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The Policy-Making Role of the California Veterans Board

Senate Committee on Veterans Affairs

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CALIFORNIA LEGISLATURE
SENATE COMMITTEE ON VETERANS AFFAIRS

**“THE POLICY-MAKING ROLE OF
THE CALIFORNIA VETERANS BOARD”**



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HEARING
SENATE VETERANS AFFAIRS COMMITTEE
STATE OF CALIFORNIA

"THE POLICY-MAKING ROLE OF THE CALIFORNIA VETERANS BOARD"

COUNCIL CHAMBERS
276 FOURTH AVENUE
CHULA VISTA, CALIFORNIA

TUESDAY, OCTOBER 24, 1989
9:00 A.M.

Reported by:

Evelyn Mizak
Shorthand Reporter

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APPEARANCES

MEMBERS PRESENT

SENATOR WADIE DEDDEH, Chairman

SENATOR ROBERT BEVERLY

STAFF PRESENT

JOHNNIE LOU ROSAS, Senior Consultant

CAROL THOMAS, Committee Secretary

ALSO PRESENT

GENERAL ROBERT CARDENAS, Member
California Veterans Board

BARBARA WOODS, Member
California Veterans Board

FRANK BORRELLO, Member
California Veterans Board

PORTER L. MERONEY, Undersecretary
State and Consumer Services Agency

JESSE UGALDE, Director
Department of Veterans Affairs

VINCENT OKAMOTO, Former Member
California Veterans Board

HOWELL JACKSON, Chief Attorney
Department of Veterans Affairs

JOHN HANN, Member
California Veterans Board

JUDGE BROWN, Commander
Veterans of Foreign Wars

EDWIN MUNIS, Legislative Advocate
Veterans of Foreign Wars

WALLACE RIDDLE, Commander
American Legion

NASH RAMIREZ, Commander
Disabled American Veterans

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MICKEY CONROY
Armed Forces Retirees Association of California

BOB WHITE
Association of County Veterans Service Officers

WILLIAM C. MANES, Commander, U.S. Navy Retired
Retired Officers Association, California

RON MELENDEZ
County Veterans Service Officer, Orange County

BILL AYERS, Member,
Fleet Reserve Association

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P R O C E E D I N G S

--oo0oo--

CHAIRMAN DEDDEH: Good morning.

Before I read my statement, I would like to express publicly my thanks and that of the Committee to the City of Chula Vista, its Mayor, to the City Council, and to the staff of the City for making it possible for us to hold the hearing in this beautiful city that I claim to be mine. I live here, and I'm honored to be part of this great community.

Now, ladies and gentlemen, I would like to welcome you. It's good to see so many representatives of the veterans community here today as the Senate Committee on Veterans Affairs examines "The Policy-Making Role of the California Veterans Board."

The Cal-Vet Board was created by statute in 1946 as the policy-making body for the California Department of Veterans Affairs. Today we want to take a new look at the policy-making role of the Board to determine how well the Board is functioning in this capacity.

Even though the Legislature clearly intended for the Board to set policy for the Department, it never provided any mechanism to make certain that the Department carried out the Board's policies. That oversight has been a source of conflict from time to time since 1946.

Today, we hope the witnesses will help us determine whether the Board, as it is presently structured, actually establishes policy, or whether it serves only in an advisory

1 capacity. We hope you will help us decide what the Board's
2 future role should be. And if the Board continues as a policy
3 maker, how can the Legislature make certain that Board policy is
4 carried out.

5 We are looking for your help in this matter, and don't
6 be afraid to offer innovative ideas. We hope that this hearing
7 will produce ideas for legislation next year. We don't know what
8 form that legislation might take; however, there are limitless
9 possibilities. Perhaps the Legislature should appoint the
10 Veterans Board. Maybe the Code should be given teeth so the
11 Board can ensure that its policies are carried out. Or, maybe
12 the Board should become an advisory body. We don't know the
13 answers right now, and that's what we are waiting to hear from
14 you.

15 Before I introduce our first witness, I would like to
16 introduce one distinguished Member of the Committee, from
17 Manhattan Beach, who's been with us in the Legislature and I've
18 had the privilege of knowing him for 23 years. We served
19 together in the Assembly and now in the Senate, the Honorable
20 Senator Bob Beverly, Member of the Committee.

21 And to my immediate right is Johnnie Lou Rosas, the
22 Committee Consultant. To my immediate left is Carol Thomas,
23 Committee Secretary. Evelyn Mizak works for the Rules Committee;
24 she is our court reporter. And Sergeant-at-arms Leroy Bedford
25 and Keith Edwards are here also.

26 We anticipate to have Senator Ayala to join us also, and
27 possibly someone else from the Assembly.

1 With that, let me call our first witness, the members of
2 the Veterans Board. Kicking off for the Board Members would be
3 Robert Cardenas.

4 General, we'd like to welcome you.

5 GEN. CARDENAS: Thank you very much, Senator Deddeh.

6 I'm delighted to be here. I'd like to first introduce
7 the other Board Members.

8 I think you were aware of the fact that the Chairman of
9 the Board, Mr. Leo Burke, could not be here, and the Vice Chair,
10 Dr. David Just, is a minister; he had a funeral that he had to
11 take care of up in San Bernardino, so he could not be here.

12 I'm Chairman of the Policy Committee, so I was
13 instructed by the Chairman to respond to the policy questions
14 that are, shall we say, already Board policy. Responding to
15 policy of the future, things of the future, we were all
16 instructed to speak our own mind, rather than I'm speaking for
17 the Board. But every one of us, including myself, is free to
18 speak his own -- what he believes and what he thinks.

19 So, first of all is Mrs. Barbara Woods, Navy veteran.
20 Frank Borrello, I think a lot of you know him from around this
21 area; he's also Navy. John Hann was here last night and should
22 be here, and he's also Navy. I'm Air Force, so I'm a little bit
23 outnumbered here today, but we're all of the same mind on the
24 Board.

25 First of all, I'll address myself to the current
26 existing policy that's in the policy book. I can speak for the
27 board because that exists.

1 There are policies in that Board book at the present
2 time that need to be updated. A lot of those policies are
3 basically administrative in nature and really are not policy that
4 should be directive on the Department. There are policies there
5 that -- I remember the Legislative Counsel who reviewed the Board
6 functions back in 1984 specified that the Board could not alter
7 or enlarge on the law in establishing its policies. The
8 Legislative Counsel also specified that the distinction between
9 policy, which was defined as in Webster's Dictionary, and
10 administration and operation sometimes presented a fine line
11 between the two, and that there was bound to be points of
12 conflict in determining which was which.

13 We have one policy in which it specifies that the Board
14 is to approve the Department budget. That is an error, because
15 the Legislative Counsel also specified that the Board could not
16 set its own budget, so if we cannot set our own budget, it would
17 be kind of ridiculous to believe that we should approve the
18 Department's budget, which contains our budget. So, that has to
19 be looked at.

20 Now, I plan to get the Policy Committee together and go
21 through the policy book, item by item, to be more in line with
22 what the Legislative Counsel has specified.

23 So far as what can be done with regards to policies in
24 the future, we, the Board, the Policy Committee is going to be
25 looking at it from that standpoint, and then we will take our
26 findings to the Board to make recommendations to the Board as to
27 whether or not there has to be new policy legislation. So, we'll
28

1 be coming from that side. I'm sure in your hearings, you will
2 have formulated some idea of legislation that might be required.

3 So, as far as legislation, what new legislation's
4 required, I ask your indulgence to allow the Board to come up
5 with a Board position.

6 From a purely personal standpoint, not the Board
7 position because there is none, I believe that the Legislature
8 should take a look at the word "policy" per se. At one point in
9 time, I worked for Mr. McNamara up in the Pentagon, and I was
10 Plans, Policy and Program. I learned very fast that policy,
11 without an adequate plan approved at the highest level and with
12 resources made available to implement the plan, is nothing more
13 than hot wind across the sands of the desert.

14 So, a good look should be made in terms of, quote,
15 "policy", unquote. It should not become a red herring for
16 conflict.

17 I believe that there is a role for the Board in
18 establishing policy, but that policy had better be better defined
19 than it is now. I don't think the Board would want to establish
20 policy that gets into the day-to-day operations of the
21 Department.

22 Broad, broad, general directive policy, yes, I think the
23 Board should do that. Why? Because the Board right now answers
24 your first question, "Should the Board exist?" This is personal,
25 again, not a Board position. I'm going to be making that comment
26 often.

27
28

1 The Board is extremely valuable and has been because we
2 do three things, basically. We are an advocacy group for the
3 veterans without any strings attached. We have that luxury of
4 being able to support or nonsupport, as the case might be,
5 veterans issues. The Department may have some constraints.

6 Now, there was one question, "Should the Board and the
7 Department be advocates?" Well, yes, both should be, and both
8 are. The difference is, the Board might have a little more
9 freedom in its advocacy than the Department for specific reasons.
10 So, we are advocates for the veterans.

11 Secondly, we protect the veteran because we have
12 statutory authority to be the appeals body for veterans whom the
13 Department has adjudicated a claim. The claims are usually in
14 the field of the Cal-Vet home loan or home farm loan, those
15 things which California has very graciously decided to benefit
16 their veterans through the California Veterans Program.

17 We do not get into national V.A. veterans programs;
18 although, even at that point, we are advocates because we take a
19 rather strong position in supporting the CVSOs, County Veterans
20 Service Officers.

21 Your bill was very good, 1556, which gave them some more
22 money. They could use more.

23 But we have supported CVSOs at times when possibly the
24 Department couldn't. By supporting the CVSOs, we are indirectly
25 in the arena of the federal V.A., but our main task is the
26 California veteran benefits.

27
28

1 The second thing we are, in the appeals area we support,
2 there have been people that have said that there's a slight
3 conflict because the Department Counsel is also the counsel who
4 is the officer -- the legal officer who advises the Board. Well,
5 I joined the Board in June of '87, and since that time I have
6 seen the numbers of appeals drop off quite dramatically. I think
7 that the Department Counsel has done a very good job in
8 explaining to us the law, and the appeal in light of the existing
9 law.

10 Now, you have seven civilian, nonsalaried people with
11 years of experience, all veterans, who sit and listen to his
12 legal opinion. We take that legal opinion, and then we make up
13 our mind in terms of the appeal itself. I say he has done an
14 excellent job in giving us good, legal advice. He cannot go any
15 further than that. We can.

16 One case in point was a very dedicated woman,
17 Mrs. Anderson, who applied for a home loan. Her husband had died
18 after he retired of service-connected. By law, by the statute,
19 she could not get a home loan, and he so advised us. However, we
20 felt -- in addition to advising us, however, he made us aware of
21 another paragraph that we might have missed, and that paragraph
22 was in conflict with the original paragraph. So we, the Board,
23 accepted the appeal. We upheld it, knowing full well she still
24 would not get her loan, but we upheld it to provide her the
25 support to go to her Assemblyman. And sure enough, Assemblyman
26 Peace's bill just passed, and that will now protect widows whose
27 husbands die after retirement from Agent Orange, nuclear
28

1 radiation. Down the pike, they're all going to owe a big vote of
2 thanks to Mrs. Anderson.

3 We had another case where the veteran followed the
4 instructions given by a district office. They gave him the wrong
5 information. So, by legal opinion, the loan was denied.
6 However, we took the moral issue that he had been wrongly
7 advised, and when we appraised the Department of that, they found
8 another way to satisfy the person's requirements.

9 So, I think the fact that the Board is the appeal
10 authority also gives us a third unwritten -- which you couldn't
11 write into legislation: we are the conscience of the Board.

12 Now, what does it take for the Board to operate? It
13 takes cooperation on our part and their part, flexibility and
14 cooperation. And I would far rather work under flexibility and
15 cooperation than legislatively mandated conflict management. In
16 industry, I worked under conflict management; I don't like it.
17 So, that serves my point.

18 Now, there were a few key little things that were in
19 your questions on the budget. The Board should review, make
20 comments, but not approve.

21 The Director -- no, the Board should not hire and fire
22 the Director. We should make recommendations through channels to
23 the Governor on good people that might be good directors, but we
24 should not be in the hiring and firing.

25 It says, "Should the Board and the Department be
26 advocates?" I've already covered it. They both should be within
27 the limits that each has.

1 Legislation, I beg your indulgence till the Board meets.
2 That is, legislation pertaining to policy.

3 I thank you.

4 CHAIRMAN DEDDEH: General, you've been on the Board
5 since 1987, as I understand it.

6 GEN. CARDENAS: June, sir.

7 CHAIRMAN DEDDEH: The way you have seen things function
8 and go, and so on, are you satisfied with things the way they
9 are? Or, if you were to make conscious recommendations, would
10 you recommend any form of a change? And if that change were to
11 take place, what kind of changes would you recommend?

12 GEN. CARDENAS: Yes, sir.

13 When I joined the Board in June of '87, I did detect
14 that there was some conflict. However, I can truly say that
15 throughout '88 into '89, things have improved tremendously. The
16 other Board members will comment on that, I'm sure.

17 I think at the present time, if we continue with the
18 current spirit of cooperation, flexibility, and understanding
19 each other's position, I don't think we have to legislate
20 confrontation, no.

21 Somebody may say, we want to give you the money to hire
22 a lawyer for the Board. Okay, fine. We'll get two legal
23 opinions, but that isn't going to change the legal opinion.

24 I have a question for you, sir, if I might.

25 CHAIRMAN DEDDEH: Sure.

26 GEN. CARDENAS: If I might take that privilege, we're
27 here to discuss the policy-making role of the Board. One of the
28

1 things that's very near and dear to the Board at the present time
2 is a second veterans home in Southern California.

3 If I might, could you give us some prognosis from where
4 you sit of the second home in Southern California?

5 CHAIRMAN DEDDEH: Yes.

6 Obviously, I cannot speak for the Legislature, General,
7 but speaking for me as a Member of the Senate and a Chair of this
8 Committee, we are going to do everything possible, humanly
9 possible, to resolve that issue, because I personally would like
10 to see a second veterans home in Southern California -- whether
11 it's one veterans home, or four of them, or five of them --
12 resolved and done in 1990.

13 So, I hope that we will all be working together to
14 resolve that issue and bring some stability and some joy, maybe,
15 to the hearts and minds of a lot of veterans in Southern
16 California who should not be traveling 500 miles to go to
17 Yountville. We ought to have our Yountville in Southern
18 California.

19 I support that very strongly, and I hope that we can
20 resolve it in 1990 and it would be behind us. I support that
21 very strongly.

22 GEN. CARDENAS: Thank you, sir. I appreciate that.

23 I think all the veterans will be glad to know that you
24 want to hurry the thing along.

25 CHAIRMAN DEDDEH: Senator Beverly, do you have a
26 question of the General?
27
28

1 Do you want to introduce any members of the Board, if
2 they wish to personally testify?

3 GEN. CARDENAS: Barbara, I think, has some things that
4 she jotted down.

5 CHAIRMAN DEDDEH: Let's hear from the Navy.

6 MS. WOODS: Thank you, sir.

7 Mr. Chairman and Members of the Committee, I am Barbara
8 Woods, and I have been a member of the California Veterans Board
9 since 19 -- no, that's when I went into the Navy -- 1984. I'd
10 better read it.

11 I would like to comment at the outset that the
12 relationship between the California Veterans Board and the
13 Director and staff of the Department of Veterans Affairs is an
14 extremely good one. All parties, that is, all Board members and
15 the Director and his staff, have worked very hard to communicate
16 about and to resolve in the most informal manner possible issues
17 that may crop up from time to time.

18 I compliment the Director, his staff, my fellow Board
19 members, in their good efforts in making the relationship between
20 the Department and the Board a positive one.

21 At this time, Mr. Chairman, I will answer the eight
22 questions contained in this Committee's background paper on the
23 policy-making role of the California Veterans Board.

24 First, "Should the California Veterans Board exist?"
25 Absolutely. Extensive use of citizen boards has been common in
26 California and elsewhere for years. Such boards permit broader
27 public participation in government, an open manner in which
28

1 affairs can be conducted, an avenue which permits an expression
2 of different points of view, and the provision of clear
3 statements of policy.

4 Second, "If so, should it exist as an advisory or a
5 policy-making capacity?" I believe in a policy-making capacity.

6 CHAIRMAN DEDDEH: Could you elaborate on that, Ms.
7 Woods, policy-making?

8 MS. WOODS: Can I finish?

9 CHAIRMAN DEDDEH: Sure.

10 MS. WOODS: Then I will.

11 "If adversary [sic], adversary to whom? The Governor?
12 The Legislature? The Director of the Department? Should the
13 Board's staff then continue to be independent of the Department?"

14 Since I believe the Board's role should be a
15 policy-making rather than adversary, I give no response to this
16 question.

17 Four, "If policy-making, what policies should come under
18 its jurisdiction? A, budget: draft, review, evaluate,
19 recommend? B, Director: hire, recommend, interview?"

20 The policy role of the Veterans Board is clearly defined
21 in Section 72 of the Military and Veterans Code, which reads:

22 "The California Veterans Board shall
23 determine the policy for all operations
24 of the Department."

25 Policy has further been defined by the courts as:

26 "A settled or definite course or method
27 adopted and followed by a government,
28 institution, body, or individual."

1 And that case is Lockheed Aircraft Corporation vs. Superior
2 Court, 28 Cal.2nd 481, at pages 485 and 486.

3 I believe also that determining a department's budget or
4 hiring the director or other staff are administrative functions
5 and not policy functions for this Board.

6 Five, "Should the Board, not the Department, serve as
7 the veterans' advocate, analyzing bills as they impact veterans,
8 taking strong positions on legislation, and actively lobbying?"

9 I believe that it is the responsibility of the -- both
10 the Board and the Department to serve as veterans' advocates to
11 the extent permitted by our legislative and policy charters.
12 Both the Board and the Department currently do advocate for
13 veterans. The Board can and does review opposed legislation
14 relating to veterans and make positions on that legislation.

15 I do not believe that Board members can legally become
16 lobbyists. That is, in their official capacity, utilizing their
17 time or comment -- and commit other state funds or resources to
18 lobbying.

19 CHAIRMAN DEDDEH: As a Board, don't you take positions
20 on pieces of legislation, as a Board?

21 MS. WOODS: We do if we vote, yes.

22 Six, "Should the Board take a stronger role vis-a-vis
23 the veterans home in Yountville and play a role in planning the
24 second veterans home in Southern California?"

25 The Board is already taking a strong role in
26 relationship to the veterans home at Yountville, and is playing
27 an active role in regards to the veterans home in Southern
28 California.

1 I do not believe there is any need for the Veterans
2 Board to take a stronger role than already exists, or that there
3 should be any legislative changes regarding the Board's role in
4 this area.

5 Seven, "Should the Board have the statutory [sic] power
6 to make certain its policies are carried out by the Department?"

7 There already exists ample legal resources for the Board
8 to make certain its policies are carried out in the Department.
9 In the unlikely event that the Board's policies are not carried
10 out, the Board could bring a mandamus proceeding in a court of
11 law to compel compliance.

12 And eighth, "What legislation should be considered in
13 these areas?"

14 As indicated above, I do not believe that any additional
15 legislation is necessary or required in the areas that we have
16 been discussing today.

17 Once again, Mr. Chairman, Members of the Senate, it's
18 been a pleasure to be able to communicate my views, and I will be
19 happy to answer any questions you have.

20 CHAIRMAN DEDDEH: Let me ask a question.

21 In answering question number four, Ms. Woods, the
22 question is: "If policy-making, what policies should come under
23 your jurisdiction?" The Board, that is.

24 And your answer is:

25 "The policy role of the Veterans Board
26 is clearly defined in Section 72 of the
27 Military and Veterans Code which reads,
28

1 'The California Veterans Board shall
2 determine ...'"

3 shall determine,

4 "'the policy for all operations of the
5 Department.'" "

6 End quote.

7 "Policy has further been defined by
8 the courts ..."

9 Again, I'm quoting your statement,

10 "as, 'a settled or definite course
11 or method adopted and followed by a
12 government, institution, body, or
13 individual.'" "

14 The Lockheed case.

15 And then, in your answer to question number six:

16 "Should the Board take a stronger role vis-a-vis the veterans
17 home", and so on and so forth, your answer is:

18 "The Board is already taking a strong
19 role in relationship to the veterans
20 home at Yountville, and is playing an
21 active role"

22 et cetera.

23 But then in your answer to question number seven:

24 "Should the Board have the statutory power to make certain its
25 policies are carried out by the Department?", you're answering:

26 "There already exist ample legal
27 resources for the Board to make certain
28

1 its policies are carried out in the
2 Department."

3 Then the last one, you're saying you like things the way they
4 are, and you don't need any legislation.

5 I trace a certain conflict in your testimony, and I
6 could be wrong. Would you enlighten me on that?

7 Do you want to play a role, an active role, in
8 determining policy? And if that is what you want, what are the
9 parameters of that policy of the Department?

10 If you do not wish to do that, and I sense from part of
11 your testimony that you do want the Board to be a strong voice,
12 to have a strong voice in determining policy.

13 Am I correct or am I wrong in my assumption?

14 MS. WOODS: I don't think that I'm contradicting myself,
15 but maybe it's because I've been around so long.

16 I see the role of the Board and the Department at this
17 point in time of being a very strong one.

18 When I first came on the Board in -- I'll get the year
19 correct this time -- 1984, I did not see this cooperation at all.
20 In fact, it was -- it was quite a difficult relationship.

21 In the last few years, we've had great communications.
22 We can go to the Department and ask them anything, and we get
23 straight answers. And the same thing, they can come to us. I
24 feel the communication has been the big turnover in the
25 relationship of what's happened to the Board in the past and the
26 present time, and I'm very satisfied with it.

27 CHAIRMAN DEDDEH: Thank you.
28

1 Senator Beverly, questions?

2 SENATOR BEVERLY: Let me just ask you an example
3 pertaining to your response to the roles of the Board and the
4 Director.

5 You say that they should both be advisory on matters
6 such as legislation, I think you said. They each had a role in
7 advocating --

8 MS. WOODS: A veterans' advocate.

9 SENATOR BEVERLY: Let's take a specific example.

10 Suppose Assemblyman So-and-So puts in a bill for a new
11 Southern California veterans home, or six veterans homes,
12 whatever. The Board and the Director disagree.

13 What do you do? Do you both come to us, come before the
14 Legislature, and express your views?

15 MS. WOODS: Well --

16 SENATOR BEVERLY: That hasn't occurred, I gather?

17 MS. WOODS: It has already happened.

18 SENATOR BEVERLY: It has happened.

19 MS. WOODS: We have agreed with the veterans -- with the
20 Department. We took a vote at our last Board meeting what we are
21 -- how we feel about whether it be one home or five homes.

