planning

Resources planning shall be current, and advance planning on a statewide basis shall ensure that representative examples of California's natural and cultural resources are protected and made available for the enjoyment and inspiration of the people. Such planning shall periodically assess the resources values existing in the State Park System and will analyze which statewide natural and cultural resources are of highest priority as additions to the State Park System. This planning should give special consideration to those sensitive areas that are threatened.

Suitability

The Director of Parks and Recreation shall inform the commission of departmental planning activities by appropriate references in his "Director's Report," and, at least yearly, shall furnish a written report reflecting the consensus of the State Park System with regard to the above subject matter.

There shall be an ongoing review of State Park System lands to determine their continuing suitability for Park System purposes. Reports on holdings considered unsuited to State Park System use shall be presented to the State Park and Recreation Commission.

Policy Number 2

INTEGRITY OF STATE PARK SYSTEM LANDS

(Amend 11-4-83)

Land acquired for the use and enjoyment of the people according to the statutes governing the State Park System is classified for use and enjoyment by this and future generations as: (a) state wildernesses; (b) state reserves; (c) state parks; (d) state recreation units; (e) historical units; (f) natural preserves; (g) cultural preserves; (h) state beaches; and (i) state seashores.

Land acquired for the State Park System shall be dedicated to public use and protected against exploitation in accordance with its classifications, with the department's adopted Resource Management Directives, and as outlined in approved resource elements of general plans.

State Park System uses must not be in conflict with the department's Resource Management Directives, or with resource elements of general plans adopted for units of the State Park System.

Subject to provisions of law and to general policy established by this commission, the Director of Parks and Recreation shall, wherever possible, provide for the use of State Park System lands as classified and planned, and shall not grant nonconforming uses without the concurrence of the State Park and Recreation Commission.

Policy Number 3

CLASSIFICATION AND NAMING UNITS OF THE STATE PARK SYSTEM (Amend 4-14-89)

The following procedure will be used to identify, classify, and name units of the State Park System:

1. Unit Project Name

A unit project name may be used by the Department of Parks and Recreation throughout the initial phase of site selection, planning, and acquisition of a unit to be added to the State Park System. The project name, so far as possible, will be based on the criteria outlined in Paragraph 3 below.

2. Classification and Naming

- a. Following the acquisition of and preparation of a resource inventory for a new unit of the State Park System, the Department will provide the Secretary of the Commission with a recommendation containing the unit's permanent name and classification.
- b. The type of classification shall be governed by existing State law, principally the Public Resources Code Division 5, Chapter 1, Article 1.7, Section 5019.53, et seq.
- c. With regard to naming, the department's recommendation will be based on the criteria outlined in Paragraph 3 below and any existing state regulations.
- d. Upon receiving a recommendation for the classification and naming of a unit of the State Park System, the Secretary of the Commission will select the time and place for holding a public hearing before the commission for this specific purpose. The Secretary will ensure that the hearing is properly announced in accordance with existing state regulations in order that the classification and naming as adopted by the commission may be recorded and made a part of Title 14 of the California Code of Regulations.

3. State Park System Unit Names

In most cases, a unit should bear the name to which it has been accustomed due to location, association, history, or general usage. Changing the name of a classified unit is strongly discouraged. A unit may be named by the commission in honor of a person living or deceased who has rendered services of statewide significance to the State Park System.

4. Naming of Features Within Units of the State Park System

The Director may approve the use of a name to identify a feature within a unit of the State Park System when this action is necessary or desirable for any reason, such as ease in identifying a feature for users of the system, preparation of maps, recognition of deserving individuals or groups, etc. Names so selected may be altered or changed by the director as conditions warrant. The approval of a map or the use of a sign identifying a feature shall constitute the director's approval and the recording of the director's actions.

5. Memorial Groves

The commission reserves the privilege of approving the selection and names given to memorial groves within the State Park System. Sections or areas within units of the State Park System may be permanently set aside as memorial groves for any reason approved by the commission. However, generally, memorial groves will be approved and named only to honor individuals or organizations who have donated at least \$5,000 or one-half of the present market value of the area to be named. Memorial plaques approved by the department shall be used to identify such areas. These plaques shall include a statement of the state's participation in the acquisition of the grove if appropriate. Memorial groves will be indicated on an official map left in the headquarters of the unit concerned and in the archives of the commission. The naming of a memorial grove will not have any effect on the area, section, or unit name of a unit of the State Park System.

