

**STATE OF CALIFORNIA  
CALIFORNIA DEPARTMENT OF VETERANS AFFAIRS  
1227 O STREET, ROOM 105  
SACRAMENTO, CA 95814**

**TITLE 12. MILITARY AND VETERANS AFFAIRS  
DIVISION 2. DEPARTMENT OF VETERANS' AFFAIRS  
CHAPTER 3. VETERANS' SERVICES  
SUBCHAPTER 4. COUNTY SUBVENTION**

Text proposed in *italic* type. Text deleted in ~~strike through~~. Updated text since last comment period in red.

**12 CCR § 452**

**§ 452. Operational Requirements of Participating Counties.**

(a) Each county that has established a ~~CVSO~~ **County Veterans Service Office** shall institute the organizational and administrative ability to carry out its obligations, including but not limited to the following:

- (1) The establishment and maintenance of a data-reporting system that provides the information required on CDVA prescribed workload activity report forms.
- (2) The maintenance of financial records and books of account fully disclosing the allocation and expenditure of county funds and the disposition of all offsetting revenues and reimbursements including Department funds allocated to the ~~CVSO~~ **County Veterans Service Office** function. Such records and books shall be maintained on an accrual or modified accrual basis in accordance with generally accepted accounting principles.
- (3) A workload activity data collection system that provides documentation and justification for reported workload activities.

(b) Each county shall submit to the Department all required workload activity reports *specified in the Department's Procedure Manual for Subvention and Medi-Cal Cost Avoidance dated July 1, 2016, which is hereby incorporated by reference* within 30 days after the end of the reporting periods as established by the Department. ~~Failure to comply may result in the omission of a delinquent county from the annual allocation process.~~

(c) Each county shall submit to the Department:

- (1) The adopted/final current fiscal year budget for the ~~CVSO~~ **County Veterans Service Office** function, detailing all dedicated ~~CVSO~~ **County Veterans Service Office** costs and scheduled revenues and reimbursements within 30 days of adoption by the Board of Supervisors. *Each county shall certify to the Department that the current fiscal year*

*proposed* expenditures exceeds the *actual* fiscal year 1988-89 expenditures by, at least, the full amount of the current annual allocation.

(2) A detailed report of the prior fiscal year's actual expenditures for the ~~CVSO~~ County Veterans Service Office function including all offsetting revenues and reimbursements by November 1 of each year. This report may be a locally prepared accounting or budget report that shows actual expenditures for the prior year

(3) *Claim for Subvention Funds included in Department's Procedure Manual for Subvention and Medi-Cal Cost Avoidance dated July 1, 2016, on which the county certifies its current fiscal year proposed expenditures by January 31 of each year.*

(4) *Subvention Certificate of Compliance included in Department's Procedure Manual for Subvention and Medi-Cal Cost Avoidance dated July 1, 2016, for the current fiscal year by January 31 of each year.*

(d) For the purpose of eligibility to participate in *and receive payment of the full annual* ~~the~~ allocation of funds as specified in this chapter, each ~~CVSO~~ County Veterans Service Office shall: ~~provide services to veterans and dependents as required by Military and Veterans Code Sections 970 and 971.~~

(1) *Provide services to veterans and dependents as required by Military and Veterans Code Sections 970 and 971.*

(2) ~~Obtain~~ *Ensure the County Veterans Service Officer obtains U.S. Department of Veterans Affairs accreditation to file claims on behalf of the California Department of Veterans Affairs by successfully passing the California Department of Veterans Affairs accreditation examination within 18 months of appointment by the county Board of Supervisors.*

(3) *Ensure county veteran service representatives filing claims obtain U.S. Department of Veterans Affairs accreditation to file claims on behalf of the California Department of Veterans Affairs by successfully passing the California Department of Veterans Affairs accreditation examination within 18 months of hire.*

(4) *Adhere to all policies and requirements described in the Department's Procedure Manual for Subvention and Medi-Cal Cost Avoidance.*

(5) *Provide metrics on ~~CVSO~~ County Veterans Service Office activities and outreach to the Department by September 1 of each fiscal year, as defined in the Department's Procedure Manual for Subvention and Medi-Cal Cost Avoidance.*

(e)-(f) For the purpose of eligibility to participate in the annual allocation of funds authorized pursuant to Military and Veterans Code Section 972.5, each county shall, as required by the Department, perform, document, and report activities that benefit, or realize cost avoidance to, the Medi-Cal program of the State Department of Health Services and welfare programs of the State Department of Social Services.

(f) *Failure to comply with requirements described in the Military and Veterans Code Sections 971 and 972, and CCR Sections 450-455 may result in a delinquent county receiving a reduction in the annual allocation or the county's ~~omission~~ exclusion from the annual allocation process.*

(e) ~~For the purpose of eligibility to participate in the annual allocation of funds authorized pursuant to Military and Veterans Code Section 972.1, each county shall appropriate county~~

~~funds in each fiscal year for the CVSÖ an amount equal to or greater than expended in Fiscal Year 1988-89.~~

~~(1) For the purpose of eligibility to claim and receive payment of the full annual allocation, each county shall certify to the Department that the current fiscal year expenditure exceeds the Fiscal Year 1988-89 expenditure by, at least, the full amount of the current annual allocation.~~

Note: Authority cited: The Statutes of 1990, Chapter 535, Section 2; and Section 700, Military and Veterans Code. Reference: Sections 970, 972, 972.1 and 972.5, Military and Veterans Code.