22 This went -- the first I ever heard of anything about
23 the second veterans home was when Paul Batista did that study,
24 three, four -- four years ago, and that's when it first came out
25 about whether we have one home or a series of homes, or whatever.

26 So, this is not something new.

27
28

1 SENATOR BEVERLY: I don't want to get into that. I
2 haven't even made up my own mind on that question. And I'll be
3 sitting on the Appropriations Committee, so it's one important
4 voice, or semi-important.

5 CHAIRMAN DEDDEH: Two of us on that one.

6 SENATOR BEVERLY: That's an open question.

7 But where you differ, where the Board and the Department
8 differ, what do you do?

9 MS. WOODS: Well, since I've been on it, I don't think
10 we've had --

11 SENATOR BEVERLY: You've been able to resolve it?

12 MS. WOODS: No, we have. As the General was saying, the
13 Department took -- we have changed the law in a couple times. We
14 couldn't do anything about Mrs. Anderson, for instance. And the
15 Department had to go by what the law said and so did we.

16 So, we took the role of getting people to change the law
17 so that things like this that happened to Mrs. Anderson won't
18 happen again.

19 SENATOR BEVERLY: You were in agreement, though. You
20 and the Director were in agreement to try and resolve the
21 problem?

22 MS. WOODS: I think they wanted us to, but they legally
23 could not tell us, you know, to go out there and do it.

24 MS. ROSAS: Back in '86, as I recall, on SB 1718, the
25 Board took one position and the Department took a totally
26 different position.

27 MS. WOODS: What one was that?
28

1 MS. ROSAS: Senator Dills' bill to change the makeup of
2 the Board in some fashion.

3 MS. WOODS: That was to change, yeah.

4 MS. ROSAS: The Board supported the bill. The Board
5 supported it, and the Department opposed it.

6 MS. WOODS: I also opposed that.

7 SENATOR BEVERLY: The bill failed in the Assembly Ways
8 and Means Committee.

9 Thank you.

10 FROM THE AUDIENCE: No, sir. It was taken off the
11 calendar for study.

12 CHAIRMAN DEDDEH: We'll have you testify.

13 MS. WOODS: All right, is there anything else?

14 CHAIRMAN DEDDEH: Thank you very much, Ms. Woods.

15 MS. WOODS: Thank you.

16 CHAIRMAN DEDDEH: We appreciate it.

17 Now, General, do you have any other members of the Board
18 that wish to testify?

19 Okay, Mr. Borrello.

20 MR. BORRELLO: Good morning, Mr. Chairman and Members of
21 the Board.

22 First, let me say that it's a pleasure being here. And
23 of course, I'm the new kid on the block on the Board, because I'm
24 the one to come on in '88.

25 And I concur completely with what the General Cardenas
26 has said. So, I will not go into any repetition of what he's
27 already covered.

28

1 I will say this, though, in some line it's in agreement
2 with Barbara. I got interested in the Board after visiting and
3 going to some of the Board meetings, and that was back in '83 and
4 '84. In being a veteran, and very active down here in this area,
5 it really kind of frustrated me to see that -- the friction that
6 was obvious there in -- at their Board meetings, and also with
7 the way they were working with the Department.

8 It was at that time that I said to myself, you know, I'd
9 like to get on that Board and see if we can work together. And
10 over the years, and as you very well know, Senator, I did apply
11 for the Board and I was appointed to the Board.

12 Since I have been on that Board, I've seen a great
13 amount of cooperation that never existed before. And there's
14 still friction, because you never get rid of it all, but it's
15 down to a minimum. And you can't keep everybody happy, no matter
16 what you do or how you do it. There are some that are still not
17 going to be happy.

18 But in resolving these major items as we have done, I
19 think it's been in the best interests of all the veterans,
20 because that's the bottom line. Because whatever we do, we do it
21 for the veterans, even how we conduct ourselves, because the
22 veterans who are depending on us to look after them, because
23 we're in a position to give them a little more help than the
24 ordinary other veteran and his neighbor can't give him. So for
25 that reason, we're very conscious of this.

26 And I feel real good about sitting on that Board, and
27 I'm proud of it, because I feel we have accomplished quite a bit
28

1 in the short time. And we've still got a long ways to go to make
2 things the way they should be. But we're working at it, and
3 we're talking. And as long as we're talking, we can resolve the
4 problem. It's when we're not talking that we can't resolve the
5 problems.

6 So with that, I would like to say I thank you, and I'll
7 open myself up for any questions from you.

8 CHAIRMAN DEDDEH: To your recollection, Mr. Borrello,
9 did the Board take a position -- I can't remember -- on AB 672 by
10 Steve Clute, the one that died in the Assembly? The bill dealt
11 with a southern home for the veterans, and he wanted to delay it,
12 and so on.

13 What position did the Board, if any, take on that?

14 MR. BORRELLO: I don't believe the Board took a position
15 on that bill.

16 CHAIRMAN DEDDEH: I will ask the Department later on as
17 to what their position was.

18 General, do you have an answer to that?

19 GEN. CARDENAS: As far as the Board was concerned, sir,
20 at the time that we met and were contemplating taking a position,
21 we, the Board, had not received the total bill with the amended
22 fine print to take a position on it.

23 CHAIRMAN DEDDEH: I see. You're correct, because the
24 bill was amended on the Floor of the Senate in the last day of
25 the session or a couple of days before.

26 GEN. CARDENAS: Things moved at a pretty fast pace, then
27 it failed in the Assembly on the urgency.

1 CHAIRMAN DEDDEH: Yes, you're right, the urgency clause
2 was defeated in the Assembly. You're correct.

3 GEN. CARDENAS: The Board did not take a position.

4 MR. BORRELLO: No, we did not.

5 CHAIRMAN DEDDEH: All right.

6 I want to establish whether, on occasions, would the
7 Board be supporting or opposing legislation that the Department
8 may take a different position on.

9 And this is not unnatural. This could happen, because
10 the Department takes orders, as I understand it, from the
11 administration.

12 MR. BORRELLO: Right.

13 CHAIRMAN DEDDEH: Specifically on issues that affect
14 money and fiscal responsibility and so on, they have to take that
15 position which the administration has established. Perfectly
16 natural. Perfectly acceptable.

17 I'm just trying to establish whether on occasions
18 there's a conflict or disagreement on a piece of legislation
19 between the Board and the Department.

20 MR. BORRELLO: Well, we do. A good one is your bill,
21 which was on the subvention funds.

22 CHAIRMAN DEDDEH: Yes.

23 MR. BORRELLO: That's a good example of one. The
24 Department was not for it.

25 CHAIRMAN DEDDEH: Because it cost money.

26 MR. BORRELLO: Because of their position.

27 CHAIRMAN DEDDEH: Sure.

1 MR. BORRELLO: But we supported it wholeheartedly, the
2 Board did.

3 And another thing. Every time we uphold an appeal,
4 we're not agreeing with the Department again. We're taking an
5 opposite view, because we feel, for some reason, either the
6 language, or the way they were instructed, or morally there was
7 something wrong, so we actually are taking a position opposite of
8 the Department.

9 CHAIRMAN DEDDEH: Right.

10 MR. BORRELLO: And we're able to talk to the Department
11 and tell them, hey, we can't go along with you. And that's it.

12 CHAIRMAN DEDDEH: And still remain friends.

13 MR. BORRELLO: And still remain friends. That's what
14 I'm -- as long as we're talking, we can get something done,
15 hopefully.

16 CHAIRMAN DEDDEH: Thank you very much, Mr. Borrello.

17 Any other member of the Board, General?

18 GEN. CARDENAS: I'm very sorry. I don't know what
19 happened to John Hann. He was here last night in the hotel.

20 MR. BORRELLO: He called me. He said he was staying at
21 the Vagabond, but he has not arrived.

22 CHAIRMAN DEDDEH: We'll hear from him when he arrives.

23 Thank you very much.

24 MR. BORRELLO: Thank you.

25 CHAIRMAN DEDDEH: Our next witness is the Undersecretary
26 of the State and Consumer Services Agency, Porter Meroney.

27 MR. MERONEY: Good morning.

1 Mr. Chairman, Senator Beverly, I'd like to thank you for
2 the opportunity to speak with you this morning.

3 As Senator Deddeh has said, my name is Porter Meroney,
4 and I'm the Undersecretary of the State and Consumer Services
5 Agency in Sacramento.

6 I do have a few comments that I'd like to offer from the
7 perspective of my agency regarding the relationship between the
8 Department of Veterans Affairs and the California Veterans Board.

9 As you are well aware, the State and Consumer Services
10 Agency oversees several departments which have boards and
11 commissions. My office works closely with the Franchise Tax
12 Board, the State Personnel Board, the Public Employees'
13 Retirement System, the State Teachers' Retirement System, and the
14 Board of the California Museum of Science and Industry. In
15 addition, there are over 40 separate and distinct licensing and
16 regulatory boards and bureaus in the Department of Consumer
17 Affairs which are also included within the overall jurisdiction
18 my agency. So, we are certainly familiar with boards and
19 commissions in State government, and how they work and interact
20 with their related department or administrative entity.

21 I want to say right now is that the Agency is extremely
22 well pleased with the Veterans Board and its relationship with
23 the Department of Veterans Affairs. In our opinion, the Veterans
24 Board currently functions very well, and each and every one of
25 its members is a hardworking veteran and is sincerely dedicated
26 to helping California veterans as they improve the programs that
27 are available to them.

1 On the other hand, I am sure that you can realize and
2 have probably seen in the past that there are situations or
3 occasions which may arise where Board policy may be in conflict
4 with other decisions, particularly in such areas regarding the
5 State budget or proposed legislation. This, obviously, to the
6 extent that it happens, places the Department in an extremely
7 difficult situation.

8 As this occurs, it could be argued that there's an
9 underlying problem with the mandate of the Board. In the past,
10 the Department and the Board have worked diligently together to
11 find mutually acceptable solutions on issues where there was an
12 initial disagreement, and there have been numerous successes in
13 these compromise efforts. But it needs also to be stated that
14 there have been situations where, initially, the Department and
15 the Board took opposing views.

16 We at this point don't see a compelling need to make any
17 statutory changes to the function or authority of the Veterans
18 Board. If, however, this Committee recommends to the full
19 Legislature that clarifying legislation would be helpful, would
20 be appropriate, we would be happy to consider such legislation
21 very carefully. Clearly, an option that does exist, as you
22 indicated, Senator Deddeh, is the notion that a clear statement
23 of advisory function could be placed in the statute in place of
24 what is there now.

25 CHAIRMAN DEDDEH: What is your concept of what the
26 Board's function is? Is it an advisory or a policy-making body?
27
28

1 MR. MERONEY: Well, I think it has elements of both.
2 Clearly it is advisory in that Colonel Ugalde uses the input from
3 the Veterans Board along with many other veterans' organizations
4 to form his recommendations to the Governor.

5 It certainly has policy aspects, too, because there are
6 clearly in the Veterans Board policy book numerous areas where
7 the Board has established policy.

8 CHAIRMAN DEDDEH: As a nonvoting member, I sat on the
9 California Transportation Commission in my capacity as a former
10 Chairman of the Transportation Committee of the Senate.

11 Caltrans made recommendations. For instance, we wanted
12 to have such-and-such a freeway widened, maintained, and all
13 that. But the final decision as to where the dollars were to be
14 spent were not made by Caltrans. They were made by the
15 California Transportation Commission, all seven or nine members
16 appointed by the Governor, confirmed by the State Senate, and so
17 on.

18 So my question is, if I were going to sort of use as a
19 model the California Transportation Commission, how close are
20 they to the Veterans Board? That's my question to you. Do they
21 have the power to tell the Department, "No, we're not going to
22 spend money here," or, "Yes, we ought to"? Do they have that
23 power?

24 MR. MERONEY: I don't at this point think that they do.
25 I don't think that the comparison to the California
26 Transportation Commission is a direct analogy.

27 CHAIRMAN DEDDEH: I see, all right.
28

1 Then it's only fair to conclude that this is not a fair
2 comparison, because the Transportation Commission's functions are
3 totally different, you're telling me, than that of the --

4 MR. MERONEY: I believe there are significant
5 differences.

6 CHAIRMAN DEDDEH: I have no problem with that. I just
7 wanted to determine whether we're happy with things the way they
8 are, or they need modification and change. And if they don't,
9 who wants to carry another extra bill that we need like two
10 heads? Fine.

11 Any questions, Senator Beverly?

12 SENATOR BEVERLY: I don't need an extra bill.

13 CHAIRMAN DEDDEH: Who does? It costs \$8,000 for every
14 bill we put in.

15 MR. MERONEY: I would like to add one point, if I might.

16 CHAIRMAN DEDDEH: Sure.

17 MR. MERONEY: Conflict in and of itself is not
18 necessarily bad, in our view.

19 CHAIRMAN DEDDEH: Oh, no.

20 MR. MERONEY: Your bill is a good example of that,
21 Senator, on the additional \$500,000 that --

22 CHAIRMAN DEDDEH: It was cut down from \$3,000,000, I
23 believe.

24 MR. MERONEY: We appreciate the small savings.

25 But both the Board and the Department and my office in
26 the Agency gave the advice and recommendations to the Governor.
27 But obviously, in any piece of legislation, the Governor is the

1 final authority. So, I'm sure he relies both on the Department
2 and the Board for --

3 CHAIRMAN DEDDEH: I have no problem with that.

4 In fact, I was going to ask and just state publicly that
5 the budget, the Department's budget, ought to be determined by
6 the administration, because they ought to have the overall
7 policy-making as to how much and where of that \$50 billion budget
8 X number of dollars go.

9 We cannot have too many people saying this is what my
10 budget ought to be.

11 MR. MERONEY: Right.

12 CHAIRMAN DEDDEH: One person, one department, ought to
13 determine the overall budget for the whole State government.

14 I agree with that, and I would probably be a very strong
15 supporter of keeping the policy-making body, as far as the budget
16 is concerned, in the hands of the Governor of the State of
17 California and his lieutenants.

18 MR. MERONEY: I think any other way would not be very
19 workable.

20 CHAIRMAN DEDDEH: Confusing. It's bad enough sometimes
21 the way it is. No, I agree.

22 MR. MERONEY: Good.

23 CHAIRMAN DEDDEH: Thank you very much.

24 MR. MERONEY: Thank you.

25 CHAIRMAN DEDDEH: All right, our next is the Director,
26 Mr. Ugalde.

27 COL. UGALDE: Mr. Chairman, Senator Beverly.
28

1 At the beginning, Senator Deddeh, off the record, I just
2 wanted to, since you commented on T.V. about the earthquake, your
3 concern on that, I just wanted to let you know that the
4 Department is pretty much on top of that. We have two district
5 offices very much involved in the affairs over there. And
6 hopefully, the veterans that have claims in Northern California
7 will have them processed or more rapidly than we did down here in
8 Southern California, because we've had more practice.

9 But we're on top of it, and we certainly appreciate your
10 concern for the victims.

11 This being the kind of a hearing that it is, I'm going
12 to read my remarks, if I may.

13 CHAIRMAN DEDDEH: Sure.

14 COL. UGALDE: I normally don't, but then usually when I
15 wing it, I don't do it very well. So, I prefer to read my
16 comments.

17 CHAIRMAN DEDDEH: Just observe the time constraints.

18 COL. UGALDE: I will read rapidly.

19 CHAIRMAN DEDDEH: Let your conscience be your guide.

20 COL. UGALDE: And I do appreciate being asked to speak
21 with you today about the policy-making role of the California
22 Veterans Board. And as Director of the Department of Veterans
23 Affairs for the past 4½ years, I have had the honor of
24 administering the Department's programs which serve our state's
25 veterans.

26 We at the Department are very proud of the veterans home
27 in Yountville, the outstanding Cal-Vet farm and home loan
28

1 program, and the assistance we provide, through the Veterans
2 Services Division, to County Veterans Service Officers and
3 individual veterans and their families. The many successes
4 enjoyed over the years in serving veterans have been made
5 possible because of the support of the Legislature and the
6 administration, the commitment of the veterans' organizations,
7 and the help of thousands of veterans around the state that have
8 given help to their fellow veterans.

9 The California Veterans Board has been, is, and we hope
10 continues to be, an integral part of all these successes. During
11 my tenure as Director, I have have -- I have made every effort to
12 work closely with the Board and am pleased we have more often
13 than not been in agreement on many issues facing veterans.

14 Before I comment on the several questions raised in the
15 Committee's report, entitled, "The Policy-making Role of the
16 California Veterans Board," I first would like to say that I
17 strongly believe the Department and the Board have very good
18 relations. The strength of these good relations is based on the
19 personal commitments that I and the members of the Board have
20 made to make California's services to the veterans the best they
21 can be.

22 During those times over the past few years when there
23 may have been some disagreement between the Board and the
24 Department, we all have tried to buckle down and work things out.
25 This should be expected whenever any organization, which is made
26 up of individuals who are deeply committed to their work, seeks
27 solutions to complex problems.

28

1 I think that the search to find ways, as your Committee
2 is doing today, for improving relations between two governmental
3 entities -- the Board and the Department -- may lead to the
4 discovery that those relations are quite good, and that their
5 quality lies more in the willingness of people to work together,
6 rather than in any structural flaws in those relations.

7 A second point to consider is the question of what is
8 policy. The General's covered that quite extensively, but I
9 noted in your report that there were references to past analyses
10 by the Legislative Counsel on the policy-making role of the
11 California Veterans Board, and the difficulties in distinguishing
12 between policy and administration. The Legislative Counsel, in
13 his November 8, '72, opinion, after considerable discussion about
14 California law and policy-making authority of the Board,
15 concluded that the line between these two areas of responsibility
16 -- that is, policy and administration -- will not always be
17 precisely defined. As a director, I couldn't agree more with
18 that conclusion.

19 As I know that you can appreciate, the setting of policy
20 is subject to the impact of several governmental interests.
21 First, there is the policy that you, as Legislators, establish by
22 way of law. There is also, of course, the Governor who, as the
23 Chief Executive of the State, appoints the Director and
24 establishes specific policies for the operation of the Executive
25 Branch. Further, we are part of the State and Consumer Services
26 Agency which oversees the Department. The Veterans Board,
27 through its policy-making authority, also establishes various
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1 policies for the Department. And I, too, as Director, establish
2 policies for carrying out these responsibilities.

3 CHAIRMAN DEDDEH: Let me interrupt you here on that.

4 The Veterans Board, through its policy-making authority,
5 also establishes various policies for the Department.

6 Question: do you carry out those policies that have
7 been established by the Board?

8 COL. UGALDE: Yes, but the reason for that is that we
9 discuss it beforehand and we work together.

10 In other words, like I say, if you're going to take an
11 airplane trip, you want to get in on the ground floor before
12 you're up in the air if you're going to make the landing.

13 So, we talk about what they're going to do. We talk it
14 over together, in little groups or afterwards with the Board as a
15 whole. Then we merger.

16 CHAIRMAN DEDDEH: And there is agreement at all times
17 between the Department and the Board?

18 COL. UGALDE: Not at all times, but we -- up till now,
19 of course, since I've been there, there hasn't been anything that
20 we haven't agreed to, Senator.

21 Of course, we haven't agreed right off the bat, but most
22 of the time it's because of lack of information on a specific --
23 lack of facts.

24 CHAIRMAN DEDDEH: In your 4½ years as Director of the
25 Department, to your knowledge and recollection, has there been an
26 occasion where the Board took a decision or made a decision, or
27 took a policy, with which you disagreed?
28

1 And hypothetically, if that were the case, what would
2 you do as the Director?

3 COL. UGALDE: First of all, we'd try to iron it out. Do
4 they really disagree? Are we looking -- are we both looking at
5 the same set of facts, or do they have some facts that we don't
6 have? Or do we have some facts that we have not imparted to them
7 or that they were not aware of? Are they aware of other
8 instructions that I might have received that they did not
9 receive? And they've already quoted some in the legislative
10 area.

11 Routinely, if the Board has a position that's not in
12 agreement with ours, we include their position in our own
13 analyses, so that the Governor and the Agency know the Board's
14 position as well as ours.

15 And I think that Mr. Borrello covered it very well, that
16 sometimes they have a moral -- or, they look at things with --
17 dealing with appeals particularly -- from a personal point of
18 view.

19 And I may say that, coming to the business of appeals,
20 most of the appeals do not reach the Board. They are resolved by
21 the Legal Office whenever they can. And that's why it's gone
22 down. And in that area, there was a time when appeals were
23 handled by the Director instead of going to the Board. And
24 that's still an option, you know. It could be exercised, but it
25 makes the veterans feel better if they have a body that's looking
26 at their appeals.

27

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1 But, of course, there are times when we disagree on some
2 things, but I can't think of any since I got there. But I also
3 know that before I got there, I was briefed, "Well, don't do
4 anything the Board tells you to because you can call it
5 administration." Well, I didn't take that tack because I prefer
6 to eyeball people and talk about it.

7 CHAIRMAN DEDDEH: What position did the Department take
8 on the County Veterans Officers?

9 COL. UGALDE: We supported it. We supported that.

10 There have been times when there have been some
11 difference when we supported it, and then again, as you know and
12 you commented very well, when it comes to the budget, and we kept
13 fighting for the County Veterans Service Officers with the
14 Governor's Office up to the last hour, and supporting your bill,
15 and so that's the thing that we do.

16 CHAIRMAN DEDDEH: I have no problem with that at all. I
17 respect the Governor's position on the budget. I respect his
18 being the Chief Executive to determine how much money goes where.
19 I have no problem with that. I don't quarrel with that at all.
20 I think that's the way it should be, regardless of who the
21 Governor is, incidentally, because that's part of the process
22 that we have. No problem.

23 COL. UGALDE: And the same on positions of various
24 bills, you know that sometimes we take -- our official position,
25 once it's official, then it means that we have received
26 instructions as to what our position should be.

27 Any other questions?

1 CHAIRMAN DEDDEH: No, go ahead.

2 COL. UGALDE: I'll continue, then, sir.

3 I believe very firmly in the importance of citizen
4 boards and commissions, and the contributions they make to the
5 government. I believe the Veterans Board has contributed and
6 continues to contribute to the Department, and has satisfactorily
7 carried out its statutorily required duties.

8 Now, as to the questions that were in the report, the
9 first asks if the California Board should exist at all. I say
10 yes. As I have stated, the Board plays a very important role in
11 the Department. It provides a necessary public forum for
12 veterans to present their concerns, hears appeals from veterans
13 who request benefits from the Department, and it discusses major
14 issues which are before the veteran community.

15 Should the Board exist in an advisory or policy-making
16 capacity? I would prefer that that final judgment be passed on
17 this question by entities within the administration, who are
18 common superiors to both the Board and the Department.

19 General Cardenas, as Chairman of the Policy Committee of
20 the Board, has researched this subject very thoroughly, and he's
21 already explained this to you and made his presentation.