6. Memorial Trails

The commission reserves the privilege of approving the selection and names given to memorial trails within the State Park System. Areas within units of the State Park System may be permanently set aside as memorial trails for any reason approved by the commission. However, generally, memorial trails will be approved and named only to honor individuals or organizations who have donated at least \$5,000 or comparable service for trail improvements. Memorial plaques approved by the Department shall be used to identify such areas. These plaques shall include a statement of the state's participation in the establishment of the trail if appropriate. Memorial trails will be indicated on an official map in the headquarters of the unit concerned and in the archives of the commission. The naming of a memorial trail will not have any effect on the area, section, or unit name of a unit of the State Park System.

Policy Number 4

MANAGEMENT OF STATE RESERVES

(Amend 11-4-83)

Management of state reserves in the State Park System may be predicated upon the principle of special use rather than general use. Scientific studies through professional channels in appropriate investigations and research may require careful protection of the natural values without interruption, thus limiting general public use.

In state reserves, the protection of ecological, scientific, and natural values is of primary importance. Resource elements of general plans for state reserves shall recognize this fact. When consistent with Resource Elements and General Plans, the Director of Parks and Recreation may provide such limitations on public use in state reserves as he deems to be wise and prudent to safeguard these values for the future.

In managing state reserves, the Director of Parks and Recreation may authorize research activities which restrict general public use when such research is conducted by qualified persons or organizations, when such research is essential to the attainment of long-term management objectives as defined in the resource element for the unit, and when such research will contribute to public knowledge and enjoyment through its findings. The director shall consult with the commission regarding departmental programs for the use of state reserves for scientific research and educational purposes. The public, wherever possible, shall be permitted to share the particular values of such state reserves through an interpretive program carried on outside the fragile area.

Physical facilities may be established in state reserves to further research or to provide for guarded public visitations, but they should be kept to a minimum and only introduced upon findings by the Director of Parks and Recreation that they are necessary and will not cause irreparable damage to the natural or physical values. Such facilities may be provided only under carefully controlled safeguards.

The Director of Parks and Recreation may restrict public access to all or a portion of a state reserve for a period of up to one year when, in his judgment, this would be in the best interest of the reserve. Restrictions of public access for periods longer than one year shall be established only upon approval of the commission.

Policy Number 5

**COLLECTION ACTIVITIES AT
AÑO NUEVO STATE RESERVE**

(Amend 11-4-83)

It is the policy of the commission that the lands of Año Nuevo State Reserve, both mainland and insular, shall be protected and managed for the primary purpose of providing a natural environment for pinniped life and related natural systems, that pinnipeds shall be collected within the reserve only for scientific research purposes by qualified persons or institutions having recognized scientific standing, and that such collection shall be on terms and conditions acceptable to the commission.

Policy Number 6
RESERVOIR AREAS
(Amend 11-4-83)

The Legislature has specifically recognized the key importance of reservoir areas, federal, state, and local, in meeting California's recreational needs. In all stages of planning and the allotment of priorities, the use of reservoir areas for recreational development shall be emphasized, provided that significant scenic, natural, and cultural resource values shall be protected. The possibility of making all reservoirs available for recreational use shall be studied in cooperation with the appropriate authorities.

Policy Number 7

PRESERVATION OF VEGETATIVE ENTITIES

(Amend 11-4-83)

It shall be the policy of this commission, in concert with other agencies and organizations, to acquire and preserve outstanding examples of native California species, and to acquire and perpetuate significant natural plant communities, associations, and examples of rare, endangered, endemic, or otherwise sensitive native California plants, as indicated on state and federal lists.

Whenever possible, significant vegetative entities shall be acquired in natural ecological units so that their integrity may be better perpetuated.

In order to maintain the genetic integrity and diversity of native California plants, revegetation or transplant efforts in the State Park System will be from local populations, unless shown by scientific analysis that these populations are not genetically distinct from populations being proposed for use. If local populations have been decimated, the closest existing population(s) to that State Park System unit will be used.