## **12 CCR § 453**

### **§ 453. State General Funded Subvention Programs; Audits and Fund Allocations.**

(a) The Department shall perform year-round audits of selected counties to authenticate each county's reported workload activities.

(b) By November 15 of each year, the Department shall calculate and publish the current fiscal year statewide annual county subvention allocations of available state general fund moneys using the audit findings of the previous fiscal year.

(1) The allocation of available funds shall be divided into the following components:

(A) An administration component ~~of \$5,000~~ *of \$20,000* for each county that has established a ~~CVSÖ County Veterans Service Office~~.

(B) ~~Effective January 1, 1995, a CVSÖ A training component of \$2,500 of up to \$12,000~~ for each county that has appointed a veteran to perform the duties of a ~~CVSÖ County Veterans Service Officer~~. This ~~\$2,500 component~~ is allocated to offset the cost of the appointed ~~CVSÖ County Veterans Service Officer's~~ (or designees') attendance at Department sanctioned administrative training sessions. A proportional percentage reduction of this allocation, as determined by the Department, shall be taken for each training session that is not attended. The funds saved through this reduction shall be distributed as described in Section 453(b)(5). *Each CVSÖ County Veterans Service Office shall receive \$1,500 for the CVSÖ County Veterans Service Officer and one veterans service representative (preferably the supervising or lead veteran service representative) that attend each of the three CalVet-sanctioned conference trainings (up to \$9,000 per CVSÖ County Veterans Service Office per year). If no CVSÖ County Veterans Service Office staff attend, then no training funds will be received for this conference. Each CVSÖ County Veterans Service Office will receive \$1,000 for each new staff person (up to three per year) to attend the California Veterans Service Representative Academy (CVSRA). If no CVSÖ County Veterans Service Office staff attends the CVSRA, then the CVSÖ County Veterans Service Office does not receive funding for this training purpose. If a CVSÖ County Veterans Service Office does not have a new employee to send to the CVSRA, that county may use those funds to send additional designated staff to training conferences at \$1,500 each.*

(C) A performance component for each county that is based on the authenticated workload activities of each county as verified by the Department's annual audit. The amount of this component shall be established by prorating the number of each county's workload activities against the statewide county total.

~~(D)(2)~~ Effective January 1, 1995, Two or more counties may jointly establish a single veterans service office. However, any veterans service office jointly established under this provision shall only receive funding at the same rate as a single county.

~~(2)~~ The Department shall disburse the allocated annually available funds semi-annually, after December 31 and June 30, upon receipt of each county's Claim for Subvention Funds on which the county certifies its expenditures. Each payment shall not exceed either 50 percent of the county's expenditure or 50 percent of the annual allocation, whichever is less.

(3) Each county's annual allocation for the administrative and performance components, shall not exceed 50 percent of the county's current fiscal year budgeted expenditures.

(4) ~~(3)~~ Each county's annual subvention allocation pursuant to Military and Veterans Code Section 972.1 shall not exceed the increase of the current fiscal year budgeted expenditures over the Fiscal Year 1988-89 actual expenditures for ~~CVSO~~ County Veterans Service Office operational costs.

(5) ~~(4)~~ The Department shall disburse the allocated annually available funds semi-annually, after December 31 and June 30, upon receipt of each county's Claim for Subvention Funds on which the county certifies its expenditures. *Each payment shall not exceed either 50 percent of the county's expenditure or 50 percent of the annual allocation, whichever is less.* The first payment shall not exceed 50 percent of each county's total annual allocation. The second payment shall be either:

(A) the unpaid balance of the total annual allocation, or

(B) a lesser amount, being the difference between the first payment and the total amount the current fiscal year expenditure exceeds the Fiscal Year 1988-89 expenditure. This payment adjustment shall occur when a county's actual fiscal year expenditure is less than originally budgeted, but still exceeds the base Fiscal Year 1988-89 expenditure. If, however, a county's total current fiscal year expenditure is less than the sum of the Fiscal Year 1988-89 actual expenditure and the first semi-annual payment, as determined by a departmental audit of county expenditures or the county's certification of expenditure, that amount shall be considered an overpayment and shall be credited as a paid reimbursement to the county under the annual subvention allocation pursuant to Military and Veterans Code Section 972.

~~(5)(6)~~ In the event expenditures of one or more counties are inadequate for a county to receive the total annual allocation available under Sections 453(b)(1) and 453(b)(3), the total amount of undisbursed funds shall be prorated to the remaining eligible counties as per Section 453(b)(3).

Note: Authority cited: The Statutes of 1990, Chapter 535, Section 2; The Statutes of 1993, Chapter 138, Section 4; and Section 700, Military and Veterans Code. Reference: Sections 970, 972 and 972.1, Military and Veterans Code.