22 The Board has functioned well overall in its
23 policy-setting capacity since it was created in the '40s. Some
24 other departments have advisory boards. I understand that many
25 of those advisory boards also work well, and they also have their
26 conflicts quite often when it comes to advice.

27
28

1 The comment I made earlier about the difficulty of
2 distinguishing between policy and administration is further
3 accentuated by the limited amount of resources and time available
4 to citizen Board members for carrying out their responsibilities.
5 To give the Board greater policy-making authority could also
6 conflict with future directions that the Director receives from
7 the Governor, either directly or through the Secretary of the
8 State and Consumer Services Agency. The Board would require more
9 staff and funding if it were inserted in fact into the existing
10 chain of command.

11 Although I personally am comfortable with the Board's
12 policy-making authority as it is, I believe that, should
13 legislation come out of this Committee to change the Board to an
14 advisory board, it might give the next director more flexibility
15 in utilizing the skills and talents of individual Board members.
16 Furthermore, changing it to an advisory board would clearly
17 eliminate the occasional conflicts which arise when one policy-
18 making body wants to go in a different direction from another
19 policy-making body.

20 The third question raised in the report asks, if the law
21 is changed to create an advisory board, whom should the Board
22 advise? If the Legislature decides to recast the Board into an
23 advisory board, I suggest the Board should be advisory to the
24 Department Director. Serving veterans is the full-time
25 responsibility of the Department. The Legislature and the
26 Governor have many other issues to consider in addition to those
27 facing veterans. For advice to have any real meaning, it must be
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1 given in a way that the recipient of that advice can respond
2 promptly and in full, which I believe the Department Director is
3 in the best position to do so.

4 If the Board does become advisory, then the Board's
5 staff should be assigned to the Department. I believe that would
6 encourage a more active role by the staff in assisting both the
7 Department and the Board.

8 As to the fourth question which asks, if policy-making
9 remains the primary function of the Board, then what policies
10 should come under its jurisdiction? This question directly asks
11 about the role of the Board -- the role the Board should play in
12 preparing the Department's annual budget and in the hiring of the
13 Director.

14 Regarding the budget, I do not believe the Board can
15 effectively become engaged in the preparation of the budget. We,
16 like other departments, must strictly adhere to the policies of
17 the Governor and the Department of Finance. Often, little leeway
18 in time or substance are available to make changes to programs.
19 We do not believe the Board should be able to determine a course
20 separate from that of the Governor. This could raise
21 constitutional concerns about the authority of a Governor to
22 prepare his own budget if the Board wants to go in a different
23 direction.

24 On the question of the Board's role in the hiring of the
25 Director, I think it would be very difficult to get a Governor to
26 agree to delegating that authority to a board or commission. The
27 present system, where the State Senate reviews and confirms
28 gubernatorial appointees, works well.

1 The report's next two questions cover the areas of
2 legislative advocacy: the Board's role in planning for the
3 veterans home in Southern California, and the Board's involvement
4 in the operation of the veterans home in Yountville.

5 The current Board is very involved in issues facing the
6 Yountville facility, as well as with issues affecting each of the
7 Department's major programs. I don't think anyone can question
8 the productive and active role that Board member Barbara Woods
9 plays in improving services at the home. The personal, caring
10 help she gives to the old soldiers in Yountville is commendable.

11 And all you have to do there, Senator, is some day go
12 when she's there. They all just bunch around her. She's the --
13 I don't know what the female ombudsman is, but she is it, and
14 then more. They just love her.

15 Similarly, the Board, over the last few months, has
16 advised me frequently about our plan to build six veterans homes
17 here in Southern California. The Board has several committees,
18 including one on this issue.

19 Regarding legislation, the Board does have a Legislative
20 Committee, which is Chaired by Board member Dr. David Just, who
21 is not here, unfortunately, today. Dr. Just has the
22 responsibility, given to him by the Board, to follow all
23 legislation affecting veterans, to discuss that information with
24 the Board, and make recommendations to it.

25 Further, recommendations by the Board on pending
26 legislation become part of the analyses which the Department
27 prepares for the Governor so that the Governor's Office knows the
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1 Board's views. And the Board is encouraged to make its views
2 known to the Governor's Office whether or not the Board agrees
3 with the Department.

4 The Department, as you know, is responsible for
5 presenting the administration's position on veterans' legislation
6 to the Legislature. I do not believe that responsibility should
7 be given to the Board. The Board is not staffed to do that, nor
8 is the Board's staff intimately involved in the day-to-day
9 operations of the Department to adequately reflect the
10 administration's position.

11 The report also asks, should the Board have the
12 statutory power to make certain its policies are carried out by
13 the Department? The Board already has ample power to enforce its
14 policies.

15 It is a part of the Executive Branch, and like the
16 Department, is in the State and Consumer Services Agency. If it
17 believes that one or more of its adopted policies are not being
18 carried out by the Department, it can appeal to the Agency
19 Secretary and to the Governor.

20 I would again like to thank you for allowing me to share
21 my views about the Board. I believe the relationship between the
22 Board and the Department is good and productive, and it works.

23 I'd be pleased to answer any questions you have.

24 CHAIRMAN DEDDEH: Colonel Ugalde, on page 10, you say
25 the Board already has ample power to enforce its policies.

26 How does the Board do that?
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28

1 COL. UGALDE: Well, there, if they don't like -- and I'm
2 oversimplifying -- if they were to ask me to do something, and I
3 don't do it, or I choose not to, but this really going the other
4 way, that I would say, well, I'm not going to do it.

5 We haven't had that. But if we were, then I would say
6 let's both go up to Agency, or let's both go see the Governor,
7 the Chairman, so that -- that's what I mean by enforcing it.

8 As far as I'm concerned, they can go and get my boss to
9 tell me what to do.

10 CHAIRMAN DEDDEH: To my knowledge, there is no board or
11 commission that can really enforce the law or a decision. This
12 is a function of the executive branch. And so --

13 COL. UGALDE: Except when they go --

14 CHAIRMAN DEDDEH: -- I don't know what that sentence
15 means, they have "ample power to enforce its policies."

16 COL. UGALDE: Well, what they have in the book now, for
17 what we're doing, I think it's adequate.

18 Certainly, we don't want to get involved in legal
19 battles, such as, there are boards now that are at each other's
20 throat over policies.

21 CHAIRMAN DEDDEH: Correct me if I'm wrong, and don't
22 hesitate to do that.

23 Assuming there is some ambiguity about the role and the
24 powers, and policy-making powers, of the Board, assuming there is
25 that ambiguity, and if we were to have some legislation to make
26 clear what the role of the Board is, I gather from your testimony
27 -- and again I say, correct me if I'm wrong -- and from the
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1 testimony of the Department of Consumer Affairs, that you, if you
2 had a preference in the delineation of the powers of the Board,
3 you'd like to see that Board officially become an advisory board
4 rather than the way it is right now.

5 COL. UGALDE: It is easier --

6 CHAIRMAN DEDDEH: Do you agree with that?

7 COL. UGALDE: It is easier for everyone concerned, and
8 again, I go back to people. When people want to make something
9 work, you can have an advisory board with a lot of power, and
10 then you can have an advisory board that nobody listens to.

11 Or the other things is that if they were in a position
12 to enforce or get to enforcing, then you're going to spend more
13 time trying to enforce something than getting something done.

14 CHAIRMAN DEDDEH: So is my conclusion a fair conclusion?
15 That is, if push came to shove, that's what you'd like to see?

16 COL. UGALDE: On balance, yes.

17 CHAIRMAN DEDDEH: All right.

18 Thank you.

19 COL. UGALDE: Thank you very much.

20 CHAIRMAN DEDDEH: All right, I have Mr. Okamoto, a
21 former member of the California Veterans Board.

22 MR. OKAMOTO: Good morning.

23 My name is Vince Okamoto. I served on the Veterans
24 Board from 1981 until 1984.

25 I'd like to address myself to what I consider the
26 salient issue here, and that is whether or not the complexion or
27 the nature of the Board should be changed from advisory to -- or
28 from policy-making to advisory.

1 I'd ask this body to seriously consider that no change
2 be made in that regard. I've heard the comments of the previous
3 speaker. I have not had the opportunity to meet with him or work
4 with him.

5 But as I indicated on page two of this letter that was
6 sent out, when two people in government always agree, maybe one
7 of them's not necessary.

8 The Board and the Department don't always agree, and I
9 think that's good. The members of the Board, being from
10 different geographical locales, being members of different
11 veterans' organizations, coming into contact with various
12 different veteran's organizations that the Director and his
13 representatives would not necessarily come into contact with,
14 bring, I think, a broader perspective as far as the concerns,
15 needs and problems of the veterans to the Veterans Affairs Board.

16 Now, when that perspective is not always the same, we
17 have disagreement. And again, I've not had the opportunity of
18 working with Mr. Ugalde, but I think all of us have to think in
19 terms of a worst case basis. The next director who follows him
20 may not be as cooperative or as amenable. The director that
21 preceded him, I don't believe in all fairness, was as cooperative
22 or amenable to working with the Board.

23 So the question was posed: what happens in those
24 situations? What enforcement power does the Board have?

25 I'd ask this body to seriously consider looking at that,
26 because I think it presents a problem or a very real potential
27 for a problem.

1 When I was on the Board, this issue of policy versus
2 advisory came up. We had disagreements with the director. One
3 of them was the oversight on reviewing contracts of \$50,000 or
4 more. The Code clearly says we should look at them. We never
5 got to look at them. The Code says we should look at the budget.
6 We never got to look at the budget.

7 We had these differences.

8 CHAIRMAN DEDDEH: Excuse me.

9 The Code says that you have the power to look into the
10 budget. Look into the budget to do what?

11 MR. OKAMOTO: The Code, I believe, talks about a review
12 capacity.

13 CHAIRMAN DEDDEH: What does that mean, review? I know
14 what the word means, but what does that really entail?

15 MR. OKAMOTO: In my own mind, presentation of that
16 budget, explanations of that budget.

17 CHAIRMAN DEDDEH: That's it?

18 MR. OKAMOTO: Being able to question, being able to
19 receive -- ask for and receive additional information if one
20 individual or, as a body, the Board thought it was required.

21 I don't think anyone on the Board when I was sitting on
22 it looked at that as something that, in all reality, we could
23 exert any beneficial impact on. We didn't know it. The thing
24 was three feet tall. Going through it, line item by line item,
25 once a month when we can sit down for four hours was not
26 realistic.

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1 But again, whether or not the parameters of that
2 policy-making is going to be extended, or remain the same, or
3 limited, is up to the Legislature.

4 My question, sir, was when, again in echoing your
5 question, when we had problems, when the Board and the Director
6 of the Department had problems, in effect we were told, "Sue us."

7 CHAIRMAN DEDDEH: The Department told you to sue the
8 Department?

9 MR. OKAMOTO: That's correct. And that was ultimately
10 what we thought was the only remedy we had left.

11 The Board was taking issue with some of the things that
12 the prior Director was doing. We asked for a meeting with the
13 then-Undersecretary of State and the head of Transportation. We
14 could not get that meeting. A letter was sent to the Attorney
15 General, but no action taken.

16 So, for all intents and purposes, instead of a
17 cooperative attitude, it became an adversarial proceeding.

18 I think again, there's something that should be done to
19 preclude this from happening.

20 CHAIRMAN DEDDEH: Such as?

21 MR. OKAMOTO: I would like to see the Board -- and I
22 think this is critical for a number of issues -- I think the
23 Board should have its own legal counsel. When an issue comes up,
24 it's too easy for legal counsel for the Department to say, "Well,
25 you're wrong as a matter of law." We have at that point the
26 alternative of accepting it, continuing to cry in the wilderness
27 if no one's willing to talk to us, or utilizing our own time and
28 funds hiring independent legal counsel.

1 I think, again, all three of those alternatives are
2 unacceptable if we think we're in the right.

3 CHAIRMAN DEDDEH: Since you are an attorney, what
4 happens if they had the legal counsel, let's say the Board had
5 the legal counsel, and his opinions were in conflict with that of
6 the Department's legal counsel?

7 MR. OKAMOTO: I would think --

8 CHAIRMAN DEDDEH: Who is going to prevail?

9 MR. OKAMOTO: I would like to think at that point in
10 time there would still be in-house another avenue of appeal, so
11 to speak, and I think that would be the Attorney General's
12 Office, who can issue an Attorney General's opinion.

13 But if I can elaborate on that issue, one of the most
14 important things that the Board does, I feel, is to hear appeals
15 for veterans who have requested funds for loans for homes and
16 farms. All too often when those appeals are denied, when that
17 request is denied, the veteran will appeal to the Board.

18 All too often what happens, when we hear the appeal, the
19 legal officer that initially heard that appeal and turned down
20 that veteran's application is the legal officer at the appellate
21 hearing.

22 Now, we have attorneys on this particular body. It's
23 kind of like having the judge that convicts you on a Superior
24 Court level being the judge that hears you on the Appellate Court
25 level.

26 As far as that veteran, when he comes to the Board with
27 an appeal -- with a request for a loan that's been turned down,
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1 he comes to the Board for remedy, for fairness, and he looks up.
2 And the person that's doing the speaking and making the
3 presentation is the very legal officer that turned him down in
4 the first place.

5 One, I think that goes against the concept of
6 fundamental fairness. I don't think it does anything for the
7 morale of that officer, and it's just too easy for that Board,
8 instead of thinking about it from an independent viewpoint, to
9 just say, "Well, that's what the legal officer's recommended, and
10 we go along." In effect, we become a rubber stamp.

11 I don't think that was the intent of the Legislature. I
12 don't think that's what the Board wishes to do now.

13 I think, again, a legal counsel who is independent of
14 the Department and the Director, who can advise the Board of
15 their rights and their own limitations, would be a great boon to
16 them.

17 In summary, the Board, I think, serves a very real
18 purpose, and that is to show the veterans that they're not just
19 dealing with bureaucracy. They're not just dealing with a person
20 or persons who are elected or appointed by the existing
21 administration, but fellow veterans who have empathy for them,
22 who know their needs.

23 And again, to change that to basically an advisory body
24 would mean that they either become a rubber stamp for the
25 Department, or the Department is free to ignore them at the
26 Department's discretion.

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1 And again, as I indicated in that letter, I think checks
2 and balances are kind of nice. Certainly it doesn't make for the
3 most efficient running of any organization or body, but
4 efficiency is just one aspect to consider. I think there's
5 something called equity. I think there's something called
6 fundamental fairness. I think there's something called having
7 people judge you that know your problems and needs.

8 So with that, I thank you for your attentiveness and
9 your patience, and I want to try to answer any questions you
10 might have.

11 CHAIRMAN DEDDEH: Thank you, Mr. Okamoto.

12 I sometimes get confused. Let me draw a parallel and
13 see how that works.

14 We have a Superintendent of Public Instruction for the
15 whole State of California that's elected by the people. And then
16 the Governor appoints members of the State Board of Education,
17 who make policy. They're not elected, but they make policy.

18 I don't know how they interact with the Superintendent
19 of Public Instruction. Does he carry out the policy? Is there a
20 dispute, disagreement, and so on? I don't know.

21 Congress, the same thing, has ample powers, but the
22 ultimate power, I think, is the Chief Executive. And that is why
23 I'm trying to -- not convince you -- but trying to show that it
24 is impossible to have two masters, in my opinion. And so, you
25 cannot have a Chief Executive who constitutionally is required to
26 provide for the budget, the fiscal policy of the state, and so
27 on, and then have another board that is also appointed by the
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1 same Governor, the same Chief Executive, to disagree with him.
2 They can, or question his policies, they can legally, but the
3 ultimate judgment, I think, and power is in the hands of the
4 Chief Executive and his subordinates.

5 MR. OKAMOTO: Sir, I don't take issue with your
6 statement at all. I think ultimately the Governor, duly elected,
7 will have to make that decision.

8 I think what we're talking about now is whether or not
9 any other body, individual, or agency below the Governor has the
10 right to ask questions and take issue with the Governor's
11 position.

12 And I think it's a very important thing for us to
13 continue that right.

14 CHAIRMAN DEDDEH: When you were on the Board, let me ask
15 you, then, did you feel that you could not ask or question the
16 judgment or the decisions of the administration?

17 MR. OKAMOTO: Yes, sir, very much so.

18 We had twice officially asked to sit down with the
19 Director to discuss specific issues. In both instances he
20 refused to attend.

21 CHAIRMAN DEDDEH: Did you bring that to the attention of
22 the Chief Executive?

23 MR. OKAMOTO: No, sir. We went through first, again,
24 the Secretary of Transportation, who also indicated through her
25 assistants that this was a personality conflict, and she refused
26 to meet with us.

27 CHAIRMAN DEDDEH: You were appointed by the Governor?
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1 MR. OKAMOTO: Well, the past Governor.

2 CHAIRMAN DEDDEH: Yes, you were appointed by the
3 Governor of the State of California, confirmed by the State
4 Senate, and so on.

5 MR. OKAMOTO: That's correct.

6 CHAIRMAN DEDDEH: Well, Senator Beverly, you're our
7 legal counsel.

8 SENATOR BEVERLY: No, I'm not.

9 This lawyer's from Torrance. My son practices in
10 Torrance as well.

11 Let me ask you, the legal advice from the Board now
12 comes from counsel for the Department?

13 MR. OKAMOTO: That is correct.

14 SENATOR BEVERLY: Not the Attorney General?

15 MR. OKAMOTO: That is correct.

16 SENATOR BEVERLY: The counsel for the Department sits
17 with the Board at the meetings?

18 MR. OKAMOTO: He will attend the Board meetings, yes,
19 sir.

20 SENATOR BEVERLY: The second point, you mentioned
21 writing to the Attorney General after you'd exhausted the
22 attempts to meet with Ms. Chilton and whomever. What happened
23 there?

24 MR. OKAMOTO: There was no response for approximately
25 five months, until after I was off the Board. And then, when the
26 then-Director was terminated from his position, I received a call
27 from a Deputy Attorney General who wanted to know if I had
28 another copy I could send him.

1 SENATOR BEVERLY: That's all that ever happened?

2 MR. OKAMOTO: That's correct, to my knowledge, yes, sir.

3 SENATOR BEVERLY: Would it make any sense to provide
4 statutory authority that the Attorney General shall furnish legal
5 advice to the Board?

6 MR. OKAMOTO: I think that would be a great help.

7 SENATOR BEVERLY: It would be one step along the road,
8 not as far as you want to go with separate legal counsel, I
9 gather.

10 MR. OKAMOTO: That would be a vast improvement, yes,
11 sir.

12 SENATOR BEVERLY: Thank you.

13 CHAIRMAN DEDDEH: Thank you very much.

14 MR. OKAMOTO: Thank you all.

15 CHAIRMAN DEDDEH: I see General Cardenas has a statement
16 to make or a comment, and we will take a break right after your
17 statement, General.

18 Go ahead. At 10:30 we'll break for about ten minutes.

19 GEN. CARDENAS: Since there are many people present, and
20 this is a public hearing, I would like to take a little umbrage
21 that we, the Board, are a rubber stamp for the Department. We
22 are not.

23 CHAIRMAN DEDDEH: That's not our statement or Senator
24 Beverly's statement.

25 GEN. CARDENAS: But the previous speaker made comments.

26 Maybe he was referring to when he was on the Board. At
27 the present time, we're not.

1 We do, naturally, get our legal opinion from the
2 Department legal counsel. But we, the Board, are the appellate
3 court. We have a lawyer that maybe heard the case from the
4 veteran, but we have to use our own judgment, knowing what is
5 legally correct, as to a decision we might make. So, in a sense,
6 we are the appellate court.

7 That's all.

8 CHAIRMAN DEDDEH: Can you reverse a decision of the
9 Department?

10 GEN. CARDENAS: Yes, we do.

11 CHAIRMAN DEDDEH: As an appellate court?

12 GEN. CARDENAS. Now, as we did in several cases.

13 At this point, if it's okay, I would like the Department
14 counsel, who has some statistics, statistics on appeal, not to
15 get in a discussion with Mr. Okamoto, but some statistics on
16 appeals.

17 CHAIRMAN DEDDEH: All right. I'll give you about two or
18 three minutes because we're going to take a little break.

19 MR. JACKSON: Thank you, Mr. Chairman. That's about all
20 it'll take. Senator Beverly.

21 My name is Howell Jackson. I'm the Chief Attorney for
22 the Department of Veterans Affairs.

23 Under Section 86 of the Military and Veterans Code, I'm
24 the legal officer to whom the Board has delegated the authority
25 and responsibility for conducting the initial hearing on appeals
26 by veterans.

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1 Since this responsibility was given to the Board in
2 1980, there have been a total of 395 appeals filed by veterans to
3 the Board. Of those, 379 have been completed; there are 16
4 currently pending; 78 of those were either dismissed or settled,
5 the great majority being settled. By settled, I mean once the
6 appeal was filed, the matter was referred back to the appropriate
7 division in the Department, and the division and the veteran
8 worked out a satisfactory solution to the problem.

9 That left a total of 301 cases which were decided on the
10 merits. Of those 301 cases, 214 were denied, 87 were granted.
11 That's a total of 28.9 percent of the cases decided on the
12 merits, the appeals were granted to the veterans.

13 Of those 87, 73 were granted by the legal officer. The
14 Board agreed with all of those, and in addition, disagreed with
15 the legal officer on another 14 cases and overturned the legal
16 officer in those 14 cases.

17 Now, I think --

18 CHAIRMAN DEDDEH: When they reversed the legal officer
19 -- excuse me for interrupting you -- what happened to those 14
20 cases? Were they adjudicated finally as the Board deemed they
21 should be adjudicated, or what happened?

22 MR. JACKSON: Yes, all of those 14 cases did not go any
23 further. In other words, no additional proceedings in court were
24 taken, so the Board's adjudication was final.

25 Now one of the -- first of all, I think this 87 out of
26 301 and 28.9 percent of the appeals granted, if you study the
27 statistics of our appellate courts, that's about twice as many
28 appeals as our appellate courts grant in favor of the appellant.

1 But the even more interesting statistic to me is that if
2 you eliminate from those 301 the cases which had to be denied as
3 a matter of law because the facts were clear, and the law was
4 clear, and the veteran simply wasn't eligible for the benefit he
5 sought, then out of the 301 cases and the 214 that were denied,
6 184 had to be denied. There was no alternative.

7 So, if you apply the number of appeals granted to the
8 214, eliminating the 184, you wind up with the Board and the
9 legal officer granting 68 percent of the appeals on which they
10 had discretion. And I think that is a fine record, and I think
11 it clearly indicates that the veteran gets a fair shake, not only
12 before the legal officer, but also before the Board.

13 I think it indicates that the Board doesn't rubber stamp
14 every decision the legal officer brings it. And frankly, I think
15 the system works well.