Policy Number 8

OFF-HIGHWAY VEHICLES IN THE STATE PARK SYSTEM
(6-9-88)

It is the policy of this Commission that only highway licensed vehicles will be permitted on primitive roads or designated routes of travel in units classified as State Parks or State Historic Parks unless otherwise authorized by the General Plans for those State Park units. Snowmobiles may be excluded from this policy by the Director of the Department of Parks and Recreation at those times and places where their use is not damaging to the natural resources or disruptive to general public enjoyment.

Policy Number 9

**WILDLIFE MANAGEMENT IN UNITS
OF THE STATE PARK SYSTEM**

(Amend 11-4-83)

Programs of wildlife management involving the propagation or reduction of animal species may be carried on in the State Park System only where necessary to safeguard the health and safety of State Park System visitors or of the general public, or when the preservation of the wildlife species involved is threatened. The purposes of the State Park System include protection of wildlife in a natural status within State Park System unit boundaries; therefore, programs of wildlife management involving the propagation of missing species or the reduction of existing species population may be undertaken only after careful study of the effect of such management on the ecological stability of the area and approval of the management program by the Commission.

In order to maintain the genetic integrity and diversity of native California wildlife, animals transplanted within the State Park System will be from local populations, unless shown by scientific analysis that these populations are not genetically distinct from populations being proposed for use. If local populations have been decimated, the closest genetically existing populations to that State Park System unit will be used.

Policy Number 10

NON-MOTORIZED BIKE USE (4-14-89)

Preface

This policy is based on the recognition: that bicycling on unpaved roads and trails (non-motorized biking) has become an extremely popular recreational activity; that providing areas for non-motorized biking in the State Park System is consistent with our mission to provide recreation opportunities for the general public; and, that the increasing use of mountain bikes has created a need to develop management policies to reduce the potential conflicts with other users and the impact on park resources.

Policy

This policy is intended to provide for non-motorized bike use that is consistent with the department's responsibilities to all users and to the stewardship of park resources.

Generally, paved and unpaved* park roads are open and trails closed to bicycles. This policy will take effect for trails after district management completes a use determination of major trails and the signing of each. Unpaved roads may be closed and trails opened upon a written determination by the district superintendent, approved by the regional director, that specifically considers criteria as outlined in this policy. Trails currently approved for non-motorized bike use should be given special consideration for continued use, based on criteria below.

*Unpaved park roads are defined as fire roads, dirt roads, and service roads with a width of over 60 inches.

Specific Restrictions

1. Bicycles will be operated, especially when passing users, at a safe speed and in a responsible manner as determined by department staff.
2. Bicycles are prohibited in areas classified as wilderness.
3. Bicycles in State Reserves and in Cultural or Natural Preserves are allowed only on paved roads.
4. As with other trail uses, off-trail or off-road (cross country) bicycle use is prohibited in all units.

Determination Criteria

1. Safety of bike user and other park users:
Width, slope, visibility, grade, length, surface of road or trail

2. Impact of trail/road use on the unit's environment:
Wildlife, plants, cultural resources, soil condition, and aquatics
3. User Conflicts:
Impact on recreation experience of other users
4. Volunteer participation by members of the mountain bike community in conjunction with efforts of other trail users:
Volunteer patrols, trail/road building and maintenance, and user education
5. Purpose of the area within the unit:
Zones (primary historic zone, open space, entrance, etc.),
interpretive trails
6. Compatibility with adjoining land management of trail/road corridor
7. Demonstrated demand for activity
8. Ability to accommodate activity:
Staffing, including volunteer patrols
Carrying capacity
9. Seasonal conditions which might require periodic closure
10. Type of trail/road:
Point-to-point access
Through travel
Loop trails

Policy Number 11
ACQUISITION AND DEVELOPMENT
(Amended 10-12-84)

A balanced program involving the acquisition of land and its development for public use is vital to the State Park System and should be continued, commensurate with the needs of the state's current and future population.

The department shall seek a portion of the cost of each project as a matching contribution for those facilities wherein significant acquisitions and capital improvements are beneficial to members of communities adjacent to the facility involved. The purpose of this policy is to encourage volunteerism and community participation, and to make maximum use of the limited state funds available. The amount of matching contributions received or pledged by responsible individuals, organizations, municipalities, counties, etc., will be closely considered in arriving at decisions as to which facilities are to receive priority in seeking the allocation of state funds for implementation of projects which have been mutually agreed upon.

Capital outlay programs, regardless of funding source, should emphasize resource management and development.

In order that the commission and all interested parties may be adequately informed regarding the capital outlay programs of the department, the department's annual statistical report shall give dollars spent on a unit basis for acquisition and development and shall be sent to the commission no later than six months after the close of the fiscal year.

Acquired areas should be made available to the public as soon as practicable.

Policy Number 12

USE OF OPPORTUNITY PURCHASE FUNDS

(Amend 11-4-83)

Opportunity purchase funds are appropriated to the department from the General Fund, and are to be used by the director to acquire parcels of land for the State Park System under the following conditions:

1. The land to be acquired shall be within the approved boundary or contiguous with the boundary of an existing unit of the State Park System.
2. Lands to be acquired with opportunity purchase funds should be relatively low-cost additions, tax-delinquent property, right-of-way, and/or other servitudes on existing State Park System lands, or other acquisitions of limited acreage. These may be acquired by the Director with opportunity purchase funds, without approval of the State Park and Recreation Commission.
3. Use of opportunity purchase funds to acquire lands at less than fair market value is encouraged as long as the lands acquired meet the above conditions. The land offered shall be purchased at a price equal to or less than fair market value. In addition to the above criteria, the director shall give special consideration to use opportunity purchase funds for the purchase of property rights-of-way and of other servitudes on existing State Park System lands heretofore inactive but in danger of being activated to the detriment of the State Park System. The director shall inform the commission regarding the use of funds appropriated to the department for opportunity purchase.

Policy Number 16

CONFLICTING RECREATIONAL USE

(Amend 12-13-68)

Where there are conflicting, though legitimate, recreational demands for use of the same unit of the State Park System, every consideration may be given by the Department of Parks and Recreation to provide opportunities, consistent with public safety, for such conflicting recreational uses by a time or space zoning or by other controls and devices.

If the commission finds that a specific recreational use is damaging to the natural and cultural resource values or the health, safety, or welfare of visitors, it shall be re-evaluated and may be restricted.

Policy Number 17
FACILITIES WHICH ARE
ATTRACTIVE IN THEMSELVES
(Adopted 2-10-84)

The statutory provisions (Public Resources Code 5019.53) for state parks are that, "Improvements that do not directly enhance the public's enjoyment of the natural, scenic, cultural, or ecological values of the resource, which are attractions in themselves, or which are otherwise available to the public within a reasonable distance outside the park, shall not be undertaken within state parks."

The statutory provisions (PRC 5019.62) for state seashores are, "Improvements undertaken within State Seashores shall be for the purpose of making the areas available for public enjoyment, recreation, and education in a manner consistent with the perpetuation of their natural, scenic, cultural, ecological, and recreational value. Improvements which do not directly enhance the public enjoyment of the natural, scenic, cultural, ecological, or recreational values of the seashore, or which are attractions in themselves, shall not be undertaken."

In determining whether a facility proposed for a unit classified as a state park or a state seashore is an "attraction in itself," the commission should consider each proposal on an individual case-by-case basis, including the following:

Whether the visitors' use of a particular facility is unrelated to and independent of its location within a unit of the State Park System;

Whether the proposed facility would detract from the broad future uses of the resources and land area of the unit;

Whether the facility would serve only a limited portion of the park users;

Whether the facility is justified on a historical basis at that unit;

Whether protection against commercial abuse is provided;

Whether a precedent is set; and

Whether the facility contributes to the enjoyment of the natural resource. Multiple uses, which do not detract from the natural, scenic, and cultural values, should continue to be considered.

This policy is not retroactive to any such facilities now in the State Park System.