16 CHAIRMAN DEDDEH: The way it is.

17 MR. JACKSON: The way it is.

18 MS. ROSAS: May I ask a quick question for
19 clarification.

20 You sit on every case that stops at that level. Aren't
21 there several cases that the Board has actually granted the
22 appeal, but they never got their loans because the Department
23 decided they weren't eligible?

24 MR. JACKSON: I believe one that's already been
25 mentioned here was the case of Mrs. Anderson. The Board granted
26 her appeal. As a matter of fact, she never did apply for the
27 loan thereafter, and I don't know why that happened.

1 But at the same time the Board granted the appeal, I
2 think, as General Cardenas already stated, it was aware that
3 there was another legal reason why the Department could not grant
4 the loan, but the Board granted the appeal to work with the
5 Department to obtain the legislation which would permit the
6 granting of loans to persons under her circumstances.

7 MS. ROSAS: Wasn't there another case -- and I don't
8 remember the name -- but there was some man that had to do with a
9 day care center? He was building the house for a day care
10 center?

11 MR. JACKSON: Oh, I'm sorry. You're right.

12 That case did go to court. I don't believe -- what
13 happened in that case was that the legal officer who heard the
14 appeal granted the appeal subject to certain conditions. The
15 Board adopted the legal officer's decision -- in other words,
16 agreed with the Board [sic] in that case -- and then the veteran,
17 as he has the right to do, contested the Board's decision in a
18 mandamus proceeding in court.

19 So that one did -- you're right. That did go further.
20 That was one that did go further.

21 There's one other thing I would like to correct, too.
22 With all due respect to Mr. Okamoto, he was mistaken on one
23 point, and that is, the attorney who may participate in the
24 initial decision below does not conduct the hearing on the appeal
25 by the veteran.

26 One of the things that I've been very careful to assure
27 is that if any of the attorneys in my office have been asked for
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1 advice during the decision level decision-making process, and
2 then an appeal later results from that, that attorney does not
3 conduct the hearing; some other attorney does. And when the
4 attorney conducts that hearing, he's acting in a completely
5 independent capacity. He is no longer the attorney for the
6 Department; he's an administrative law judge conducting the
7 hearing.

8 CHAIRMAN DEDDEH: Thank you.

9 SENATOR BEVERLY: Who appoints you, Counselor?

10 MR. JACKSON: I'm a civil servicer employee, sir. The
11 Director appoints me.

12 SENATOR BEVERLY: The Director of the Department of
13 Consumer Affairs or --

14 MR. JACKSON: Veterans Affairs.

15 SENATOR BEVERLY: Thank you.

16 CHAIRMAN DEDDEH: We'll take a ten-minute break.

17 (Thereupon a brief recess was taken.)

18 SENATOR BEVERLY: The Chairman will return in just a
19 moment, but we'll start up the hearing again.

20 I understand Mr. Hann is here, would like to address the
21 board.

22 Do you want to step to the microphone, please, sir.

23 MR. HANN: Thank you, Senator Beverly.

24 My name is John Hann. I'm a member of the California
25 Veterans Board. Home is Merced, California.

26 First, I'd like very much to apologize for being so late
27 this morning. It was a rather minor health problem, but it did
28

1 demand attention and I simply couldn't do it. Thank you for your
2 patience.

3 I've listened to a number of the people this morning
4 after I got here, and I'd like to make two or three observations
5 in connection with that.

6 First, I'm a firm believer, as I'm sure all of us are,
7 in the checks and balances nature of our federal government's
8 constitution and the carry-through from that on into the state
9 government. I think that this Board can be looked at in that
10 light very seriously, and we can be expected to derive some of
11 our authority from the nature of the checks of certain
12 administrative actions.

13 I'd like to offer that it seems to me that veterans are
14 a particular group who have been recognized by the citizens of
15 California, by the Legislature of the great State of California,
16 by the administration, various ones of all parties. As such, I
17 think the programs that have been established for them, for their
18 benefit as rewards, not as due but as rewards, I think those
19 programs need to be administered fairly for all veterans with
20 consideration. And as a retired public administrator, federal
21 level, I could offer, I think, that sometimes administrators, in
22 the pressure of getting the job done and the ever present budget
23 constraints, sometimes they run into problems of interpreting
24 regulations and rules, until regulations and rules become the
25 overwhelming guideline or the overwhelming important matter,
26 placing the people second that they were designed to serve in the
27 first place.
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1 I think this is not the case with our present Department
2 of Veterans Affairs; however, it can easily be the case with
3 administrators who do have the responsibility of administering
4 laws, regulations, rules set up by other people, as well as
5 sometimes their own staffs.

6 I think the need for a board such as the California
7 Veterans Board is all important to see to it that the
8 professional public servants, whom I admire in this Department
9 tremendously -- I think they do a fine job -- but these
10 professional administrators, I think, sometimes need a check in
11 order to balance their actions. And I believe this Board serves
12 in that capacity.

13 The matter of hearings has been brought up, and I could
14 grin just a slight bit, if you want, please, or I want to.
15 Mrs. Anderson is a neighbor five miles down the road from where I
16 live. She was referred to a while ago. Mrs. Anderson did not
17 continue her application, as she has told me, because she could
18 not sell the property she had at what she wanted for the
19 property. Therefore, she could not proceed to get another piece
20 of property. It's a rather simple thing, but it got complicated
21 and went beyond the normal situation.

22 I think that in the matter of just normally watching the
23 Department as, not an ombudsman, but as a check, a balance, if
24 you will, that the Board serves its most useful purpose.

25 I've heard it advocated that we become an advisory
26 committee or an advisory board. I would like to see that
27 defined. I would hate to oppose it, because I'm not sure what an
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1 advisory board's responsibilities are or would be. If it is
2 merely a matter of being totally subject with no appeal beyond
3 the Department administrator, then I would have to be opposed to
4 having an advisory board set up as such, because I think it would
5 be toothless.

6 I think we have to have the ability to go beyond the
7 administrator of the Department if, for some reason, we see that
8 Department under his or her leadership is not properly serving
9 the veterans of California. A judgment matter, perhaps, but I
10 think that we need, if we're going to exist, the power to be
11 independent in that particular regard. In other words, to see to
12 it there is an appeal process to which we can go if we think the
13 Department is not properly considering its responsibilities, and
14 I understand this has happened in the past.

15 I'll offer I've been attending California Veterans Board
16 meetings as a veterans' leader in California since 1945, and I
17 have seen several instances where I think the Department, in
18 itself, has not been as considerate as it should be of the
19 personal problems of the veteran. They tried, in my humble
20 opinion, to bend the veteran to fit the rules, rather than to
21 take the rules and use them in order to help the veteran where
22 ever possible.

23 I think one other thing that I would like to advocate
24 from my experience, I remember the days of Warren Atherton, of
25 Jack Ertola and some others who may not do so well. I think an
26 independent counsel would be good for us. I have total
27 confidence in Mr. Jackson at this point. He has been very fair,
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1 very helpful and very thorough with us. I'm sure his advice has
2 been competent. I trust him.

3 I think if we had our own counsel, it would make us a
4 better policy-making Board, and I would consider that as a step
5 in a forward direction, if it could be so arranged with the
6 budgetary constraints that now exist.

7 I'll be happy to try to answer any questions. Again,
8 I'm sorry to be so late, and I hope I haven't cut this off.

9 Thank you very much.

10 CHAIRMAN DEDDEH: Thank you very much for that.

11 Now, the Veterans of Foreign Wars, Judge Brown,
12 Commander, and Edwin Munis, Legislative Advocate.

13 MR. BROWN: Mr. Chairman and Senator Beverly and
14 Committee, I had a prepared statement, but as I got off the
15 airplane last night, my briefcase was in the overhead, and I sat
16 and read and thought I was being courteous, and someone borrowed
17 it.

18 So, without a prepared statement --

19 CHAIRMAN DEDDEH: Your briefcase?

20 MR. BROWN: My briefcase, yes, sir. And it has all the
21 statement for hearing, all the information on the southern
22 veterans home that we've been compiling. So, maybe it'll show
23 back up, but I doubt it. It was a rather inexpensive briefcase.
24 The good one they left.

25 But anyway, as Commander of the Veterans of Foreign
26 Wars, I'd just like to thank you for allowing us to be here. Our
27 Legislative Advocate does have a prepared statement, and I will
28 turn it over to him at this time.

1 Thank you.

2 CHAIRMAN DEDDEH: Sure.

3 MR. MUNIS: Senator Deddeh, honorable Members, honored
4 guests, I thank this Committee for allowing me the privilege of
5 testifying here today.

6 First, I would state that my comments should not be
7 considered as the position of the Veterans of Foreign Wars. That
8 is clearly the privilege of our state Commander, Judge Brown.

9 My comments here today are based on my participation
10 with veterans issues and many personal conversations with various
11 members of that community. With that in mind, I will proceed.

12 Should the California Veterans Board exist? In my
13 opinion, yes. I have no doubt regarding the valuable service of
14 the California Veterans Board. Besides the duties spelled out in
15 the Military and Veterans Code, the California Veterans Board has
16 the ear of the Governor, and in so doing, can be used as a direct
17 vehicle in making the administration aware of the needs of the
18 veterans community.

19 My concern has been, can this be done objectively by the
20 Board. The Governor does appoint all of its members.

21 Should the Board have policy-making capacity? Section
22 72 of the Military and Veterans Code gives this responsibility to
23 the Board, so the answer is clearly yes. Although, there appears
24 to be a problem with what kind of policy should the Board
25 address, and how can the Board enforce these policies should the
26 Director of the Department of Veterans Affairs disagree. The
27 court comes to mind, but until the Board has its own attorney for
28

1 independent counsel and an independent staff, we will continue to
2 have conflict on this issue.

3 The expanding role of the California Veterans Board, in
4 my opinion, may very well require the Board to set its own
5 budget. Presently, it is uncertain that the need exists or is
6 possible.

7 The Board should be allowed to express a strong opinion
8 with regards to veterans legislation and be allowed to actively
9 lobby veterans legislation. But can this be done without fear of
10 reprisal? What safeguards can be afforded the Board on this
11 matter?

12 I have never been comfortable with the lobbying
13 activities of the Department of Veterans Affairs. In my opinion,
14 they are all too often self-serving. I am not opposed to the
15 Department expressing an opinion, and if they see a need for
16 specific legislation, they might better be served by the
17 California Veterans Board through their nonpartisan use of the
18 legislative process.

19 Should the Board hire the Director? No. Section 75 of
20 the Military and Veterans Board [sic] states:

21 "The Director shall be appointed ...
22 and serve at the pleasure of the
23 Governor."

24 Should the Board recommend a prospective Director? The
25 Board, should they feel strongly enough, should be provided an
26 opportunity to do so.
27
28

1 Regarding the Board's role in planning the second
2 veterans home in Southern California, the Board might better
3 serve the veterans community if they review the plan or plans and
4 assure that all options have been examined and all concerns will
5 be addressed. Once a veterans home is established, the
6 California Veterans Board should play a very active role in the
7 oversight of its proper administration, and possibly, if needed,
8 serve as a buffer between its administrator and the Department.

9 The role of the California Veterans Board should be
10 clearly defined. With differences in political philosophy from
11 one administration to another, all too often valuable time is
12 wasted in engaging in turf wars and personalities, at times to
13 the detriment of the veterans. By working together with open
14 agendas, we can overcome some of the problems we face today. I
15 am sure of one thing; that is, there are no easy solutions, but
16 again, on a nonpartisan basis, we can provide for the well-being
17 of our state's veterans population.

18 What legislation might be addressed with regards to the
19 California Veterans Board might better be answered after all
20 opinions have been given equal consideration. Some consideration
21 might be given to the California Veterans Board having some
22 Saturday meetings. This would afford participation from those
23 veterans that must provide for themselves and their families.

24 To the members of the Veterans Board, the Director of
25 the Department of Veterans Affairs, and my colleagues, I extend
26 my respect and admiration for your sincere efforts. As
27 Legislative Advocate for the Department of California Veterans of
28

1 Foreign Wars, and as a veteran who has had the privilege of
2 serving my country on foreign soil during a time of conflict, I,
3 with all due respect, again thank you Senators for allowing me
4 this opportunity to express my opinions for the record.

5 CHAIRMAN DEDDEH: Thank you very much.

6 I see almost constitutional questions when you advocate
7 or suggest that probably the Director be appointed by the Board.
8 I'm not an attorney, so I couldn't really resolve that in my
9 mind, but this would be a very tough thing to pass through the
10 Legislature, because that's encroaching on the power, the
11 constitutional power, of the Chief Executive in making his
12 appointment. It would be very tough to have the Board appoint a
13 Director who eventually will be financed, or at least budgeted,
14 by the Governor's administration. It's a very, very tricky thing
15 to do.

16 MR. MUNIS: I believe, Senator, what I stated was that
17 the Board should not have the power to appoint the Director.

18 CHAIRMAN DEDDEH: Then you said somewhere --

19 MR. MUNIS: Yeah, they should have an ability to
20 recommend if they feel strongly enough.

21 CHAIRMAN DEDDEH: Oh, to recommend, I have no problem
22 with that, to recommend. But to appoint, that's a different
23 story.

24 MR. MUNIS: To appoint, I agree with you.

25 CHAIRMAN DEDDEH: And then the budget, again one more
26 time, if every department were to determine what their budget is
27 going to be, we in the Legislature, we would be in total
28

1 confusion, because we have to receive the budget of the whole
2 State of California from one source, and that's the Governor,
3 whoever that Governor may be, And then he and his departments,
4 his lieutenants, determine how much money shall go for the
5 Veterans Affairs Department, and the Transportation, et cetera.

6 I may not belong to the same political holy communion of
7 the present administration, but I will fight for their
8 constitutional right to maintain the right to budget for the
9 State of California.

10 MR. MUNIS: I believe the Department does have the
11 expertise to determine what's best in regards to their budget and
12 not the Board at this point.

13 CHAIRMAN DEDDEH: Thank you very much.

14 MR. MUNIS: Thank you.

15 CHAIRMAN DEDDEH: Our next witness is with the American
16 Legion, Wallace Riddle, Commander.

17 MR. RIDDLE: Thank you, Mr. Deddeh, and Beverly, Members
18 of the Committee.

19 My name is Bill Riddle. I am Commander of the American
20 Legion Department of California.

21 I won't reiterate some of the statements that we've
22 heard here. Let me go on record as saying I personally -- and I
23 cannot speak for the American Legion now, because we have
24 procedures in the Legion that I must receive instructions from my
25 Department Executive Committee. I seriously doubt any veteran
26 leader in this room today could speak on behalf of his
27 organization. I can speak as one veteran.

1 But as a Commander, I wholeheartedly concur with the
2 Department and the Board as a function today. I have the
3 privilege of knowing them. I know they're efficient. They have
4 the veterans' interests at heart.

5 We have an old saying that if it works, don't fix it.
6 So in that regard, I approve as one veteran.

7 But let me further elaborate, if I may. We hear policy.
8 Now, having served on generals' staffs in the military, I find
9 policy is a word that's kicked around. I would like it defined,
10 policy defined, because I get the impression -- and I must say
11 here and now, as long as we have politics in this world, we're
12 going to have different opinions -- but I get the opinion that
13 somewhere, policy was interpreted or tried to go in effect that
14 put certain constraints on the Department head, and therefore,
15 control him.

16 I don't believe that's what policy is intended. I think
17 it should be broad. I think it should be defined.

18 And in closing, all veterans look at flags when they
19 walk in a building. I see the American flag below another flag
20 there.

21 CHAIRMAN DEDDEH: Thank you.

22 MR. RIDDLE: Do you have any questions?

23 CHAIRMAN DEDDEH: I don't, thank you very much.

24 Is there anybody here from the City of Chula Vista? I
25 saw Sid Morris here a while ago.

26 Thank you, Commander, for bringing that to the attention
27 of the City. I will communicate that information immediately to
28 the City and have that corrected.

1 MR. RIDDLE: Thank you, sir.

2 CHAIRMAN DEDDEH: Commander Nash Ramirez, Disabled
3 American Veterans.

4 MR. RAMIREZ: Yes, sir, Mr. Chairman and Senator
5 Beverly, thank you for allowing me to testify.

6 My total expertise on this subject is what I read on the
7 background paper, but the answers to these questions are a
8 consensus of members of the Disabled American Veterans that I was
9 able to talk to. I'm not speaking for the Department as a whole.
10 We do that through resolutions and so forth.

11 This is very brief, but this is a consensus of most of
12 our service officers. I went to a service officers workshop that
13 we had, and I talked to them. I also have talked to my chair
14 officers. So, I just question by question.

15 My first sentence there answers the first three
16 questions, I think. The California Board should exist in a
17 policy-making capacity. The Board should have the authority to
18 establish its own budget and to review and approve the budget of
19 the Department annually.

20 The Board, not the Department, should serve as the
21 veterans' advocate, analyzing bills as they impact veterans,
22 taking strong positions on legislation, and actively lobbying.
23 This gives a broader consensus as to the needs of the veteran
24 population, the beneficiary of the various Department of Veterans
25 Affairs programs.

26 The Board should take a strong role vis-a-vis the
27 veterans home in Yountville, and play a role in planning the
28

1 second veterans home in Southern California, and assuring the
2 quality of service.

3 The Board should have the statutory power to make
4 certain its policies are carried out by the Department. The
5 Board should have the authority to appoint a part-time legal
6 counsel and other staff to assist the Board in its functions and
7 duties.

8 I concur with the provisions of SB 1718 as described in
9 the staff analysis in Appendix C of the "Interim Hearing on the
10 Policy-making Role of the California Veterans Board, Background
11 Paper", and I will support a bill with like intent.

12 CHAIRMAN DEDDEH: Thank you very much.

13 Our next witness is the Armed Forces Retirees
14 Association of California, Mr. Mickey Conroy.

15 MR. CONROY: Thank you, sir.

16 Senator Deddeh, Senator Beverly, I will probably be the
17 first one who will start answering your questions in a little
18 different light than you've been hearing.

19 CHAIRMAN DEDDEH: All right.

20 MR. CONROY: I'd like to read my statement, and then I
21 will be happy to answer any questions.

22 I've been active in the veterans community here in
23 California for the past 19 years. I have spent 18 of those years
24 as the President of the Armed Forces Retirees Association, and 13
25 years as the Legislative Chairman for the California State
26 Commanders Veterans Council.

27
28

1 The issue of the California Veterans Board and the
2 California Department of Veterans Affairs has always been
3 intriguing to me because of my status as a veteran, but one that
4 is not Cal-Vet qualified. I feel and have always felt that the
5 veteran residents of California were being shortchanged and
6 generally ignored as the result of the official government status
7 vested in the Department of Veterans Affairs and the California
8 Veterans Board. In reality, both are politically controlled
9 entities that are utilized to voice opinions for all of the
10 veterans residing in California, two-thirds of whom are not
11 Cal-Vet qualified.

12 Why should there be a veterans board created
13 legislatively that consists of political appointees who are
14 Cal-Vet qualified? Why should there be an existing veterans
15 political arm that does not respond to the wishes of the
16 membership veterans' organizations that are barred from political
17 activity? In present practice, this means that those two-thirds
18 have no voice in the government that is considered to be official
19 or expressing a veteran position that is devoid of political
20 consequence.

21 It is an accepted practice that the Department
22 Commanders, elected by their members to represent them, are
23 ignored when the political powers that make Department and Board
24 appointments decree that the corner office desires -- what the
25 corner office desires. At that time, the emphasis is shifted to
26 survival and not for the desires of the veterans. I won't go
27 into specifics at this time, because of the limited time
28

1 available to me. I would, however, be happy to orally respond to
2 any inquiries later.

3 Let me now address each of the questions that are before
4 this body in the sequence in which they appear. I didn't write
5 the questions; I just wrote answers.

6 As far as the policy, this is a yes and no situation.
7 Yes, if the Board is to deal only with those programs
8 specifically legislated and funded by the California Legislature
9 and to be for Cal-Vet qualified veterans only.

10 No if the present situation is to remain in effect.

11 Two, the Board should only exist in a policy-making
12 capacity for Cal-Vet programs only.

13 Three, the Board should not be advisory to anyone. It
14 should control its own independent status.

15 Four, the Board in its policy-making role should
16 evaluate and recommend budget items. And B, it should have the
17 same powers and controls that normal boards of directors have
18 over their executive directors, especially in the interview
19 process and in making recommendations on the filling of the
20 position.

21 Five, neither the Board nor the Department should serve
22 as the veterans advocate. They serve the entity that serves
23 them, and more often than most realize, they take positions
24 contrary to those of the veterans' organizations and their
25 membership. They should analyze bills; however, they should not
26 take strong positions or actively lobby. After all, they aren't
27 responsible to anyone but the one that appointed them.

1 The die has been cast on the makeup of the second
2 veterans home committee, and it is too late to disturb the
3 process. The Director is charged with the administration of the
4 veterans home, while the Cal-Vet Board is charged with
5 establishing policy for the Department. Under those conditions,
6 the Board should be overseeing in a strong and aggressive
7 manner to ensure that all the benefits are being provided and all
8 regulations adhered to. The Veterans Advisory Council, once
9 established by enactment of AB 1161, Assemblyman Ferguson, could
10 see that the necessary legislation is enacted to ensure that the
11 Board has the tools to do a thorough job.

12 Number seven, should the Board have statutory powers?
13 Yes, without it, the Board will remain a toothless tiger.

14 Eight, in response to legislation, AB 1161 by
15 Assemblyman Gil Ferguson, is already in the hopper to establish a
16 truly all Veterans Advisory Council to the Governor. The Armed
17 Forces Retirees Association, California, requested that bill.
18 The bill has been rewritten in its entirety, and all references
19 to the California Veterans Board have been deleted. The amended
20 AB 1161 will establish the California State Commanders Veterans
21 Council as the Veterans Advisory Council to the Governor. I have
22 attached a copy of the amended bill's language for your
23 information and comment.

24 Legislation should be introduced to clearly establish
25 the California Veterans Board as the Board of Directors of the
26 Department of Veterans Affairs on all Cal-Vet programs. This
27 will not be easy because of the piecemeal way that the present
28

1 situation was allowed to expand after World War II in favor of
2 the Department, with little apparent concern for the Board.

3 I could go on and on, since this issue is so dear to my
4 heart; however, time does not permit. Thank you for your
5 opportunity to speak.

6 I will respond to any questions.

7 CHAIRMAN DEDDEH: Let me ask you question on page two of
8 your statement, where you answer number eight on AB 1161, where
9 Mr. Ferguson is trying to create an advisory board to the
10 Governor.

11 Let me ask you specifically, what are the functions of
12 an advisory board, and to what extent do you think that the
13 person advised by that board necessarily is going to adhere, or
14 is going to listen, or is going to implement those
15 recommendations made by that advisory board?