Policy Number 19
CONCESSIONS
(Amend 11-4-83)

The following general policies are applicable to all new, renewed, or amended concession contracts entered into by the Department or its operating agents:

1. General Statement of Concession Policy

Recognizing the diverse missions of the Department of Parks and Recreation relative to providing recreation opportunities and preserving and interpreting natural and historic resources, it shall be the department's policy to enter into concession contracts for the provision of products, facilities, programs, and management and visitor services which will provide for the enhancement of visitor use and enjoyment, as well as visitor safety and convenience. Such concessions should not create added financial burden on the state, and, wherever possible, shall either reduce costs or generate revenues that aid in maintaining and expanding the State Park System. In carrying out this policy, the department and its operating agents shall observe and adhere to the provisions of the Public Resources Code that forbid commercial exploitation of resources in units of the State Park System and that limit the kinds of improvements and activities that are allowed in certain types of units. The commission, in its review of the general plan for units to be operated by operating agents, shall make a determination that the unit will be operated in a manner that generally meets the standard followed by the department in its operation of similar units, including applicable provisions of commission policies.

2. Concession Compatibility with State Park System Missions

Concession developments, programs, or services must be compatible with a unit's classification and general plan provisions. Department policy recognizes that a wider variety, size, or type of concession may be permissible in units classified as state recreation areas or state beaches than in units where the management purpose is primarily historic or natural feature preservation and interpretation. Further, it is the department's policy that concessions that relate to the resources of the unit in state recreation areas and state beaches can be enhancements or attractions unto themselves, but that such concession attractions are generally incompatible with state units in which natural or historic preservation is of primary importance.

3. Concessions Planning

Opportunities for appropriate concession arrangements shall be considered in each phase of the department's planning processes that lead to acquiring, developing, rehabilitating, operating, or interpreting park units.

In historic structure restoration or reconstruction planned for accomplishment through concession contracts, and where the subject structure(s) shall be occupied by a concession operation, the department shall first perform necessary archeological, architectural, and/or historical authenticity studies of the proposed project prior to finalizing a contract for such work or building use.

Proposed concessions requiring significant capital investment shall be studied as to their economic feasibility. Such studies shall be the basis for determining project viability as well as lease term, rental payments, and other contract provisions.

4. Interpretive Concessions

The department shall consider an interpretive concession opportunity to exist when the facility, service, product, or program contracted for shall directly relate to an interpretive theme, interpretive plan, or general plan for the unit. In such cases, the director shall have the option to enter into a contract through an open bid process or through a sole-source contract when such contractor will have demonstrated unique knowledge, experience, or ability associated with the interpretive subject. The interpretive concession contract shall state the interpretive goals and objectives to be achieved by the concession.

5. Attracting Small and Minority-Owned Business Concessionaires

It is the policy of the commission to cultivate and encourage small businesses and ethnic and racial minority-owned/operated businesses as concessionaires in the State Park System. Concession opportunities shall be announced and advertised in selected target media to aid in achieving this goal.

6. Concessions Competing with Similar Businesses Outside Park Units

It is the commissions's policy to generally avoid entering into convenience-type concession agreements for facilities, products, or programs that are adequately provided for at a short distance outside state park unit boundaries, when such travel will not unduly endanger or inconvenience visitors or lead to unreasonable consumption of transportation fuels.

7. Low-Cost Housing and Meals

The criteria for bidders shall take into account the need for reasonable prices for meals and overnight rentals.

8. Proposed Concessions and Contracts under Operating Agents

Proposals for future concessions which may be recommended in the concessions element of the general plan, and proposed concession contracts which the Department or its operating agents present to the commission for their approval prior to bidding, negotiation, or amendment pursuant to Public Resources Code Section 5080.20(a), shall be carefully reviewed by the commission for consistency with paragraphs 1 through 7 of this policy.

Policy Number 20

FACILITY, PRODUCT, OR SERVICE DONATIONS

(Amend 1-16-86)

The department may accept donations of facilities, products, services or programs when such offers are found by the director and the commission to be consistent with the goals and objectives of the department. In accepting such offers, the director may consider the appropriateness of such materials, services, or programs for use in specific units or portions of units. Whenever the need for donations is identified in advance, the department shall solicit offers of products and services from more than one source.

Donations of facilities, products, services, or programs identified with tobacco or alcoholic beverage products shall be subject to approval by the director with the concurrence of the commission.

The department may accept goods or services in lieu of fees charged for short-term concession rentals or special events when, in the judgment of the director, such goods and services are appropriate and are of comparable value to the unit, the region, or the department.

Where the department has accepted appropriate donations of commercial products, facilities, services, or programs in accordance with the criteria established in this policy, such donations may be publicly acknowledged by resolution of the commission or other appropriate means. When donor recognition is shown on a plaque or on a donated item, it shall be in keeping with the park use and in a manner appropriate to the donation, as determined by the department. Sign colors shall match standard State Park System sign colors when appropriate. Commercial logos, if permitted by the department, shall be of size and placement approved by the department.

The approved donor recognition plaque or sign shall be the only donor recognition displayed in units of the State Park System. A listing of donors may be displayed within the unit if approved by the department.

Artifacts used as part of an interpretive display or museum are exempt from this policy.

Policy Number 21
ADVERTISING
(Amend 1-16-86)

Advertising of commercial products or services, except where incidental to sales on premises of concessionaires, is generally incompatible with the purposes of the State Park System. The department shall not enter into contracts or other arrangements whose purpose or practical result is to procure advertising space for commercial products or services in units of the State Park System. The department may, however, enter into contracts or other arrangements when advertising includes product name identification relating to a public service contribution for the maintenance and operation of a State Park System unit. Such product identification will be accomplished in a manner consistent with the goals of each individual State Park System unit. The director shall report periodically such actions to the commission.

No advertising of tobacco products or alcoholic beverages is permitted. Billboard advertising is clearly incompatible with the purpose of the State Park System and will not be permitted.

Policy Number 22

VISITOR FEES
(Amend 4-14-89)

1. The department shall establish and collect entry, facility use and program fees. In doing so, the department shall consider the following: affordability to the public; the level of service being provided; concentration of economically disadvantaged people identified as potential users, within close proximity to the unit; the department's practical ability to collect fees; and the fees of similar facilities in the area.
2. Fees may be adjusted annually. At least sixty days prior to the declaration of change, the Commission shall hold a public hearing.
3. Overall revenue from fees should represent a return which recognizes the reasonable need to share the costs incurred by users and the value received by all people of the State from quality park units and services.
4. Fees may be waived or reduced for: School groups (K-12) and their escorts when used for educational purposes in accordance with Public Resources Code 5010.2; State hospital patients and their attendants in accordance with Public Resources Code 5010; minors; economically disadvantaged persons; seniors; disabled persons; when it is in the best interest of the department to do so, such as special commemorative events, recognition of special groups, for marketing or public relations, or comparable purposes; as needed to respond to site specific concerns such as climatic conditions, usability of resources, existence of competing facilities in the area.

Policy Number 23
PUBLIC SAFETY
(Amend 12-13-68)

As a corollary of its charge to administer, protect, and develop the State Park System, the Department of Parks and Recreation has a responsibility for the safety of visitors and personnel. Every reasonable precaution shall be taken to reduce or eliminate existing and potential hazardous, dangerous, and defective conditions, if any, which are sources of injury to persons and property.

The Director of Parks and Recreation shall formulate and implement departmental procedures to provide for the detection and reduction of dangerous or potentially hazardous conditions. Such procedures shall also provide for a program of adequate inspection on at least an annual basis in all units of the State Park System, and more frequently in areas of heavy use.

The Director of Parks and Recreation shall furnish information copies of such procedures to members of the commission, and shall thereafter advise of amendments thereto. The cost of carrying out this program shall be included in the report of the Director of Parks and Recreation to the commission at the end of each fiscal year.

Policy Number 24
INFORMATION AND EDUCATION
(Amend 11-4-83)

The State Park and Recreation Commission is a public agency. As such, its meetings are public meetings, open to attendance by the people.

Adequate notice of regular and special meetings of the commission shall be given to the public through the usual news media and/or through releases mailed to interested persons and organizations. The presence of representatives of the press, radio, television, and other news media is to be welcomed and encouraged. However, the filming or recording of commission meetings will be permitted only by prior arrangement in advance of the calling of a meeting to order, so that the commission may control the appropriateness of the request and avoid confusion during the meeting. Such advance requests will be submitted to the secretary of the commission ten days prior to the meeting.

Copies of proposed general plans shall be made available to the public at unit, area, and region offices, and at one or more public libraries in the vicinity of the unit.