16 MR. CONROY: Well, sir, as you deal in this from time to
17 time, and you see people appear before certain committees that
18 you chair, I believe you'll find that most of the work is done by
19 the staff and not by the Governor. And it's very important that
20 the staff people have a working relationship with everyone else
21 in the government.

22 Like electricity, the least source of resistance is
23 where the least people go. So, there has been created over the
24 years in this that the Cal-Vet Board speaks for the veterans
25 residing in California. That is not true. They do not represent
26 -- in fact, they only represent 22 percent of the California
27 veterans. In the state itself we have, what, 3.2 million.
28 There's 214,864 military retirees as of September, 1988.

1 It's kind of disgusting to be a military retiree and be
2 a nonCal-Vet. To bring the amount of money that retirees bring
3 into this state, and the only services you can have is the CVSO
4 officers. But when you used to go, before Dick Longshore passed
5 AB 1807, you were denied services from the county in general that
6 the whole entire population and citizenry receive. You, because
7 you have an honorable discharge, were referred to the County
8 Veterans Services Office, who in turn would see what the V.A.
9 could do for you.

10 Now, when you're in a county like Orange County, with no
11 V.A. facilities, you know, it gets disgusting to watch people
12 doing the trip up and down the freeway, trying to get service,
13 when the gentleman should be a citizen of the State of
14 California, and should in fact be a citizen of Orange County, and
15 should be taken care of.

16 When I first got here, what put me in the position I'm
17 in is, I made a comment once, and I was told very firmly, and I
18 believe it was -- I can't recall if it was Joe Shell or another
19 Senator, and they informed me that California had the right to
20 establish for their veterans what they wished to, and you know,
21 if you came from another state and you got a bonus and a home,
22 that's fine.

23 But I have to say to you, to have no voice in a
24 government that you pay for, where you're creating -- even if we
25 only spent 6 percent of the dollars that come into the state to
26 the military retirees, back when Jerry Brown cut the budget, I
27 have to say to you that we were providing 75 times more money
28

1 than the state has ever given to the veteran funding for the
2 County Veterans Services Officers. So those officers are --
3 they're near and dear to our heart.

4 And I just think that the Board cannot function as an
5 arm of the Legislature for consideration on those issues that
6 concern all of us, when we're not really recognized as an
7 official voice, or can be sidetracked through the shenanigans
8 that basically go on between departments and, like you say, the
9 political game.

10 CHAIRMAN DEDDEH: Mr. Conroy, if I read you correctly,
11 you say you would recommend that the Board have their own legal
12 counsel.

13 MR. CONROY: Yes, sir.

14 CHAIRMAN DEDDEH: You would recommend that the Board be
15 totally independent in their thinking, and that they should do
16 what they think is in the best interests of the veterans of the
17 State of California.

18 MR. CONROY: No, the Board was established by enactment
19 through the Assembly, and specifically for -- to carry out
20 programs for veterans. This occurred in 1946 with the World War
21 II Act. That's what created it. That's when into the state law
22 came veteran as defined by the Code.

23 And if the Senator would permit me a little time, the
24 very serious aspect of what we're reviewing is that back, oh, in
25 the '70s, there was a bill introduced with 108 State Legislators
26 as sponsors, every major veterans' organization in the state
27 supported it, as did the Department and the California Veterans
28

1 Board. The only person in the state that stood up and said it's
2 nonsense was me. And I was called names, and beat up, and
3 kicked, and what have you, about the head and ears, because, you
4 know, who are you? Well, I just happened to be an American
5 veteran, and I just happened to be able to read.

6 And when I read the bill, it says veteran as defined by
7 Code. And what this state was trying to do, with the power
8 behind them, was to create a California Veterans Cemetery that
9 would eliminate two-thirds of the people who were eligible for
10 burial in a cemetery.

11 Had this been permitted to be done, there be no National
12 Veterans Cemetery. This is what I'm talking about.

13 CHAIRMAN DEDDEH: What happened to the bill?

14 MR. CONROY: The bill never had its first hearing,
15 because I managed to get to a few places and talk to a few
16 people, make them understand that if you pass that for Cal-Vets
17 only -- the easy way was like this room here. I just turned
18 around and say, "Who here is Cal-Vet? And, okay, leave your
19 hands up. The rest of you, these are the folks that are going to
20 be buried. You're not going to be buried there." And of course,
21 you get the famous words.

22 And it's very, very important that the Legislature and
23 the Governor have an advisory council that covers all the fields
24 and not so much locked into Cal-Vet programs.

25 I don't want California to give me anything. I didn't
26 come here for that.

27

28

1 I bring to California, but I refuse to sit here and have
2 a Director of the Department of Veterans Affairs, and not the
3 present one, to use Department stationery to endorse a bill --
4 and I think it was SB 425, way back -- to eliminate veterans'
5 preferences. I refuse to sit here in a state and not have a
6 voice to say, when the State Legislature passes a resolution that
7 removes my one percent kicker on my pay, and want it returned
8 back to the state to give to the welfare recipients, when I'm
9 denied anything I need because I get a military retirement pay.

10 And I think there's more to veterans than it is to
11 welfare and homes and things of this nature. I really do.

12 CHAIRMAN DEDDEH: I thank you for your testimony, sir.

13 Senator Beverly has a question.

14 SENATOR BEVERLY: Let me ask you to comment on this
15 statement on your letter, page one:

16 "It is an accepted practice that the
17 Department Commanders, elected by their
18 members to represent them, are ignored
19 when the political powers that make
20 Department and Board appointments decree
21 what the corner office desires."

22 What are you driving at?

23 MR. CONROY: Yes, sir.

24 I'll go back to SB 1718, which we were speaking of.

25 SENATOR BEVERLY: The Dills bill.

26 MR. CONROY: Yes, the one I just spoke of when I'm
27 talking about veterans' preferences. The Dills bill.

1 The Dills bill died when the Department went over in tow
2 with one of their employees and asked Assemblyman Johnson to pull
3 the bill from their consent calendar, because we'd already worked
4 with the Republican Caucus.

5 The Republic Caucus told the Governor that if the bill
6 remains on the consent calendar, that they would not tell their
7 members how to vote. And we had the votes to make sure that the
8 veto was not overridden [sic]. The Governor didn't want the --
9 he didn't want the bill, so he was -- and he was going to veto
10 it. But once we put the pressure to the people we knew, and he
11 realized he didn't have a veto-proof bill, then it was done on
12 the consent calendar.

13 I would like to ask Mr. Johnson -- and when I see him
14 I'm going to ask him -- is your study over yet, because that was
15 a very important bill.

16 SENATOR BEVERLY: Frankly, I don't remember the bill.

17 MR. CONROY: I do.

18 SENATOR BEVERLY: The fact that it got on the consent
19 calendar means that nobody appeared to oppose it.

20 MR. CONROY: This is true.

21 SENATOR BEVERLY: Until the last minute.

22 MR. CONROY: That's true. It was about, if my
23 information is correct -- I don't live up there -- it was about
24 2:30 in the afternoon.

25 SENATOR BEVERLY: But it had to go through the Senate.

26 MR. CONROY: No, no, no. It had already been. We
27 introduced it into the Senate.

1 SENATOR BEVERLY: I understand that, but it went through
2 the Senate --

3 MR. CONROY: Yes, sir.

4 SENATOR BEVERLY: -- apparently without opposition.

5 MR. CONROY: Yes, sir. No votes against it anywhere.

6 And that's just one passing, and it just happened last
7 year.

8 And I don't think -- I think if you got 3.2 million tax
9 paying resident veterans in this state, you got to have something
10 more than a Cal-Vet Board and a Cal Department that sells Cal-Vet
11 farm and home loan programs, yet goes to Washington, D.C., and
12 presents itself as the spokesman for the veterans in California.

13 SENATOR BEVERLY: Has there ever been legislation
14 introduced to change the requirements for the membership on the
15 Board?

16 MR. CONROY: Yes, that was AB 1161, and the Department
17 and the Board both voted violently, almost before it was even
18 introduced, to oppose it.

19 SENATOR BEVERLY: What did that bill say?

20 MR. CONROY: That bill would change the makeup of the
21 Cal-Vet Board to four nonCal-Vets and three Cal-Vets.

22 SENATOR BEVERLY: All veterans.

23 MR. CONROY: All veterans, yes, sir.

24 SENATOR BEVERLY: Thank you.

25 CHAIRMAN DEDDEH: So now that bill, as amended, 1161 --

26 MR. CONROY: Yes, I gave you a copy of the rewritten
27 one.

1 CHAIRMAN DEDDEH: A Ferguson bill.

2 MR. CONROY: Yes, sir.

3 I would like to point out on the bill for the two
4 Senators information that the American Legion and the Disabled
5 American Veterans do not appear in the lineup, but we were told
6 by Don Faucet that in order to have the State Commanders Council
7 to be the advisory council, the membership organizations had to
8 be listed. And the DAV and the American Legion were both charter
9 and founding members of that Council. They have chosen lately
10 not to participate; therefore, it would be unconstitutional for
11 us to put their name down as being part of the advisory council.
12 If they pay their dues and to rejoin the Council, they'll be
13 automatically on the advisory council.

14 Incidentally, no other thing in closing, I believe that
15 45 other states in this Union have their Department Commanders
16 and their elected veterans officials as advisory councils for the
17 governors. This is a rarity. This is a different breed of
18 cattle like none I've ever seen before.

19 Thank you very much.

20 CHAIRMAN DEDDEH: Thank you, Mr. Conroy.

21 MR. RIDDLE: May I?

22 CHAIRMAN DEDDEH: Yes.

23 MR. RIDDLE: Bill Riddle, the Department of the
24 California American Legion.

25 I'd like to set the record straight. The reason that
26 the American Legion is not a party to this, at the National
27 Convention in 1958, Resolution Number 38 plainly stated that we
28

1 would not participate in a group of veterans that we did not
2 control. That is why the American Legion will not participate in
3 it, and that's why I have a letter from the National Judge
4 Advocate, advising me that -- and it's been updated repeatedly at
5 several national conventions by the Resolutions Committee and the
6 floor actions -- we in the American Legion as Department
7 Commanders.

8 Now, if we sit on it, we can sit on something other than
9 the veterans advisory committee, because that's putting -- me
10 speaking for the American Legion, and I do not have that
11 authority. And that's why the American Legion -- I'm not saying
12 we don't agree with the previous speaker. I'm telling you our
13 position and the legal binding thereat.

14 Thank you.

15 MR. CONROY: Thank you, sir.

16 A brief rebuttal, and then we've got to move on.

17 MR. CONROY: Bill and I go back many years together.
18 I'm a life member of the American Legion.

19 And I have to say to you that I find it very difficult
20 to read the Legion Magazine and to read the National Stars and
21 Stripes newspaper where, every year, some American Legion
22 Commander of a state department somewhere is the chairman of the
23 veterans advisory council to the governor.

24 CHAIRMAN DEDDEH: I just wanted to note that
25 Assemblywoman Sunny Mojonier was supposed to have been here.
26 She couldn't make it. Chris Haserman is her administrative
27 assistant, and he is here. We appreciate you being here with us,
28 Chris.

1 Our next witness, and I think it's the last, is the
2 Association of County Veterans Service Officers, Bob White.

3 MR. WHITE: Mr. Chairman, distinguished Members of the
4 Committee, it's a real privilege to testify here this morning on
5 behalf of Jack Stewart, the President of our Association of
6 County Veterans Service Officers for the State of California,
7 representing 54 county members -- member counties.

8 I'd like to state also, there are two other Veterans
9 Service Officers here this morning: Mr. Ron Melendez from Orange
10 County; Mr. Frank Murgia from San Bernardino. Please stand up
11 and be recognized.

12 I'd also like to say that since the Air Force was
13 recognized this morning, and the Navy was recognized this
14 morning, that it was a pleasure to see a Marine Corps
15 globe-anchor on Senator Beverly's tie.

16 SENATOR BEVERLY: A Republican and a former Marine are
17 always comfortable in San Diego.

18 (Laughter.)

19 MR. WHITE: No comment, sir. Good to have you here,
20 sir.

21 We'd like to state that our meeting of the Association
22 in Shell Beach just two weeks ago, the 2nd through the 6th of
23 this month, the Association did meet, and did take a position on
24 this particular issue.

25 Jack Stewart, our President, sent you a letter, I
26 believe, and I have prepared remarks for this morning which are
27 very brief. I would like to read them to make sure they're
28 specifically stated.

1 The California Association of County Veterans Service
2 Officers strongly supports the present policy-making role of the
3 California Veterans Board as defined in the California Military
4 and Veterans Code, and proposes legislation, if necessary, to
5 preserve that role for the Cal-Vet Board.

6 Further, the Association believes the interests of
7 California veterans, dependents and survivors would be served
8 best were the Cal-Vet Board to be directly involved in the
9 identification and selection of future Directors of the
10 Department of Veterans Affairs -- I do not say hiring and firing
11 -- and the Department removed from under the Consumer Services
12 Agency to stand alone as a separate department. This is not
13 meant to slight the current Director, for as a political
14 appointee, it's almost impossible for him to advocate on behalf
15 of veterans when he is subservient to the Agency and must at
16 times take an administration position in opposition to what our
17 Association considers to be the best interests of veterans and
18 those serving veterans.

19 Our veterans, who have served their country honorably
20 and faithfully, have unique and specialized needs which should be
21 met and fulfilled. Our Association sees the Cal-Vet Board as the
22 instrument by which this service can be assured through its
23 proper relationship with the California Department of Veterans
24 Affairs and its influence with the Legislature, veterans
25 organizations, and the people of the State of California.

26 We commend the Cal-Vet Board for its support on issues
27 vital to providing services to our veterans, and encourage the
28

1 Board to continue to take positions and speak out on these
2 matters.

3 I welcome any questions, sir.

4 CHAIRMAN DEDDEH: Mr. White, would you recommend the
5 creation of a Department of Veterans Affairs that's totally
6 independent of all other agencies and so on? It would be just
7 like a cabinet position, answerable to the Governor only.

8 MR. WHITE: I'll speak for myself, sir, and I may be
9 speaking for other Service Officers.

10 Yes, I do, strongly. We now have that particular
11 building block set in place, as you know, back in Washington. We
12 have a Secretary for Veterans Affairs add to the Cabinet this
13 year.

14 I believe there's been legislation in the past in the
15 State of California which proposed making that particular
16 individual a cabinet position, and I don't think it got anywhere.

17 I believe the time is right to consider such a move, and
18 a definite strong yes, sir, from me in San Diego.

19 CHAIRMAN DEDDEH: One more question, Mr. White.

20 Assuming we were not successful, and we probably would
21 not be in the creation of such a department or such an agency, in
22 your judgment is the current structure acceptable the way it is,
23 the Board and the Department?

24 MR. WHITE: The Board and the Department, as long as
25 their roles are clearly identified, as mentioned here ad
26 infinitum this morning. Yes, as long as they're properly
27 identified.

28

1 The Director's got to feel comfortable in his role. For
2 example, I sit with the Veterans Advisory Council appointed by
3 the Board of Supervisors of San Diego County. I sit as ex
4 officio, nonvoting, on that particular Council, which makes me
5 feel a little more comfortable with them. I have a full
6 participative role.

7 The Director of the California Department of Veterans
8 Affairs does not sit ex officio or as a member of the Cal-Vet
9 Board. I don't know, maybe he should.

10 CHAIRMAN DEDDEH: Thank you very much, Mr. White.

11 MR. WHITE: Thank you, sir.

12 CHAIRMAN DEDDEH: Now the testimony of those who were on
13 the agenda has been taken and completed.

14 Is there anybody in the audience who wishes to bring
15 comment, idea, question, recommendation to the Committee? This
16 is your chance to come forward, or hold your peace, because once
17 we bang the gavel, that's it.

18 All right, step forward and state your name, sir, and
19 who you represent.

20 MR. MANES: My name is William C. Manes. I'm Commander,
21 U.S. Navy Retired, and the immediate past president of the
22 California Council of Chapters of the Retired Officers
23 Association.

24 I did send a prepared statement, Senator, and I
25 understand due to my lateness and maybe the mail delivery, it
26 didn't reach you. So, if I may take a few minutes to present the
27 statement to you. It is in the mail. I apologize for not having
28 copies.

1 CHAIRMAN DEDDEH: That's all right. We'll get it.

2 MR. MANES: I'm appearing, as I say, as representative
3 of the Retired Officers Association in California. My successor
4 of a few days ago and I have agreed on the statement, so we are
5 presenting it as our position.

6 I am generally familiar with the dispute -- and I use
7 that word basically from the background paper which your office
8 distributed -- concerning this policy-making role of the Board.
9 To me, it appears to stem from the very loose words in the State
10 Code that the Board "shall determine the policies for all
11 operations of the Department."

12 It's my opinion that this is much too broad and is even
13 impractical. Just very briefly, it's obvious that much of the
14 policy for the operation of the Department is set by the laws
15 passed by the Legislature, and the Board by its own actions can't
16 modify that law. Eligibility, for example, concerning the
17 Cal-Vet farm and home loans programs is clearly established and
18 could not be changed by Board action, which would be a policy
19 matter.

20 I do believe that legislation is needed to revise this
21 wording in the law to clearly place the Board in an advisory
22 position to the Department, similar to the roles of other boards
23 in the state government.

24 However, I do believe that the Board should clearly have
25 a role in reviewing the decisions of the Department concerning
26 the benefit programs. The Veterans Department provides major
27 benefit programs to the veterans of the state. Any time you have
28

1 programs of this nature, you can expect to encounter some
2 disputes concerning the decisions that the administrators make.
3 The veterans should have assurance if there is an impartial
4 hearing authority which will review such disputes.

5 The federal government, of course, has recently
6 established a court system within the Veterans Department to
7 provide that function. I don't think that anything quite that
8 elaborate is needed at the state level, but I do believe that
9 there should be a review authority to give the veterans this
10 feeling that they have someplace to go when needed.

11 But what is needed, I think, again, in change of the
12 law, is to provide some teeth to make sure that when the Veterans
13 Board does render a decision, that then that decision is carried
14 out. I don't think there's ever been a dispute that the Board
15 was really rendering decisions that were contrary to law, or
16 anything of that nature. They do get advice from the Department
17 Director and counsel on the legal ramifications of a decision
18 that they make, and then they make their decision. When this
19 decision is made by a majority of the Board, then I believe it
20 should be carried out and the law should clearly provide
21 provision that that be done so.

22 If it's worthwhile for the Department to argue with what
23 the Board's decision has been, then it should be worthwhile to
24 have to take it to court, or some other means, whatever they need
25 to do, to overturn the rule of the Board. But if the rule -- if
26 it's not worthwhile to go to all that trouble to overrule the
27 Board, then it should not be worthwhile to disregard what the
28 Board has done.

1 In other matters such as the things like setting the
2 interest rates on loans, the Board's budget, and so forth, I
3 believe that the Board should be advisory in nature. Perhaps I'm
4 taking exception to some previous veterans' groups, but this is
5 my view. And I arrive at that view partially from serving on
6 local boards, obviously nothing as major as what the state Board
7 does. I have served on county boards, city boards, and so forth,
8 and they've all been advisory in nature. And I don't see how the
9 Board could have the authority or the expertise, for example, to
10 make major decisions on the Department budget without having a
11 very large staff of their own, taking much, much too much time,
12 in my view, and delaying budgets, or whatever they're doing, to
13 get to the State Legislature.

14 To have a broad authority in the law, to set policy,
15 which is not enforceable, which appears to be the present
16 circumstance, then invites the situation which we apparently now
17 have, in that the Board could be ignored by a strong
18 administrator. I don't think that's desirable.

19 I don't see any significant problem in those
20 circumstances when the Board and Department may have different
21 views on some issues such as pending legislation. The two units
22 now established have different constituencies, and I think
23 they're reflecting the views of those constituencies. I don't
24 think the Legislature should mind if they get different
25 viewpoints; in fact, I think they should accept that as a good
26 thing.

1 The advisory role of the Board, I believe, should be
2 clearly within the Department of Veterans Affairs and not, for
3 example, at the level of the Governor's Office.

4 Under the present requirements for membership to the
5 Board, its interests are largely focused on Cal-Vet matters. The
6 vast majority of the veterans in the state, as you've heard
7 already, are not Cal-Vets.

8 While I do not intend to cast any libel for present
9 Board members concerning their willingness or their ability to
10 represent the general interests of the veterans' population at
11 large, I have to give recognition to the concerns of the members
12 of my Association that most of us do not qualify for the major
13 benefit programs offered by the State of California. We are not
14 proposing changes in these programs in the Cal-Vet farm and home
15 loan program. We don't expect that they would be opened up to
16 everybody, for example. The purposes and limitations of the
17 program are clearly understood and appreciated.

18 It is our opinion, however, that any duly constituted
19 board which is intended to represent all the resident veterans of
20 the state should not be unduly restrictive in its membership or
21 have its attention strictly focused on certain qualifications.

22 If the Committee does include in its proposed
23 legislation some changes in the way that Board members are
24 appointed, then it may also be desirable to review the necessity
25 of placing such a strict residency requirement on all the
26 potential appointees. However, that, in my opinion, is not as
27 important as the changes which should be made in the legal
28

1 relations between the Veterans Board and the State Department of
2 Veterans Affairs.

3 If the Committee would consider how best to provide a
4 strong advisory body which could always be expected to include
5 persons well experienced in veterans affairs, and which could
6 have the attention of the Governor and other senior
7 administrative officials of the state government, then I would
8 suggest the model which is currently in place in most other
9 states with large populations, as you've already heard from Major
10 Conroy. That would be to have the elected Commanders and
11 Presidents of the recognized state veterans' organizations to be
12 formally and legally designated as the advisory body to the state
13 government, preferably in the immediate office of the Governor.

14 And as I understand from Major Conroy, that legislation
15 is being proposed. I would urge your serious consideration of
16 this concept if it appears before your Committee.

17 Mr. Chairman, Senator Beverly, I appreciate the
18 opportunity to present these remarks this morning.

19 CHAIRMAN DEDDEH: Thank you very much, I appreciate the
20 information.

21 For the benefit of the audience, and for you, sir,
22 unless Senator Beverly has a question, we took testimony this
23 morning. We heard from over 10-12 people, maybe more. This
24 testimony will all be compiled. We will go over it again, and if
25 there's any necessity for legislation, obviously, we are going to
26 do that.

27
28

1 Just for the benefit of the audience, legislation is not
2 always decided by me or Senator Beverly. We can put a piece of
3 legislation in, but we have to have consensus; we have to have
4 total agreement. Everybody plays a role: the Legislature, the
5 Veterans Affairs Department, the Board, the administration.
6 Everybody has a role. And if we can have consensus, then
7 obviously, we will do something that needs to be done.