The public shall be kept informed of the development and use of the State Park System. Information should contain not only the current operation of the existing State Park System but the planning for future facilities and services.

The media for information and education should include local conferences, news releases, radio and television, folders and pamphlets, full-time and seasonal park naturalists and historical guides, exhibits, motion pictures, and other types of visual aids.

A continuous effort must be maintained to see that all personnel of the Department of Parks and Recreation, and in particular the field personnel who are in regular contact with the public, are well informed on the current activities of the department and the commission.

Policy Number 26
INTERPRETATION
(Amend 3-11-77)

The Department of Parks and Recreation shall interpret the units of the State Park System. Information shall be presented objectively and in accordance with the highest standards of the profession.

A quality interpretive experience is essential to assure public understanding, appreciation, and concern for the environment. Programs shall be easily available, tailored to diverse human needs, and meaningfully structured. The interpretive programs will relate to the natural, cultural, and recreational resources of the Park System.

In the planning, development, and implementation of interpretive programs in the units of the State Park System, the Department of Parks and Recreation shall identify and emphasize all interpretive values and features for each unit by requiring the preparation of both an "interpretive prospectus" and an "interpretive plan."

For each historical unit, all features and circumstances which make the unit important will be identified, and the primary period within which human activities or events were of the greatest significance will be established. Preservation and interpretation need not be restricted to that period but will be related to it in emphasis and action.

A continuous effort must be maintained to assure that all personnel of the Department of Parks and Recreation, including seasonal employees, are oriented and appropriately trained in the significant natural, cultural, and recreational values of the State Park System, and enthusiastically carry out the documented interpretive programs of the department.

Policy Number 28

ALCOHOLIC BEVERAGES
(Amend 4-14-89)

The sale of alcoholic beverages within the boundaries of the State Park System is generally not compatible with park use.

However, under certain circumstances, consideration may be given to the sale of alcoholic beverages in the State Park System under concession contracts entered into with persons, firms, or corporations. Such consideration may be given only after a public hearing, notice of which is given pursuant to the Government Code, and any approval must be supported by a finding that the sale of alcoholic beverages under the proposed concession contract will be for the convenience of the public in its use and enjoyment of the State Park System and, in the case of state historic units, that such sales will constitute appropriate historic interpretation. In all instances where a concession contract is to provide for sale of alcoholic beverages for a period of more than four consecutive days, prior approval of the contract shall be obtained from the State Park and Recreation Commission, with forty-five days' public notice in accordance with Government Code Section 11346.4(a), (b), and (d), and the commission shall make the necessary findings.

The Director of Parks and Recreation may authorize such sale of alcoholic beverages for short-term or "special events" not to exceed four consecutive days.

The commission hereby establishes the following general policies regarding the sale of alcoholic beverages:

1. The sale of beer and/or wine for consumption off the premises may be considered at grocery and camper supply concessions, if such beverages are not otherwise available to the public within a reasonable distance outside the unit. Off-premises sales of alcoholic beverages may be considered at state historic parks if such activity took place during the historic period being interpreted at the unit and any development involved retains or restores historic authenticity.
2. The sale of alcoholic beverages for consumption on a concessionaire's premises may be considered in connection with the sale of bona fide meals, as defined in the Alcoholic Beverages Control Act, which are served and consumed at restaurant concessions located in units classified as state parks, state recreation areas, state beaches, and state historic parks. In the case of state historic parks, such sale may be allowed only if such activity took place during the historic period being interpreted at the unit, and any development involved retains or restores historic authenticity.

On-premises sale of alcoholic beverages at restaurant concessions shall generally be restricted to beer and/or wine. Exceptions allowing the on-sale of distilled spirits in connection with the consumption of bona fide meals at restaurants located in state parks, state recreation areas, state beaches, and state historic parks may be permitted only upon review by the commission.

3. The on-premises sale of beer, wine, and/or distilled spirits at concessions not associated with the service of bona fide meals may be permitted only (1) at "special events", where short-term sales are approved by the director, and (2) at saloons in state historic parks, if such activity took place during the historic period being interpreted at the unit and any development involved retains or restores historic authenticity.
4. In exercising its authority, the commission shall not permit an undue concentration of alcoholic beverage outlets in any unit of the State Park System. Nor shall it approve any undue number of licenses at different premises controlled by one concessionaire in any unit.
5. Existing contracts authorizing the sale of beer, wine, or distilled spirits may be renewed by the director with the approval of the commission if, in the judgment of the department, the conditions stated in Paragraph 1 through 4 above remain substantially unchanged.

Proposals for new concessions involving sales of alcoholic beverages which may be recommended in the concessions element of a general plan, and proposed concession contracts involving sales of alcoholic beverages which the department presents to the commission for approval prior to bidding, negotiation, or amendment pursuant to Public Resources Code Section 5080.20(a), shall be carefully reviewed by the commission for consistency with Paragraphs 1 through 4 above.

6. Concession contracts that permit the sale of beer and/or wine shall contain standard language reserving to the director the power to impose regulations which must conform with rules of the Department of Alcoholic Beverage Control with respect to the conditions and locations of these sales.

The commission recognizes that the sale, manufacture, and possession of alcoholic beverages and issuance of licenses to sell such beverages is regulated by law, by statute under the Business and Professions Code, and by the rules and regulations of the Department of Alcoholic Beverage Control and other state agencies. This policy in no way seeks to interfere with implementation of that code or with policies and regulations of other state agencies.

Policy Number 29

UTILITIES

(Amend 4-11-69)

Utilities shall be placed underground in units of the State Park System. Exceptions may be permitted by the Director of Parks and Recreation where, in his opinion, undergrounding is not economically feasible or where the environmental quality of the area is not harmed.

All right of way grants to utility companies shall require that utilities be placed underground unless, in the opinion of the director, special conditions prevail which would make this action impractical. Rights of way or easements generally should be for a specified period of time. However, exceptions may be made by the director where necessary upon his finding that this action would be in the best interests of the Park System. Rights of way or easements may be granted where otherwise appropriate with the provision that the right of way or easement may be moved upon a finding of the director that their location interferes with future development, and shall be under the terms and conditions in the best interest of the State Park System.

It shall be the objective of the Department of Parks and Recreation ultimately to achieve the undergrounding of all existing above-ground utilities.

Policy Number 30

**SALE OF COMMERCIAL PRODUCTS
BY PERSONNEL OF THE
DEPARTMENT OF PARKS AND RECREATION**

(Amend 11-4-83)

Where appropriate commercial products are for sale in units of the State Park System, they shall be offered only through concessioners.

Sale of products by personnel of the Department of Parks and Recreation and approved cooperating associations shall be restricted to items that are of value to the units in interpretation of the State Park System to the visiting public or for the public's safety, health, or welfare.

Policy Number 31
AGRICULTURAL LEASING
(Amend 11-4-83)

Generally, grazing or agricultural leasing is considered incompatible in units of the State Park System. However, the director may permit grazing in the State Park System when it is for the benefit of the plan and purpose of the State Park System and the commission is advised of this action. The director shall carefully weigh the environmental consequences of grazing and agricultural leasing on the natural or cultural resources of any unit.

Policy Number 32
PHOTOGRAPHY
(Amend 11-4-83)

Generally, photography subject to existing regulations for noncommercial personal purposes is to be encouraged as a means of enhancing visitor enjoyment to units of the State Park System and extending the benefits and influences of the recreational experience.

The use of photographic equipment in units of the State Park System will be subject to appropriate rules and regulations. Commercial photography in units of the State Park System shall be subject to a permit issued by the Director of Parks and Recreation. The Director may issue a permit under terms, conditions, and fees as he may deem appropriate when, in his opinion, the commercial use of such photography will benefit the State Park System and not unduly detract from visitor use and enjoyment.

Photographic activities in the State Park System shall not result in alteration of landscape, damage or danger to wildlife, plant life, or other resource, or denial of use or access to the general public.

Policy Number 34
ANNUAL CHANGES TO TITLE 14
OF THE CALIFORNIA ADMINISTRATIVE CODE
(Amend 11-4-83)

In the interest of economy and better public understanding of the rules and regulations relating to the State Park System, it is the recommendation of the commission that wherever practicable, proposed additions and changes of other than emergency regulations be referred to the commission annually in sufficient time to permit action on the proposed changes at the regular meeting in November.