8 I must confess to you, I listened very carefully to the
9 testimony, in all honesty, I did not see a real honest-to-
10 goodness compelling reason as to why we should do major surgery;
11 maybe minor therapeutic surgery, of a very minor nature, quickly,
12 but I have not heard anything that tells me that Rome is burning
13 and we ought to do something immediately. I don't see that. I
14 could be wrong, but that's my own personal one-man's conclusion.
15 We will see what the rest of the Committee will do.

16 And with that, I want to thank -- somebody else wants to
17 be heard? Excuse me. Step forward.

18 MR. MELENDEZ: Mr. Chairman, Senator Beverly. My name
19 is Ron Melendez. I'm a County Veterans Service Officer from
20 Orange County.

21 I do have some prepared testimony which is in the form
22 of answers to questions. It is not solely for myself, but it is
23 from myself and the Assistant County Veterans Service Officer of
24 San Bernardino County.

25 I know that you've heard a lot of testimony, and some of
26 my answers to the questions are in the lines that you've heard so
27 far.

1 What I'd like to do at this point in time is just give a
2 real quick disclaimer, because the -- as a County Veterans
3 Service Officer, sometimes it's interpreted that my views or the
4 testimony that I'm giving is that of the County of Orange, and it
5 is not. The County Board of Supervisors has not voted or
6 reviewed this issue.

7 Likewise for Frank Murgia, the Assistant County Veterans
8 Service Officer.

9 We're also members of the California Association of
10 County Veterans Service Officers, and this is separate from their
11 testimony. We're not in any way trying to speak on behalf of
12 that organization.

13 Mr. Murgia's been in Veterans Services for about 17
14 years. I've been with the County of Orange, Veterans Service
15 Office, for a little over 8 years. Together, we have a
16 collective 25 years of experience in dealing with the Board and
17 the Department of Veterans Affairs, and this is how we came about
18 providing our views and our comments to the answers of the eight
19 questions.

20 Rather than going question by question, I would like to
21 state that we believe in a policy-making Board, as indicated in
22 Section 72. We believe it should be continued.

23 I believe, in our view, there should be a couple minor
24 changes. We would -- we agree with the comments that were made
25 earlier. We would like to see it taken out of the State Consumer
26 Services Agency. We would like to see the Board's policy-making
27 role strengthened, and we would like to see the Department
28

1 Director appointed by the Board. And I do say appointed and not
2 interview and recommend.

3 I believe, as was also stated earlier, that the
4 Department Commanders Council should play a role. We believe
5 that the Department Commanders Council, in any legislation that
6 would be forthcoming, should be identified as an advisory body to
7 the Board and the Department.

8 And I think that that covers most of the points that are
9 in here.

10 CHAIRMAN DEDDEH: Mr. Melendez, let me ask you this
11 question.

12 Supposing we changed the law to say that the Board shall
13 appoint the Director.

14 What is the role of the Governor?

15 MR. MELENDEZ: The Governor appoints the Board members,
16 which are confirmed by the Senate.

17 The policy-making support for that entity is through the
18 Governor to the policy-making body, which is the Board.

19 CHAIRMAN DEDDEH: What you're saying, then, the Governor
20 appoints the Board, and then the Board selects and appoints the
21 Director at their pleasure.

22 MR. MELENDEZ: That's correct.

23 The reason we are of that opinion is that we believe
24 that, while the Department of Veterans Affairs and the Board
25 have, as quoted, an excellent working relationship, we believe
26 the Department needs a strong administrator, someone who will
27 care about the issues of veterans and their dependents, and not
28 necessarily another political appointee.

1 CHAIRMAN DEDDEH: Have you also given thought as to
2 under which agency this Board and the Department should be? Or,
3 should they be an independent agency?

4 MR. MELENDEZ: We believe that they should be taken out
5 of State Consumer Services Agency and made an independent,
6 free-standing department.

7 CHAIRMAN DEDDEH: So then, they'll become an agency by
8 themselves, just like Consumer Affairs, or the Department of
9 Transportation, or whatever it is?

10 MR. MELENDEZ: Free-standing, yes, sir.

11 CHAIRMAN DEDDEH: Thank you very much.

12 MR. MELENDEZ: Thank you.

13 CHAIRMAN DEDDEH: Any other person feel compelled?
14 Mr. Ayers.

15 MR. AYERS: Thank you, Senator Deddeh, Mr. Beverly.

16 My name is Bill Ayers. I'm here as an individual. I'm
17 a 40-year member of the Fleet Reserve Association. A life member
18 of the American Legion, VFW, and on the County Board of
19 Supervisors' Veterans Advisory Council. I am speaking as an
20 individual.

21 Since 1962 or '3, I have been attending the Board
22 meetings throughout California. I have seen Directors come and
23 go. And I'll tell you, for 15 or 18 years, there was a big
24 conflict, like Mr. Okamoto indicated to you. The Board a lot of
25 times was absolutely ignored.

26 For the last four years, my observations have been, it's
27 been an outstanding operation. I do feel that an independent
28

1 counsel and a little surgery in the policy-making situation for
2 the Board should be accomplished.

3 I think that sums it up; although, I think in
4 Mr. Conroy's presentation, the Department Commanders Council,
5 which I have attended many things over the past years at their
6 various meetings, should be an advisory body to the Governor and
7 to the Board.

8 Thank you, sir.

9 CHAIRMAN DEDDEH: Thank you, Mr. Ayers.

10 Again, we're approaching that magic hour of twelve. Is
11 there anybody that feels very compelled to say anything to the
12 Committee?

13 If not, again, I want to personally thank the City of
14 Chula Vista one more time, my distinguished colleague, Senator
15 Beverly, the Committee staff, and all of you for being here.

16 This was a very fruitful informational hearing. I
17 appreciate it. I enjoyed it.

18 I repeat again, this is not policy-making. My statement
19 is not a policy of this Committee, but for me, I just want you to
20 know that I did not hear any real compelling reason for a major
21 surgery to what we have already on the books. So, we may make
22 some modifications, minor, but I have not heard anything of real
23 serious requirements.

24 With that, ladies and gentlemen, thank you for coming to
25 the meeting. The meeting is adjourned.

26 (Thereupon this hearing of the Senate
27 Committee on Veterans Affairs was
28 adjourned at approximately 11:45 A.M.)


CERTIFICATE OF SHORTHAND REPORTER

1
2
3 I, EVELYN MIZAK, a Shorthand Reporter of the State of
4 California, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing Senate Veterans Affairs Committee hearing, held in
7 Chula Vista, California on Tuesday, October 24, 1989, was
8 reported verbatim in shorthand by me, Evelyn Mizak, and
9 thereafter transcribed into typewriting.

10 I further certify that I am not of counsel or attorney
11 for any of the parties to said hearing, nor in any way interested
12 in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand this
14 7th day of November, 1989.

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18 EVELYN MIZAK
19 Shorthand Reporter
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27
28

California Association of



County Veterans Service Officers, Inc.

455 Reservation Road, Suite G
Marina, California 93933
(408) 384-0605/424-1357

October 17, 1989

Senator Wadie Deddeh
The State Capitol, Room 3048
P.O. Box 942848
Sacramento, CA 94248-0001

Dear Senator Deddeh,

I will not be able to attend the hearing on October 24, 1989, reference the Policy-making Role of the California Veterans Board. However, Mr Robert White, First Vice President of my association will represent me and provide the testimony requested at that hearing.

The California Association of County veterans Service Officers Inc., has taken the following position in regards to your correspondence dated September 13, 1989

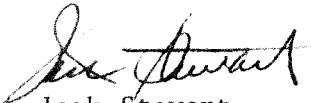
- (1) The California Veterans Board must exist and in a policy-making capacity.
- (2) The Board should as a part of the policy-making entity review, evaluate and recommend changes to the Department Budget.
- (3) The Board must be involved in the hiring of the Department Director to ensure the Director is cognizance of the role of the Boards policy-making role and agrees to comply with state law in that regard.
- (4) The Board should advocate and analyze Legislation that impact Veterans, as the Board has an impartial outlook and has a better mode of receiving Veterans input than the Department. In addition the Department must follow the direction of the Department of Consumer Affairs, who does not advocate for veterans. Finally, the Board should direct a support or oppose decision.
- (5) The Board must be via their policy-making role, be involved in decisions affecting the Veterans Home, both in Yountville and Southern California.
- (6) The Board must have the statutory power to make certain it's policies are carried out by the Department. As without such statutory power they would be rendered ineffective.

- (7) After reviewing Section 72 and 78 of the California Military and Veterans Code, I don't understand why the Department refuses to accept the Board as the policy-makers of the Department. An addendum(s) may put more bite into the following sections:
- (a) Section 72. "IF THE VETERANS DEPARTMENT DOES NOT CONFORM WITH BOARD POLICIES, THAN THE BOARD SHALL REPORT SAID NONCOMPLIANCE TO THE GOVENOR FOR CORRECTIVE ACTION".
 - (b) Section 78. "NONCOMPLIANCE OF BOARD POLICIES SHALL BE REPORTED BY THE BOARD TO THE GOVENOR FOR CORRECTIVE ACTION(S)".

The California Association of County Veterans Service Officers Inc., strongly urges that the California Veterans Board maintain the policy-making role and with emphasis, receive legislative support to ensure they are able to perform that Policy-making Role.

Our association appreciates the opportunity to provide testimony at this Hearing and we feel that this problem must be resolved in order that California Veterans receive the proper services and entitlements they so richly deserve.

Sincerely,



Jack Stewart
President

JS/lf

cc: Robert White, 1st Vice President, CACVSO
Joe Smith, Secretary, CACVSO
Leo Burke, Chairman, CALVET Board

**PROPOSED TESTIMONY BY BARBARA WOODS
BEFORE THE SENATE COMMITTEE ON VETERANS AFFAIRS
CITY COUNCIL CHAMBERS
CHULA VISTA, CALIFORNIA
October 24, 1989**

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I AM BARBARA WOODS, AND HAVE BEEN A MEMBER OF THE CALIFORNIA VETERANS BOARD SINCE 1984. I WOULD LIKE TO COMMENT AT THE OUTSET THAT THE RELATIONSHIP BETWEEN THE CALIFORNIA VETERANS BOARD AND THE DIRECTOR AND STAFF OF THE DEPARTMENT OF VETERANS AFFAIRS IS AN EXTREMELY GOOD ONE. ALL PARTIES, THAT IS ALL BOARD MEMBERS AND THE DIRECTOR AND HIS STAFF, HAVE WORKED VERY HARD TO COMMUNICATE ABOUT AND TO RESOLVE, IN THE MOST INFORMAL MANNER POSSIBLE, ISSUES THAT MAY CROP UP FROM TIME TO TIME. I COMPLIMENT THE DIRECTOR, HIS STAFF, MY FELLOW BOARD MEMBERS FOR THEIR GOOD EFFORTS IN MAKING THE RELATIONSHIP BETWEEN THE DEPARTMENT AND THE BOARD A POSITIVE ONE.

AT THIS TIME, MR. CHAIRMAN, I WILL ANSWER THE EIGHT QUESTIONS CONTAINED IN THIS COMMITTEE'S BACKGROUND PAPER ON THE POLICY-MAKING ROLE OF THE CALIFORNIA VETERANS BOARD.

1. SHOULD THE CALIFORNIA VETERANS BOARD EXIST?

ABSOLUTELY. EXTENSIVE USE OF CITIZEN BOARDS HAS BEEN COMMON IN CALIFORNIA AND ELSEWHERE FOR YEARS. SUCH BOARDS PERMIT BROADER PUBLIC PARTICIPATION IN GOVERNMENT, AN OPEN MANNER IN WHICH AFFAIRS CAN BE CONDUCTED, AN AVENUE WHICH PERMITS AN EXPRESSION OF DIFFERENT POINTS OF VIEWS, AND THE PROVISION OF CLEAR STATEMENTS OF POLICY.

2. IF SO, SHOULD IT EXIST IN AN ADVISORY OR POLICY-MAKING CAPACITY?

IN A 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?

SINCE I BELIEVE THE BOARD'S ROLE SHOULD BE A POLICY-MAKING RATHER THAN ADVISORY, I GIVE NO RESPONSE TO THIS QUESTION.

4. IF POLICY-MAKING, WHAT POLICIES SHOULD COME UNDER ITS JURISDICTION?

A) BUDGET: DRAFT, REVIEW, EVALUATE, RECOMMEND?

B) DIRECTOR: HIRE, RECOMMEND, INTERVIEW?

THE POLICY ROLE OF THE VETERANS BOARD IS CLEARLY DEFINED IN SECTION 72 OF THE MILITARY AND VETERANS CODE WHICH READS, "THE CALIFORNIA VETERANS BOARD SHALL DETERMINE THE POLICY FOR ALL OPERATIONS OF THE DEPARTMENT". POLICY HAS FURTHER BEEN DEFINED BY THE COURTS AS, "A SETTLED OR DEFINITE COURSE OR METHOD ADOPTED AND FOLLOWED BY A GOVERNMENT, INSTITUTION, BODY, OR INDIVIDUAL" (LOCKHEED AIRCRAFT CORP. VS. SUPERIOR COURT, 28 CAL. 2ND 481, AT PP. 485-

486). I BELIEVE ALSO THAT DETERMINING A DEPARTMENT'S BUDGET OR HIRING THE DIRECTOR OR OTHER STAFF ARE ADMINISTRATIVE FUNCTIONS AND NOT POLICY FUNCTIONS FOR THIS BOARD.

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?.

I BELIEVE THAT IS IT THE RESPONSIBILITY OF THE BOTH THE BOARD AND THE DEPARTMENT TO SERVE AS VETERANS' ADVOCATES TO THE EXTENT PERMITTED BY OUR LEGISLATIVE AND POLICY CHARTERS. BOTH THE BOARD AND THE DEPARTMENT CURRENTLY DO ADVOCATE FOR VETERANS. THE BOARD CAN AND DOES REVIEW OPPOSED LEGISLATION RELATING TO VETERANS AND MAKES POSITIONS ON THAT LEGISLATION. I DO NOT BELIEVE THAT BOARD MEMBERS CAN LEGALLY BECOME LOBBYISTS, THAT IS, IN THEIR OFFICIAL CAPACITY, UTILIZE THEIR TIME OR COMMIT OTHER STATE FUNDS OR RESOURCES TO 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?

THE BOARD IS ALREADY TAKING A STRONG ROLE IN RELATIONSHIP TO THE VETERANS HOME AT YOUNTVILLE, AND IS PLAYING AN ACTIVE ROLE IN REGARDS TO THE VETERANS HOME IN SOUTHERN CALIFORNIA. I DO NOT BELIEVE THERE IS ANY NEED FOR THE VETERANS BOARD TO TAKE A STRONGER ROLE THEN ALREADY EXISTS, OR THAT THERE SHOULD BE ANY LEGISLATIVE CHANGES REGARDING THE BOARD'S ROLE IN THIS AREA.

7. SHOULD THE BOARD HAVE THE STATUTORY POWER TO MAKE CERTAIN ITS POLICIES ARE CARRIED OUT BY THE DEPARTMENT?"

THERE ALREADY EXIST AMPLE LEGAL RESOURCES FOR THE BOARD TO MAKE CERTAIN ITS POLICIES ARE CARRIED OUT IN THE DEPARTMENT. IN THE UNLIKELY EVENT THAT THE BOARD'S POLICIES ARE NOT CARRIED OUT, THE BOARD COULD BRING A MANDAMUS PROCEEDING IN A COURT OF LAW TO COMPEL COMPLIANCE.

8. WHAT LEGISLATION SHOULD BE CONSIDERED IN THESE AREAS?

AS INDICATED ABOVE, I DO NOT BELIEVE THAT ANY ADDITIONAL LEGISLATION IS NECESSARY OR REQUIRED IN THE AREAS THAT WE HAVE BEEN DISCUSSING TODAY.

ONCE AGAIN, MR. CHAIRPERSON, MEMBERS OF THE SENATE, IT'S BEEN A PLEASURE TO BE ABLE TO COMMUNICATE MY VIEWS AND I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

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

PORTER MERONEY
OCTOBER 24, 1989

MR. CHAIRMAN, SENATORS:

THANK YOU FOR THE OPPORTUNITY TO SPEAK WITH YOU THIS MORNING. MY NAME IS PORTER MERONEY, AND I AM THE UNDERSECRETARY OF THE STATE AND CONSUMER SERVICES AGENCY. I HAVE A FEW COMMENTS TO OFFER FROM THE PERSPECTIVE OF THE AGENCY ABOUT THE RELATIONSHIP BETWEEN THE CALIFORNIA VETERANS BOARD AND THE DEPARTMENT OF VETERANS AFFAIRS.

AS YOU KNOW, THE STATE AND CONSUMER SERVICES AGENCY OVERSEES SEVERAL DEPARTMENTS WHICH HAVE BOARDS OR COMMISSIONS. FOR EXAMPLE, MY OFFICE WORKS CLOSELY WITH THE FRANCHISE TAX BOARD, THE STATE PERSONNEL BOARD, THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM, THE STATE TEACHERS' RETIREMENT SYSTEM AND THE BOARD OF THE CALIFORNIA MUSEUM OF SCIENCE AND INDUSTRY. IN ADDITION, THERE ARE OVER 40 LICENSING AND REGULATORY BOARDS AND BUREAUS WITHIN THE DEPARTMENT OF CONSUMER AFFAIRS WHICH ARE ALSO INCLUDED WITHIN THE AGENCY. THEREFORE, WE ARE FAMILIAR WITH BOARDS AND COMMISSIONS IN STATE GOVERNMENT AND THEIR RELATIONSHIPS WITH THE DEPARTMENTS OR UNITS WITH WHICH THEY ARE ASSOCIATED.

THE STATE AND CONSUMER SERVICES AGENCY IS VERY PLEASED WITH THE CALIFORNIA VETERANS BOARD AND ITS RELATIONSHIP WITH THE DEPARTMENT OF VETERANS AFFAIRS. IN OUR VIEW, THE VETERANS BOARD CURRENTLY FUNCTIONS VERY WELL AND ALL ITS MEMBERS APPEAR TO BE HARD WORKING AND COMMITTED TO HELPING CALIFORNIA'S VETERANS.

HOWEVER, I AM SURE YOU CAN REALIZE THAT OCCASIONS MAY ARISE WHERE THE BOARD POLICY MAY BE IN CONFLICT WITH OTHER DECISIONS PARTICULARLY IN SUCH AREAS AS THE STATE BUDGET OR LEGISLATION. THIS COULD PLACE THE DEPARTMENT IN AN EXTREMELY DIFFICULT POSITION.

TO THE EXTENT THAT THIS MAY OCCUR, IT COULD BE ARGUED THAT THERE IS A PROBLEM WITH THE UNDERLYING MANDATE OF THE BOARD. IN THE PAST, THE DEPARTMENT HAS WORKED TOGETHER DILIGENTLY WITH THE MEMBERS OF THE BOARD TO FIND MUTUALLY ACCEPTABLE SOLUTIONS ON ISSUES WHERE THERE WAS AN INITIAL DISAGREEMENT AND THERE HAVE BEEN NUMEROUS SUCCESSES IN THOSE COMPROMISE EFFORTS.

IF, HOWEVER, THIS COMMITTEE SEES A NEED TO CLARIFY THE BOARD'S AUTHORITY OR TO MAKE IT AN ADVISORY BOARD TO ENSURE THAT THESE POTENTIAL CONFLICTS DO NOT ARISE IN THE FUTURE, WE WOULD BE HAPPY TO CONSIDER SUCH LEGISLATION CAREFULLY. WE ARE RECEPTIVE TO ANY PROPOSALS YOU OR THE DIRECTOR MAY HAVE FOR IMPROVING THE

CAPABILITY OF THE BOARD TO ADVISE AND GUIDE THE DIRECTOR AND THE DEPARTMENT, SO THAT WE MAY CONTINUE TO BE ASSURED THAT CALIFORNIA'S VETERANS RECEIVE THE BEST THE STATE HAS TO OFFER.

**PRESENTATION TO THE SENATE VETERANS AFFAIRS COMMITTEE
October 24, 1989**

**Jesse G. Ugalde, Director
Department of Veterans Affairs**

Mr. Chairman, Senators:

I appreciate being asked to speak with you today about the policy-making role of the California Veterans Board. As Director of the Department of Veterans Affairs for the last 4-1/2 years, I have had the honor of administering the Department's programs which serve our state's veterans.

We, at the Department, are very proud of the Veterans Home in Yountville, the outstanding Cal-Vet farm and home loan program, and the assistance we provide, through the Veterans Services Division, to county veterans service officers and individual veterans and their families. The many successes enjoyed over the years in serving veterans have been made possible because of the support of the Legislature and the Administration, the commitment of veterans' organizations, and the help thousands of veterans around the state have given to their fellow veterans.

The California Veterans Board has been, is, and we hope continues to be, an integral part of all of these successes. During my tenure as Director, I have made every effort to work closely with the Board and am pleased we have more often than not been in agreement on the many issues facing veterans.

Before I comment on the several questions raised in the committee's report entitled, "The Policy-making Role of the California Veterans Board," I first would like to say that I strongly believe the Department and the Board have good relations. The strength of these good relations is based on the personal commitments that I and the members of the Board have made to make California's services to veterans the best they can be. During those times over the past few years when there may have been some disagreement between the Board and the Department, we all have tried to buckle down and work things out. This should be expected whenever any organization, which is made up of individuals who are deeply committed to their work, seeks solutions to complex problems. I think that the search to find ways, as your committee is doing today, for improving relations between two governmental entities--The Board and the Department--may lead to the discovery that those relations are quite good, and that their quality lies more in the willingness of people to work together rather than in any structural flaws in those relations.

A second point to consider is the question, "What is policy?" I noted in your report there were references to past analyses by the Legislative Counsel on the policy-making role of the California Veterans Board and the difficulties in distinguishing between "policy" and "administration." The Legislative Counsel, in his November 8, 1972, opinion, after considerable discussion about California law and the policy-making authority of the Board, concluded that, "The line between these two areas of responsibility (that is, policy and administration) will not always be precisely defined." As a director, I couldn't agree more with that conclusion.

As I know you can appreciate, the setting of policy is subject to the impact of several governmental interests. First, there is the policy that you, as legislators, establish by way of law. There is also, of course, the Governor who, as the Chief Executive of the State, appoints the director and establishes specific policies for the operation of the Executive branch. Further, we are part of the State and Consumer Services Agency which oversees the Department. The Veterans Board, through its policy-making authority, also establishes various policies for the Department. And I, too, as Director, establish policies for carrying out our responsibilities.

The interaction of these policy-setting levels works well when we are in agreement. There is tension really only when there is a difference of opinion, which brings me back to the point I made earlier that any problems between this Board and the Department, as with any board and state department, are a result more of the unwillingness or inability of individuals to work together rather than of defects in the formal structure of those relations.

I believe very firmly in the importance of citizen boards and commissions, and the contributions they make to government. I believe the Veterans Board has contributed, and continues to contribute, to the Department and has satisfactorily carried out its statutorily-required duties.

I would now like to speak directly to the questions raised in the report.

The first question asks if the California Veterans Board should exist at all.

I think, yes. As I have stated, the Board plays a very important role in the Department. It provides a necessary public forum for veterans to present their concerns, hears appeals from veterans who request benefits from the

Department, and it discusses major issues which are before the veteran community.

Should the Board exist in an advisory or policy-making capacity?

I would prefer that final judgment be passed on this question by entities within the Administration who are common superiors to both the Board and the Department.

General Robert Cardenas, as Chairman of the Policy Committee of the Board, has researched this subject very thoroughly. The Board has functioned well overall in its policy-setting capacity since it was created in the 1940's. Some other departments have advisory boards. I understand that many of those advisory boards work well also.

The comment I made earlier about the difficulty of distinguishing between "policy" and "administration" is further accentuated by the limited amount of resources and time available to citizen board members for carrying out their responsibilities. To give the Board greater policy-making authority could also conflict with future directions that the Director receives from the Governor

either directly or through the Secretary of the State and Consumer Services Agency. The Board would require more staff and funding if it were inserted in fact into the existing chain of command.

Although I personally am comfortable with the Board's policy-making authority as it is, I believe that, should legislation come out of this committee to change the Board to an advisory board, it might give the next director more flexibility in utilizing the skills and talents of individual Board members. Furthermore, changing it to an advisory board would clearly eliminate the occasional conflicts which arise when one policy-making body wants to go in a different direction from another policy-making body.

The third question raised in the report asks, 'If the law is changed to create an advisory board, whom should the Board advise?'

If the Legislature decides to recast the Board into an advisory board, I suggest the Board should be advisory to the Department director. Serving veterans is the full-time responsibility of the Department. The Legislature and the Governor have many other issues to consider in addition to those facing veterans. For advice to have any real meaning, it must be given in a way that

the recipient of that advice can respond promptly and in full, which I believe the Department director is in the best position to do so.

If the Board does become advisory, then the Board's staff should be assigned to the Department. I believe that would encourage a more active role by the staff in assisting both the Department and the Board.

The fourth question asks, "If policy-making remains the primary function of the Board, then what policies should come under its jurisdiction?"

This question directly asks about the role the Board should play in preparing the Department's annual budget and in the hiring of the Director. Regarding the budget, I do not believe the Board can effectively become engaged in the preparation of the budget. We, like other departments, must strictly adhere to the policies of the Governor and the Department of Finance. Often, little leeway in time or substance are available to make changes to programs. We do not believe the Board should be able to determine a course separate from that of the Governor. This could raise constitutional concerns about the authority of a Governor to prepare his own budget if the Board wants to go in a different direction.

On the question of the Board's role in the hiring of the Director, I think it would be very difficult to get a Governor to agree to delegating that authority to a board or commission. The present system where the state Senate reviews and confirms gubernatorial appointees works well.

The report's next two questions cover the areas of legislative advocacy, the Board's role in the planning for the veterans' home of southern California, and the Board's involvement in the operation of the Veterans Home in Yountville.

The current Board is very involved in issues facing the Yountville facility, as well as with issues affecting each of the Department's major programs. I don't think anyone can question the productive and active role that Board member Barbara Woods plays in improving services at the Home. The personal, caring help she gives to the old soldiers in Yountville is commendable.

Similarly, the Board, over the last few months, has advised me frequently about our plan to build six veterans' homes here in southern California. The Board has several committees, including one on this issue.

Regarding legislation, the Board does have a legislative committee which is chaired by Board member Dr. David Just. Dr. Just has the responsibility, given to him by the Board, to follow all legislation affecting veterans, to discuss that information with the Board, and make recommendations to it.

Further, recommendations by the Board on pending legislation become part of the analyses which the Department prepares for the Governor so that the Governor's office knows the Board's views. And, the Board is encouraged to make its views known to the Governor's office whether or not the Board agrees with the Department.

The Department, as you know, is responsible for presenting the Administration's position on veterans' legislation to the Legislature. I do not believe that responsibility should be given to the Board. The Board is not staffed to do that, nor is the Board's staff intimately involved in the day-to-day operations of the Department to adequately reflect the Administration's position.

The report also asks, "Should the Board have the statutory power to make certain its policies are carried out by the Department?"

The Board already has ample power to enforce its policies.

It is a part of the Executive branch and, like the Department, is in the State and Consumer Services Agency. If it believes that one or more of its adopted policies are not being carried out by the Department, it can appeal to the Agency Secretary and to the Governor.

I would, again, like to thank you for allowing me to share my views about the Board. I believe the relationship between the Board and the Department is good and productive...it works.

I would be pleased to respond to any questions you may have.

October 20, 1989

OKAMOTO AND WASSERMAN

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NT H. OKAMOTO
D T WASSERMAN

COUNSEL
C. DENTON
D. OLSON
EN PLAFKER

June 12, 1986

California Veterans Board
c/o Mr. Richard Longshore, Chairman
1227 O Street
Sacramento, California 95814

Dear Board Members:

In this age of turbulence and rapid change, it is comforting to learn that some things remain the same, to wit, the twilight zone status of the policy-making authority of the Veterans Board.

As the author of the May 1984 letter to the State Attorney General regarding certain areas of contention between the Department and the Board, I felt mandated to interpose my views on this issue:

1. The letter I dispatched in May of 1984 to the Attorney General was with the concurrence and approval of the Board Chairman and the majority of the then sitting Board Members.
2. It was my opinion then and it is still my opinion that such a letter was both legal and appropriate; indeed, it was our duty to contact the Attorney General when confronted with a situation where we felt clear violations of Board policy were being committed by the then Director and his minions.
3. Prior to contacting the Attorney General, the Board attempted in good faith to resolve existing differences internally by requesting a meeting with the Director, Mr. Andy Mendez. Mr. Mendez declined to attend such a meeting.

The Board then twice requested a meeting with

California Veterans Board
June 12, 1986
Page 2

Ms. Shirley Chilton, Secretary of State and Consumer Services, in hopes that the problems could be aired and resolved. She also declined to meet with the Board. Her assistant, Mr. Dell Pierce, responded that he believed the problem was simply a personality conflict between the Board and the Director since the Director formerly worked for the Board as its secretary and we could not adjust to the fact that he was now in the drivers seat.

Considering the circumstances surrounding Mr. Mendez's departure from the Department, it is clear that the issues involved were more than mere "personality conflicts".

The Board could have gone to the press, ie. the Oakland Tribune, to publically air the disputes. We did not, and instead elected to seek assistance from the "chain of command" and got absolutely no satisfaction. Ultimately, we felt we had no other recourse but to contact the Attorney General.

The fact that the policy-making parameters of the Board are still in issue, having been inquired into in 1972 and 1984 and still the subject of heated debate in 1986, is probably the best example of why the Board should be provided "independent" legal counsel.

It is unfortunate that such matters continue to plague the Board and require time and expense that should more appropriately be utilized for the benefit of the Veterans we all purport to represent.

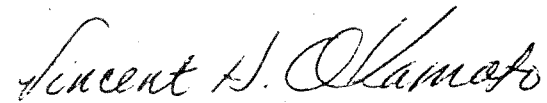
I sincerely believe the central issue is whether or not the Board is to remain a viable, contributing and effective entity utilizing the authority granted to it by the Veterans Code of California or if they should merely function as a rubber stamp for the Department. I hope that you remain firm in your convictions because it is right and because the Veterans of this State deserve firm and vigorous Board representation.

In closing, if two entities, to wit, the Department

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Page 3

and the Board always agree, then one of them is not necessary. I rather like a checks and balances system. I hope you do too.

Yours very truly,


VINCENT H. OKAMOTO
Attorney at Law

VHO/mz

October 24, 1989

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

SENATE COMMITTEE ON VETERANS AFFAIRS

SENATOR WADIE P. DEDDEH, CHAIRMAN
SENATOR DON ROGERS, VICE CHAIRMAN
SENATOR RUBEN AYALA
SENATOR ROBERT BEVERLY
SENATOR RALPH DILLS

Senator Deddeh, Honorable Members, Honored guests.

I, thank this committee, for allowing me the privilege of testifying here today.

First, I, would state that my comments, should not be considered as the position of the Veterans of Foreign Wars. That is clearly, the privilege of our State Commander, Judge Brown.

My, comments here today are based on my participation with veterans issues and many personal conversations with various members of that community. With that in mind, I will proceed.

Should the California Veterans Board Exist? In my opinion, yes! I, have no doubt regarding the valuable service of the California Veterans Board. Besides the duties spelled out in the Military and Veterans Code, the California Veterans Board has the ear of the Governor and in so doing, can be used as a direct vehicle in making the Administration aware of the needs of the veterans community.

My, concern has been, can this be done objectively by the Board, the Governor does appoint all of it's members.

Should the Board have, Policy-Making Capacity? Section 72 of the Military and Veterans Code, gives this responsibility to the Board, so the answer is clearly yes. Although there appears to be a problem with what kind of policy should the Board address and how can the Board enforce these policy's should the Director of the Department of Veteran Affairs, disagree. The court comes to mind, but until the Board has it's own Attorney for independent council and an independent staff, we will continue to have conflict on this issue.

The expanding role of the California Veterans Board, in my opinion may very well require the Board to set it's own budget, presently it is uncertain that the need exists or is possible.

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

The Board, should be allowed to express a strong opinion with regards to veterans legislation, and be allowed to actively lobby veterans legislation, but can this be done with-out the fear of reprisal? What safe-guards can be afforded the Board on this matter.

I, have never been comfortable with the lobbying activities of the Department of Veteran Affairs, in my opinion they are ~~all~~ to often self serving. I, am not opposed to the Department expressing an opinion and if they see a need for specific legislation ^{they might} ~~can~~ be better served by the California Veterans Board, through a non-partisan use of the legislative process.
their

Should the Board hire the Director? No. Section 75 of the Military and Veterans Code states, "The Director shall be appointed by and serve at the pleasure of the Governor".

Should the Board recommend a prospective Director? The Board should they feel strongly enough, be provided an opportunity to do so.

Regarding the Boards role in planning a second Veterans Home in Southern California. The Board might better serve the veterans community if they review the plan or plans and assure that all options have been examined and all concerns will be addressed.

Once a veterans home is established, the California Veterans Board should play a very active role in the over-site of it's proper administration and possibly if ~~the need be~~ ^{they}, serve as a buffer between it's Administrator and the Department.

The role of the California Veterans Board should be clearly defined, with differences in political philosophy from one administration to another all to often valuable time is waisted engaging in turf wars and personility's. At times to the detriment of the veterans.

By working together, with open agenda's we can over come some of the problems we face today. I, am sure of one thing, that is, there are no easy solutions but again on a non-partisan basis we can provide for the well being of our states veteran population.

What legislation might be addressed with regards to the California Veterans Board might better be answered after all opinions have been given equal consideration.

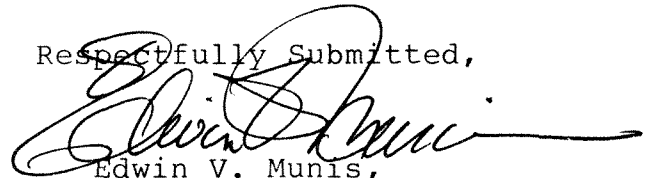
Interim Hearing on
THE POLICY-MAKING ROLE OF THE
CALIFORNIA VETERANS BOARD

Some consideration might be given to the California Veterans Board having some Saturday meetings, this would afford participation from those veterans that must provide for themselves and their family's.

To the members of the California Veterans Board, The Director of the Department of Veteran Affairs and my colleagues, I, extend my respect and admiration for your sincere efforts.

As Legislative Advocate for the Department of California, Veterans of Foreign Wars and as a veteran, who has had the privilege of serving my country on foreign soil during a time of conflict, I, with all due respect again thank you, Senator's for allowing me this opportunity to express my opinion's for the record.

Respectfully Submitted,



Edwin V. Munis,
Legislative Advocate
Department of California
Veterans of Foreign Wars

Disabled American Veterans
Department Commander
Nash Ramirez

The California Board should exist in a policy-making capacity.

The Board should have the authority; to established its own budget, and to review and to approve the budget of the Department annually.

The Board, not the Department, should serve as the veterans' advocate, analyzing bills as they impact veterans; taking strong positions on legislation; and actively lobbying. This gives a broader consensus as to needs of the veteran population, the beneficiary of the various Department of Veterans Affairs programs.

The Board should 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 and assuring the quality of service.

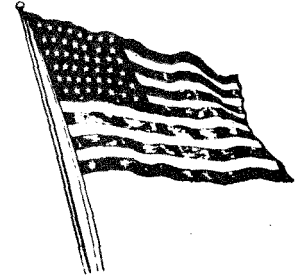
The Board should have the statutory power to make certain its policies are carried out by the Department. The Board should have the authority to appoint a part-time legal counsel, and other staff to assist the Board in its functions and duties.

I concur with the provisions of SB 1718 as described in the staff analysis in appendix C of the " interim Hearing on THE POLICY-MAKING ROLE OF THE THE CALIFORNIA VETERANS BOARD BACKGROUND PAPER" and will support a bill with like intent.



*Armed Forces Retirees Association,
California*

POST OFFICE BOX 10357
SANTA ANA, CALIFORNIA 92711



STATEMENT OF MICKEY R. CONROY, PRESIDENT, ARMED FORCES RETIREES ASSOCIATION, CALIFORNIA IN SAN DIEGO ON OCTOBER 24, 1989.

I have been active in the veterans community here in California for the past 19 years. I have spent 18 of those years as the President of the Armed Forces Retirees and 13 years as the Legislative Chairman for the California State Commanders Veterans Council.

The issue of the California Veterans Board and the California Department of Veterans Affairs has always been intriguing to me because of my status as a veteran, but one that is not Cal-Vet qualified. I feel, and have always felt, that the veteran residents of California were being "short-changed" and generally ignored as the result of the "official government status" vested in the Department of Veterans Affairs and the California Veterans Board. In reality both are politically controlled entities that are utilized to voice opinions for ALL of the veterans residing in California, two-thirds of whom are not Cal-Vet qualified.

Why should there be a veterans board created legislatively that consists of political appointees who are Cal-Vet qualified? Why should there be an existing veterans political arm that does not respond to the wishes of the membership veterans organizations that are barred from political activity? In present practice, this means that those two-thirds have no voice in government that is considered to be "official" or expressing a veteran position that is devoid of political consequences.

It is an accepted practice that the Department Commanders, elected by their members to represent them, are ignored when the political powers that make Department and Board appointments decree what "the corner office" desires. At that time the emphasis is shifted to survival and not for the desires of the veterans. I won't go into specific issues at this time because of the limited time available to me. I would, however, be happy to orally respond to any inquiries later.

Let me now address each of the questions that are before this body, in the sequence in which they appear.

(1.) This is a **yes** and **no** situation. **Yes**, if the Board is to deal only with those programs specifically legislated and funded by the California Legislature and to be for Cal-Vet qualified veterans only. **No**, if the present situation is to remain in effect.

- (2.) The Board should only exist in a policy making capacity for Cal-Vet programs only.
- (3.) The Board should not be advisory to anyone. It should control its own independent staff.
- (4.) The Board in its policy making role should evaluate and recommend budget items, and (b.) it should have the same powers and controls that normal Boards of Directors have over their Executive Directors. Especially in the interview process and in making recommendations on the filling of the position.
- (5.) Neither the Board nor the Department should serve as the veterans advocate. They serve the entity that serves them and more often than most realize, they take positions contrary to those of the veteran organizations and their membership. They should analyze bills, however, they should not take strong positions or actively lobby. After all, they aren't responsible to anyone but the one that appointed them.
- (6.) The die has been cast on the make-up of the Second Veterans Home Committee and it is too late to disturb the process. The Director is charged with the Administration of the Veterans Home, while the Cal-Vet Board is charged with establishing policy for the Department. Under those conditions, the Board should be oversighting in a strong and aggressive manner to insure that all the benefits are being provided and all regulations adhered to. The Veterans Advisory Council, once established by enactment of AB 1161-(Assemblyman Ferguson), could see that the necessary legislation is enacted to insure that the Board has the tools to do a thorough job.
- (7.) Yes. Without it the Board will remain a "toothless tiger."
- (8.) AB 1161 by Assemblyman Gil Ferguson is already in the hopper to establish a truly all Veterans Advisory Council to the Governor. The Armed Forces Retirees Association, California requested that bill. The bill has been re-written in it's entirety and all references to the California Veterans Board have been deleted. The amended AB 1161 will establish the California State Commanders Veterans Council as the Veterans Advisory Council to the Governor. I have attached a copy of the amended bill's language for your information and comment.

Legislation should be introduced to clearly establish the California Veterans Board as the "Board of Directors" of the Department of Veterans Affairs on all Cal-Vet programs. This will not be easy because of the "piecemeal" way that the present situation was allowed to expand, after WWII, in favor of the Department with little apparent concern for the Board.

I could go on and on since this issue is so dear to my heart, however, time does not permit. I thank you for the opportunity to speak. I will respond to any questions that you may have at this time.

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PAGE NO. 1

Substantive

AMENDMENT TO ASSEMBLY BILL NO. 1161

Amendment 1

In line 1 of the title, strike out "amend Sections 61 and 66 of" and insert:

add Section 88 to

Amendment 2

On page 2, strike out line 1 and insert:

SECTION 1. (a) The Legislature finds and determines as follows:

(1) The California State Commanders Veterans Council, Inc., is a veterans' organization founded in 1966, and is presently composed of the Department Commanders of the United Spanish War Veterans, the Air Force Sergeants Association, the American Veterans of World War II, Korea, and Vietnam, the Armed Forces Retirees Association of California, the California Association of County Veteran Service Officers, the Fleet Reserve Association of the West Coast, the Jewish War Veterans, the Legion of Valor, the Marine Corps League, the Military Order of the Purple Heart, the Reserve Officers Association, the Retired Officers Association, the Veterans of Foreign Wars, and the Veterans of World War I to provide a means for uniting veterans on issues concerning all California veterans. The council consists only of those commanders who are elected by their members to represent them on veterans' issues, and was incorporated in California as a nonprofit veterans organization on November 9, 1981.

(2) The California Veterans Board is appointed by the Governor, subject to confirmation by the Senate, and is the policymaking body for the operations of the Department of Veterans Affairs. In practice, this policymaking function extends principally to matters related to the veterans' farm and home purchase ("Cal-Vet") program. Veterans who are Cal-Vet eligible comprise approximately 22 percent of the California veteran population, so that approximately 78 percent of California veterans have no representation for purposes of participation in state government.

(3) There is need for a single, comprehensive, veterans advisory council which can represent all veterans on issues of concern to veterans free of political or other influence.

(b) In order to accomplish these purposes, the

Legislature has enacted Section 88 of the Military and Veterans Code.

SEC. 2. Section 88 is added to the Military and Veterans Code, to read:

88. (a) The Veterans Advisory Council to the Governor is hereby established.

(b) The advisory council is composed of one representative of each of the following veterans organizations:

- (1) The United Spanish War Veterans.
- (2) The Air Force Sergeants Association.
- (3) The American Veterans of World War II, Korea, and Vietnam.
- (4) The Armed Forces Retirees Association, California.
- (5) The California Association of County Veteran Service Officers.
- (6) The Fleet Reserve Association of the West Coast.
- (7) The Jewish War Veterans.
- (8) The Legion of Valor.
- (9) The Marine Corps League.
- (10) The Military Order of the Purple Heart.
- (11) The Reserve Officers Association.
- (12) The Retired Officers Association.
- (13) The Veterans of Foreign Wars.
- (14) The Veterans of World War I.

(c) The members of the advisory council shall serve without compensation, per diem, or reimbursement for expenses.

(d) The advisory council shall meet at the request of the Governor to advise the Governor on issues of concern to all California veterans.

Amendment 3

On page 2, strike out lines 2 to 14 inclusive.

-0-

California Association of



County Veterans Service Officers, Inc.

24 October 1989

TESTIMONY OF ROBERT D. WHITE, FIRST VICE-PRESIDENT, CALIFORNIA ASSOCIATION OF COUNTY VETERANS SERVICE OFFICERS, BEFORE AN INTERIM HEARING ON THE POLICY-MAKING ROLE OF THE CALIFORNIA VETERANS BOARD CONDUCTED BY THE SENATE COMMITTEE ON VETERANS AFFAIRS CHAIRED BY SENATOR WADIE DEDDEH IN CHULA VISTA ON OCTOBER 24, 1989.

The California Association of County Veterans Service Officers strongly supports the present policy-making role of the California Veterans Board as defined in the California Military and Veterans Code, and proposes legislation, if necessary, to preserve that role for the CAL-VET Board. Further, the Association believes the interests of California veterans, dependents, and survivors would be served best were the CAL-VET Board to be directly involved in the identification and selection of future Directors of the Department of Veterans Affairs and the Department removed from under the Consumer Services Agency to stand alone as a separate Department. This is not meant to slight the current Director for, as a political appointee, it is almost impossible for the Director to advocate on behalf of veterans when that individual is subservient to the Agency and must, at times, take an Administration position in opposition to what our Association considers to be the best interests of veterans and those serving veterans. Our veterans, who have served their Country honorably and faithfully, have unique and specialized needs which should be met and fulfilled. Our Association sees the CAL-VET Board as the instrument by which this service can be assured through its proper relationship with the California Department of Veterans Affairs and its influence with the Legislature, Veterans Organizations and the people of the State of California. We commend the CAL-VET Board for its support on issues vital to providing services to our veterans, and encourage the Board to continue to take positions and speak out on these matters.

CALIFORNIA COUNCIL OF CHAPTERS

THE RETIRED OFFICERS ASSOCIATION



President
WILLIAM C. MANES
Commander, USN-Retired

P.O. Box 8874, Fountain Valley, CA 92728

(714) 963-4124

October 18, 1989

Honorable Wadie P. Deddeh, Chairman
Senate Committee on Veterans Affairs
State Capitol
Sacramento, California 95814

Dear Mr. Chairman,

Thank you for the notice concerning the Interim Hearing which you have scheduled on October 24, 1989, at Chula Vista, California.

I wish to appear before the Committee at this time to present a brief statement on the subject of the hearing on behalf of the California Council of The Retired Officers Association.

I am enclosing copies of my prepared remarks for your advance review.

I appreciate your consideration of this request.

Sincerely,

William C. Manes

**THE POLICY-MAKING ROLE
OF THE CALIFORNIA VETERANS BOARD**

Statement Presented by:

William C. Manes
Commander, United States Navy (Retired)
President, California Council of Chapters
The Retired Officers Association

To the Senate Committee on Veterans Affairs

Senator Wadie P. Deddeh, Chairman

Interim Hearing

October 24, 1989

Good morning Mr. Chairman.

It is my pleasure to appear before the Committee today on behalf of the California Council of Chapters of The Retired Officers Association. Our Association includes some 55,000 individual members in California, and is organized in fifty-five Chapters. Along with other Veterans organizations, we have considerable interest in the California Veterans Board and the State Department of Veterans Affairs.

It is my personal opinion that the Veterans in this State have been well served by the Department in recent years, during the leadership of Director Jesse Ugalde. That is not to deny, however, that some improvements are needed. In particular, it is inconceivable to me how we can have a policy board for an agency of the State Government and then prevent the policy decisions of that body from being carried out. There is a clear need to better define the role of the Veterans Board, and the responsibilities of the Department in reacting to the Board when it does set policy.

I am generally familiar with the history of the dispute concerning the policy-making role of the Board. It appears to stem from the words in the State Code, Section 72, that the Board "shall determine the policies for all operations of the department." This is much too broad, and is even impractical. Obviously, much of the policy for the operation of the Department of Veterans Affairs is established in the laws passed by the Legislature. The Board, by its own action, cannot modify the law, for example, concerning eligibility for the CAL-VET Farm and Home Loan Program, maximum loan authorizations, and similar major policy matters. I believe legislation is needed to revise this wording to clearly place the Board in an advisory position to the Department, similar to other boards and commissions in the State Government.

However, the Board should definitely have the role of reviewing certain administrative

decisions of the Department personnel concerning benefit programs. The Department provides major benefit programs to the Veterans of the State. Any time you have such programs, you can expect to encounter disputes concerning the decisions that administrators make. The Veterans should have assurance that there is an impartial hearing authority which will review such disputes. The Federal government has always had such independent review processes, and has recently established what amounts to a separate appeals court system within, but independent of, the Veterans Department. I do not believe anything quite so elaborate is required at the State level -- the Veterans Board already has the capability, and the experience, to provide an impartial review process. What is needed, however, is some teeth in the law so that any review rendered by the Board can be enforced.

In the case of Board reviews, I do not believe that anyone has ever accused the Board of rendering opinions that are contrary to law. In fact, Board members have been instrumental in getting the law modified, on occasion, when the law was patently unfair in a given circumstance. In the meantime, the Board's decision upheld the existing law until it could be changed through the legislative process.

The Department Director can advise the Board concerning the legal ramifications of its review decisions. In the remote possibility that a Board may ever act in such a way that is clearly contrary to the public interest, then it should be worth the while of the Department to seek the necessary redress in the court system. If it is not worthwhile to take such a drastic step, then it should not be in the public interest to disregard the reasoned opinion of the Board majority. The law should be changed to clearly provide that the Department staff will execute the necessary steps to carry out Board decisions in the cases of appeals.

In other matters, such as interest rates on loans, taking positions on pending legislation, and bond sales, the role of the Board should be advisory in nature. The Board has been effective in an advisory and advocacy role, relating to some of the activities of the Department, such as

reducing the time required to process the loan applications under the CAL-VET program. However, in this type of case, the Department administrators and many Veterans organizations had an equal interest in improving the performance of the Department's operations. This type of influence is beneficial and can be wielded by an advisory body. It is not realistic to expect the Board to have the requisite expertise to enter into each and every operation of the Department to set operational policies. To have such a broad authority in the law, which is not enforceable, invites the present circumstance in which the Board may be totally ignored by a strong administrator.

I see no significant problem in those circumstances in which the Board and the Department may have different views on some issues -- such as pending legislation. The two units, as now established, have different constituencies, and would be expected to present differing opinions on occasion. I would not think that the Legislature would necessarily object to hearing both sides of such issues.

The advisory role of the Board should clearly be within the Department and not, for example, at the level of the Governor's office. Under the present requirements for membership on the Board, its interests are largely focused on CAL-VET matters. The vast majority of Veterans living in the State are not CAL-VETs. While I do not intend to cast any libel toward present members of the Board concerning their willingness, or ability, to represent the general interests of the Veterans population at large, I have to give recognition to the concerns of the members of my Association that most of us do not qualify for the major benefit programs offered by the State of California. We are not proposing that the CAL-VET Farm and Home Loan program be opened up to everybody -- the purposes and limitations of this program are clearly understood and appreciated. It is our opinion, however, that any duly constituted body which is intended to represent all of the resident Veterans in the State, should not be unduly restrictive in its membership, or have its attention strictly focused on certain qualifications.

If this Committee does include in its proposed legislation some changes in the way that Board members are appointed, then it may also be desirable to review the necessity of placing such a strict residency requirement on potential appointees. However, that is not, in itself, of as much importance as the changes which should be made in the legal relations between the Veterans Board and the State Department of Veterans Affairs.

If the Committee would consider how best to provide a strong advisory body, which could always be expected to include persons well experienced in Veterans affairs, and which could have the attention of the Governor and other senior administrative officials of the State government, then I would suggest a model which is currently in place in most other state with large populations. That would be to have the elected Commanders and Presidents of the recognized state Veterans organizations to be formally and legally designated as an advisory body to the State Government, preferably in the immediate office of the Governor. I understand that such a proposal will be formally submitted to the Legislature in the near future. I urge your serious consideration of the concept if it comes before your Committee.

Mr. Chairman, I appreciate the opportunity to present these remarks to your Committee and I commend the interest and concern which you have shown for the Veterans of California.



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COUNTY VETERAN SERVICE OFFICER

October 24, 1989

Honorable Wadie P. Deddeh, Chairman
Senate Committee on Veterans Affairs
State Capitol Room #2083
Sacramento, California 95814

Regarding: Interim Hearing - Policy Making Role of the California
Veterans Board

Dear Senator Deddeh,

Thank you for sending us the notice of your Committees Interim Hearing on the "Policy Making Role of the California Veterans Board" and the opportunity to provide the Senate Committee on Veterans Affairs with our views on this important issue. By way of introduction, Frank Murguia has been an employee of the San Bernardino County Veterans Service Office for 17 years and is a member of the California Association of County Veterans Service Officers. Ronald Melendez has been an employee of the Orange County Veterans Service Office for 8 years and is also a member of the California Association of County Veterans Service Officers. The testimony we are providing here today is not intended to be represented as an official position of our county or our association. This testimony represents our views on the California Veterans Board and its relationship with the Department of Veterans Affairs based upon our collective 25 years of experiences.

For many years as veterans representatives in this state, we have listened to arguments pro and con; Is the California Veterans Board a Policy making body for the Department of Veterans Affairs, or not? It has served to confuse some issues, while clouding the role of the Board. In other situations, it has hindered progress that would have benefited many veterans and their dependents.

SERVICE LOCATIONS

NORTH COUNTY
974 MELROSE
PLACENTIA, CA 92670

134

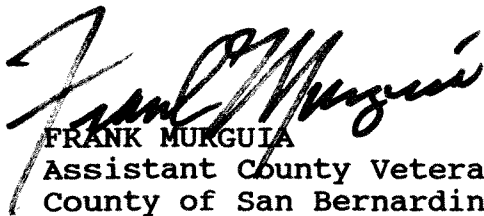
WEST COUNTY
7111 TALBERT AVE.
HUNTINGTON BEACH, CA 92648
(714) 500-5000

Senator Wadie Deddeh, Chairman
Senate Committee on Veterans Affairs
Interim Hearing - Policy making Role of the California Veterans Board
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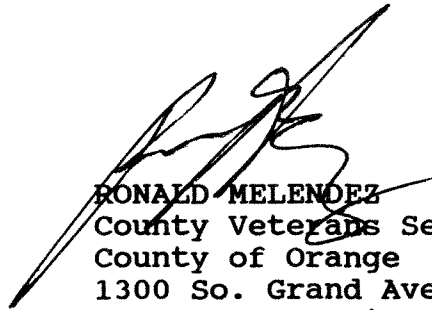
While developing our testimony we have reviewed certain sections of the California Military and Veterans Code (Chapter 2, Sections 72, 78, and 84). These sections are very clear in outlining who has the responsibility for setting policy (the California Veterans Board) and who has the responsibility for providing services to veterans and carrying out policy (the Director, Department of Veterans Affairs).

I am taking the liberty of attaching our responses to the questions that your committee will be addressing during this hearing. If you have any questions, please let us know.

Sincerely,



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QUESTIONS AND RESPONSES

INTERIM HEARING - POLICY MAKING ROLE OF THE
CALIFORNIA VETERANS BOARD

1. SHOULD THE CALIFORNIA VETERANS BOARD EXIST?

YES, the California Veterans Board conducts open public meetings while traveling throughout the State of California. These meetings provide local veterans and veteran organizations the opportunity to share their views and concerns regarding the many major issues affecting veterans and their dependents. This ensures that the Board establishes policies and takes actions that benefit veterans.

2. IF SO SHOULD IT EXIST IN AN ADVISORY OR POLICY MAKING CAPACITY?

POLICY MAKING!

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?

N/A, The Board should not be advisory.

4. IF POLICY MAKING, WHAT POLICIES SHOULD COME UNDER ITS JURISDICTION?

We believe that the Board should have responsibilities that include budget review, evaluation and final Policy authority over the Department. The Board should also have the authority to interview and appoint the Director of the Department of Veterans Affairs.

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?

BOTH; The Board and the Department should share the responsibility for legislation. The Board should obtain community input at their open public meetings and adopt a position that reflects those views. The Department staff should lobby and provide testimony (oral and written) as is necessary to properly carry out the position of the Board and represent the interests of the veterans community.

QUESTIONS AND RESPONSES

INTERIM HEARING - POLICY MAKING ROLE OF THE
CALIFORNIA VETERANS BOARD

CONTINUED

6. SHOULD THE BOARD TAKE A STRONGER ROLE vis-a-vie THE VETERANS HOME IN YOUNTVILLE AND PLAY A ROLE IN PLANNING THE SECOND VETERANS HOME IN SOUTHERN CALIFORNIA?

YES, WITHOUT QUESTION! Information received from the Department and veterans in our community indicates a lack of sufficient and accurate information on how the Second Veterans Home in Southern California will be funded, located and operated. If the board were to take a stronger leadership role, accurate information could be shared with veteran community leaders and stop the second Veterans Home in Southern California from becoming the political football which appears to be happening.

7. SHOULD THE BOARD HAVE STATUTORY POWER TO MAKE CERTAIN ITS POLICIES ARE CARRIED OUT BY THE DEPARTMENT?

YES, Statutory authority is required to ensure that the policies adopted by the Board are properly executed.

8. WHAT LEGISLATION SHOULD BE CONSIDERED IN THESE AREAS?

The Senate Veterans Affairs Committee should introduce legislation that:

- * removes the Department from the State and Consumer Services Agency and makes it a free standing Department with the California Veterans Board as its policy making Board;
- * amends section 75 of the Military and Veterans Code to provide for the California Veterans Board as the appointing authority for the Director of the Department of Veterans affairs;
- * recognizes and appoints the California Department Commanders Council as an advisory body to the Department and the Board; and
- * reaffirms statutory policy making authority for the Board over all department activities, including budget, legislation, decisions impacting the Veterans Home(s), Cal-Vet Home Loan Program and all other divisions within the Department.

DEPARTMENT OF VETERANS AFFAIRS

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§ 69.5. Repealed by Stats.1967, c. 1656, p. 4024, § 97

Historical Note

This section, added by Stats.1957, c. 2194, p. 3858, § 1, related to open and public meetings. See, now, Government Code § 11120 et seq.

§ 70. Powers and duties of Department of Veterans Affairs

The Department of Veterans Affairs succeeds to and is vested with the duties, powers, purposes, responsibilities and jurisdiction of the Department of Military and Veterans' Affairs, the Division of Veterans' Welfare, the Veterans' Welfare Board, the California Veterans' Commission, the Division of Veterans' Homes, the Board of Directors of the Veterans' Home of California, and the Board of Directors of the Woman's Relief Corps Home of California and of the officers and employees of said department, divisions, boards, and commission, except that the Director of Veterans Affairs, in lieu of the Director of Military and Veterans' Affairs, is a member of the Governor's Council and, in lieu of the chairman of the Veterans' Welfare Board, is a member of each and every veterans' finance committee of which the chairman until now has been a member.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 149, § 2.)

§ 71. Chairman of board; secretary

The members of the board shall select one of their members to serve as chairman, who shall hold office as chairman at the pleasure of the board. The board shall also appoint and fix the salary of a secretary, who shall attend all meetings of the board, keep a full and true record of all its proceedings, preserve at its general office all its books, documents, and papers, and perform such other duties as the board may prescribe.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 150, § 2.)

§ 72. Policy determination

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

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 150, § 2. Amended by Stats.1947, c. 293, p. 858, § 1.)

§ 73. Advisory committees

The California Veterans Board may create advisory committees consisting of veterans to advise the board in specific fields under or relating to the jurisdiction of the board. The board shall appoint the members thereof and they shall serve at its pleasure. The board shall also designate the chairman and vice chairman thereof. The committees shall be under the direction of the board and shall be wholly advisory in character and shall not be delegated any administrative authority or responsibility. Members of such committees

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ADMINISTRATION

Div. 1

shall not receive compensation from the State for their services, but when called into conference or session by the board shall be reimbursed for their actual and necessary expenses incurred in connection with such conferences or sessions, and for purposes of such reimbursement shall be deemed to be nonsalaried commission members.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 150, § 2.)

§ 74. Director of Veterans Affairs

The chief administrative officer of the Department of Veterans Affairs shall be the Director of Veterans Affairs, who shall be a civil executive officer.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 150, § 2.)

Cross References

Appointment and term of director, see § 75.

Director as head of department, see § 78.

Salary of director, see § 76.

§ 75. Appointment and term of director

The director shall be appointed by and serve at the pleasure of the Governor.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 150, § 2.)

Cross References

Authority of governor to make appointments, see Government Code § 12011.

§ 76. Salary of director

The annual salary of the director is provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 150, § 2. Amended by Stats.1951, c. 1613, p. 3631, § 38; Stats.1982, c. 454, p. 1878, § 139.)

Cross References

Compensation for services, see Government Code § 11552.

§ 77. Repealed by Stats.1984, c. 268, § 27.8, urgency, eff. June 30, 1984

Historical Note

This section, added by Stats.1946 1st Ex. Sess., c. 114, § 2, related to the official bond of the director of veterans affairs.

§ 78. Head of department; powers and duties

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

DEPARTMENT OF VETERANS AFFAIRS
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Repealed

all responsibilities and carry out and effect all provisions now or hereafter vested by law in the department.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 150, § 2. Amended by Stats.1947, c. 293, p. 858, § 2.)

Cross References

Director as chief administrative officer, see § 74.
General powers and duties, see Government Code § 11150 et seq.

Library References

Militia \Leftrightarrow 7. C.J.S. Militia § 10 et seq.
States \Leftrightarrow 68, 73. C.J.S. States § 120 et seq.

Notes of Decisions

1. **Insurance** the negotiation of master insurance contract including all the terms and conditions thereof. 38 Ops.Atty.Gen. 107.
Director of veterans' affairs, whose duties are defined in this section, is responsible for

§ 79. Deputy Director

There shall be a Deputy Director of Veterans Affairs, who shall be a civil executive officer. He shall be appointed and his salary shall be fixed by the director pursuant to law.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 151, § 2.)

§ 80. Employees

The director may employ subject to law such expert, technical, legal, clerical, and other employees as may be necessary to carry out his powers and duties and except as expressly otherwise provided in Section 71 of this chapter, the director shall be the sole appointing authority for the department for all positions. Whenever possible preference shall be given to veterans for employment in the department.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 151, § 2. Amended by Stats.1947, c. 292, p. 857, § 1.)

§ 81. Repealed by Stats.1968, c. 726, p. 1425, § 1

Historical Note

This section, added by Stats.1946 1st Ex. Sess., c. 114, § 2, related to divisions of the department of veterans' affairs.

§ 82. Repealed by Stats.1961, c. 603, p. 1751, § 12

Historical Note

This section, added by Stats.1946, 1st Ex. Sess., c. 114, § 2 related to official bonds of division managers of the department of veterans' affairs.

§ 83. Government Code Provisions; application; "head of department" defined

Except to the extent inconsistent with the provisions of this chapter, the provisions of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code¹ shall be applicable to the Department of Veterans Affairs as if the provisions of said Chapter 2 were set out fully herein.

Whenever in such chapter the term "head of the department" or similar designation occurs, it shall mean the director, except that for the purposes of Article 2 of said Chapter 2 it shall also mean both the board and any member of the board to whom the duty of conducting any investigation is given by the board.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 151, § 2.)

¹ Government Code § 11150 et seq.

§ 84. Recommendations by director

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.

(Added by Stats.1946, 1st Ex.Sess., c. 114, p. 151, § 2.)

§ 85. Records of contract purchasers; inspection by public prohibited

Records of the department which are records of contract purchasers, shall not be open to inspection by the public.

(Added by Stats.1957, c. 2194, p. 3858, § 2. Amended by Stats.1969, c. 371, p. 903, § 35.)

Cross References

Inspection of public records, see Government Code § 6250 et seq.

§ 86. Appeal of decision; finality; judicial review

Any person deeming himself a veteran and who applies for benefits may appeal any decision made by a division of the department to the California Veterans Board. Upon receipt of such an appeal, the board shall grant a hearing, if requested, and shall render its decision in writing to the appellant not later than the second meeting of the board following the receipt of the appeal or of the hearing if one is held. An appeal shall be deemed to have been received by the board on the date of the first meeting of the board subsequent to delivery of the appeal to the secretary of the board. Except for judicial review, the board's decision is final and the board shall have the power to change or modify with good cause any decision which is adverse to the appellant. The board may delegate the holding of hearings to the legal



Little Hoover Commission

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Jeannine L. English
Executive Director

October 20, 1989

The Honorable Wadie Deddeh, Chair
Senate Committee on Veterans Affairs
3048 State Capitol
Sacramento, CA 95814

Dear Senator Deddeh:

Although I will not be able to attend the October 24 hearing on "The Policymaking Role of the California Veterans Board," I did want to provide you with some general background information.

I understand your hearing will focus on the conflict between a board that by statute is supposed to set policy and a department director who is appointed by and accountable to the governor. The Little Hoover Commission has completed or is in the process of conducting three studies that relate to this issue.

- * Our study on the Department of Fish and Game, to be completed later this year, focuses in part on the relationship between the Fish and Game Commission, empowered by statute and Constitution to set wildlife policy for the state, and the Fish and Game Department, headed by a director appointed by and accountable to the governor. With a Commission staff of six and a department of 1,568 employees, we are in the process of determining whether there is a formal mechanism to ensure that Commission policy is carried out effectively by the Department.
- * Our study on K-12 education and fiscal accountability, to be completed early next year, explores the role of a State Board of Education, which is appointed by the governor and statutorily responsible for education policy in the state, and the role of the State Superintendent of Public Instruction, who is elected by the population at large.
- * Finally, our study entitled "Boards and Commissions: California's Hidden Government" issued in July 1989 concluded that the state has allowed bodies to proliferate without adequately assessing their effectiveness or usefulness. This can mean that resources are wasted through duplicative and inefficient appointed bodies.

While the Little Hoover Commission reached no conclusions about the specific situation you are examining, the Commission has urged the Legislature to reassess existing boards and commissions, establish "sunrise" criteria for the creation of any new entities and mandate "sunset" reviews for all existing and future entities.

The Little Hoover Commission will be interested in the results of your hearing and would be pleased to work with you on any of the legislative remedies recommended in our boards and commissions study.

I hope the above information is useful. Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Jeannine L. English". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

JEANNINE L. ENGLISH
Executive Director

CALIFORNIA VETERANS BOARD1227 "O" Street
Sacramento, California 95814

November 9, 1989

California State Senate
Committee on Veterans Affairs
Senator Wadie P. Deddeh
Chairman
Room 2083 State Capitol
Sacramento, California 95814

Dear Senator Deddeh:

I am writing to request that my remarks be included in hearing testimony concerning the roll of the California Veterans Board.

1. It is my view that the California Veterans Board should remain a policy making body with a better definition of what the term 'policy' means, especially in the code where it states that the California Veterans Board shall determine policy for all operations of Department of Veterans Affairs. The California Veterans Board must have the authority to not only determine policy, but must have the power to enforce the policy should the Department of Veterans Affairs fail to carry it out. I believe that the code should not only state that Department of Veterans Affairs shall carry out the board's policy, but wording pertaining to what shall be done when and if the Department of Veterans Affairs fails to do so. In other words, what good is it for the board to be a policy making body if there is no way to ensure that the board's policy is carried out by Department of Veterans Affairs;
2. there is definite need for independent legal counsel for the California Veterans Board as the veteran is now forced to have Department of Veterans Affairs legal counsel hear this case. In other words, the very party that turned the veteran down is now hearing his appeal. This counsel could be funded by Department of Veterans Affairs and provided by the Attorney General or thru Office of Administrative Hearings, which would assign an Administrative Law Judge to conduct the hearings at an hourly rate. Surely the veteran is worth this kind of consideration. Several years ago when a study was conducted the cost was \$43.00 per hour and it was a flat fee and after consideration, it was determined that the average cost would be about \$346.00 per appeal, which would include everything;
3. regarding the California Veterans Board as the veterans' advocate, I am not sure what we are talking about when we say 'veterans' advocate.' Surely in its present role of representing California's veterans, the board fits that definition partially. Perhaps it means in a role of originating legislation, which it has done in the past, and I trust will do so in the future.


So, what is the point? Perhaps the term 'veterans' advocate' needs further definition and clarification as does 'policy';

4. pertaining to the second veterans home, how can the California Veterans Board oversee the home if it does not take a definite role in the formulation of the second home? You are stuck with the results of whatever is done and especially stuck with taking care of any of the problems that result from determination by others. I believe that there is a definite need for the California Veterans Board to take a very active role in the formulation of any planning regarding the second veterans home. The current Master Plan at the Yountville Home was to be for five years and it is now in its eight year and only 35% completed. The Master Plan was developed by Department of Veterans Affairs presented to the legislative bodies and approved and as far as I know the California Veterans Board had little or no input into it;

5. perhaps some thought should be given to the matter of the budget in terms of having the California Veterans Board review Department of Veterans Affairs budget annually to enable the board to be aware of what is happening financially to Department of Veterans Affairs. After all, how can the California Veterans Board determine policy if it is not involved in the financial base of Department of Veterans Affairs? Maybe 'approve' is the terminology that is sending everyone into a tail spin, but it is my feeling that the California Veterans Board cannot adequately perform its duties as the policy making body for Department of Veterans Affairs if it is not involved in Department of Veterans Affairs budget process.

Thank you for your consideration of my input into this hearing process.

Respectfully Submitted,


David M. Just, Ph.D.
Vice Chairman

DMJ/c11

