



October 2022 - #008

CDCA Newsletter

1. CDCA: Activities and Plans

During 2021, CDCA supported California legislation related to spouse licensing. AB107 passed, and that is a large step to alleviate difficulties obtaining licensed issued by California Department of Consumer Affairs.

In late August 2022, CDCA supported the California Defense Leadership Summit (item #2 below) which had excellent attendance by military, base commanders, industry, elected officials, community support organizations and the State of California.

We are developing plans for events to be held during the upcoming year.

This newsletter focuses on legislative accomplishments from the 2021/2022 legislative year that are of interest to the defense community (item #3 below) followed by several topics of interest for the upcoming legislative year: Military Housing (#4), California Defense Community Infrastructure Program (#5), and Military Retiree Pay Tax Exemption Legislation (#6). Your thoughts on these topics are always welcome.

2. California Defense Leadership Summit

CDCA, Association of Defense Communities and the Governor's Military Council jointly conducted the 2022 Defense Leadership Summit August 30 at the Embassy Suites, Sacramento. Speakers included California Natural Resources Secretary Wade Crowfoot, Acting Adjutant General of the California Military Department Maj. Gen. Matthew Beevers and Patrick O'Brien, the director of the DOD Office of Local Defense Community Cooperation.

Topics of interest to the California military community were discussed, including

- Growth of the Space Force and the Range of the Future
- Defense Innovation
- State and Federal Update, including Defense Community Infrastructure Pilot Program
- Quality of Life
- Impacts of Housing Shortage

- Energy and Environment
- Grant Opportunities

Governor Newsom shared his perspective during a talk to the Summit participants.

3. Legislative Results: California 2021-2022 Regular Session

AB305 Veteran’s services: notice

Bill Summary: This bill requires specified governmental agencies to include, at their next scheduled update, additional questions on their intake and application forms to determine whether a person is affiliated with the Armed Forces of the United States.

Status: Successful.

AB325 Veterans: discharge upgrades

Bill Summary: This bill establishes the Veteran’s Military Discharge Upgrade Grant program to help fund service providers who will educate veterans about discharge upgrades and assist qualifying veterans in filing discharge upgrade applications. This legislation assists LGBTQ veterans discharged under “Don’t Ask, Don’t Tell” (DADT) in updating their records and accessing education, health, burial and other benefits available to honorably discharged service members. Though LGBTQ service members could serve openly following the repeal of DADT, veterans discharged less than honorably under the policy face a burdensome process that can require legal counsel and other assistance to obtain an upgrade to their discharge classification.

Status: Successful.

AB738 Community mental health services: mental health boards

Bill summary: Requires that at least one member of a community based Mental Health Board (MHB) be a veteran or veteran advocate.

Status: Successful.

AB1623 Personal income taxes: exclusion: uniformed services retirement pay: survivor benefit plan payments

Bill Summary: This bill provides, for taxable years beginning January 1, 2023, and before January 1, 2033, an exclusion from gross income, under the Personal Income Tax (PIT) Law, for retirement pay from the federal government for specified military services and annuity payments received from a U.S. Department of Defense Survivor Benefit Plan. This bill declares the objective of the exclusion and requires, by December 1, 2033, the Legislative Analyst (LAO), in collaboration with the Department of Veterans Affairs (CalVet), to submit a report to the Legislature on the exclusion’s effectiveness.

Status: Not successful.

AB1633 Public postsecondary education: veterans’ educational benefits: information sharing

Summary: Requires the California State University (CSU), and requests the University of California (UC), to electronically transmit specified personal information regarding students whose tuition or fees are paid, or intended to be paid, using GI Bill educational benefits to the Department of Veterans Affairs (CalVet).

Status: Successful.

AB1675 Teacher credentialing: spouses of active duty members of the Armed Forces: expedited application process

Summary: This bill would require the commission to grant or deny a credential within 7 days of the date that the commission received a completed application if the applicant submits (1) evidence that the applicant is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in this state under official active duty military orders, (2) proof of holding a valid, unexpired, professional-level teaching credential, as defined, and (3) fingerprints for purposes of conducting a criminal background check, as provided. The bill would clarify that these requirements for the clear teaching credential are in addition to other existing education, experience, and knowledge requirements for the clear teaching credential. The bill also would require the commission to publish information about credentialing options available to military veterans, members of the military, and their spouses prominently on the home page of the commission's internet website.

Status: Not successful.

AB1692 Veterans: Mental Health

Summary: Requires the California Department of Veterans Affairs (CalVet) to establish a program to fund, upon appropriation by the Legislature, an academic study of mental health among women veterans in California, and to submit a report to the Legislature no later than July 31, 2024.

Status: Vetoed by Governor: "This year's budget made an unprecedented \$50 million investment in the well-being of veterans through establishment of the California Veteran's Health Initiative. A key component of this initiative includes \$40 million to expand and support the network of veteran-specific mental health services through the state."

AB1715 Space Force

Summary: This bill amends various provisions of state law pertaining to members of the United States Armed Forces and veterans to include the United States Space Force in the definition of an armed forces entity.

Status: Successful.

AB1731 Postsecondary education: Title 38 awards: postsecondary educational institutions: application for approval or renewal

Summary: Requires the California State Approving Agency for Veterans Education (CSAAVE), on or before January 1, 2024, to establish regulations requiring postsecondary educational institutions to provide specified information to CSAAVE as part of an application for approval or renewal. CSAAVE is California's State Approving Agency (SAA), an agency appointed by the Chief Executive of a state to approve institutional programs of education and training for payment of benefits under the various laws administered by the U.S. Department of Veterans Affairs. CSAAVE is responsible for the review, evaluation, approval, and oversight of schools and training facilities to ensure state and federal quality criteria are met for veterans using their G.I. Bill funds. CSAAVE also assists the U.S. Department of Veterans Affairs in preventing fraud, waste, and abuse in the administration of the G.I. Bill.

Status: Successful.

AB 1762 State Capitol: Gold Star Families monument

Summary: Authorizes the construction and maintenance of a monument to the Gold Star Families of California on the grounds of the State Capitol.

Status: Successful.

AB2119 Veterans: Medical Foster Home Program

Summary: Authorizes the California Department of Social Services (CDSS) to establish a program to issue licenses for medical foster homes for veterans as allowed under the United States Department of Veterans Affairs (USDVA) and delineates the administrative requirements for the program.

Status: Successful.

AB2509: Vehicles: vehicle license fee and registration fees: exemptions

Summary: Exempts Purple Heart recipients from vehicle registration fees beginning January 1, 2027.

Status: Successful.

SB837 Driver's license: Veteran designation

Summary: This bill repeals the \$5 fee a veteran is required to pay in order to have the word "VETERAN" printed on their driver's license or identification card as per existing law.

Status: Successful.

SB 949 Veterans: California Central Coast State Veterans Cemetery

Summary: This bill repeals the requirement that the State Controller annually report to the Legislature on the status of the California Central Coast State Veterans Cemetery (CCCVC) at Ford Ord Endowment Fund. This bill also deletes obsolete provisions related to the construction of the CCCVC at Fort Ord.

Status: Successful.

SB984 Military service: leave of absence: pay and benefits

Summary: This bill includes National Guard inactive duty drills as "active duty" and requires the state to pay National Guard state employee members for their inactive drills as if they were serving on active duty (i.e., their state salary or compensation for 30 days, as specified).

Status: Successful.

SB1041 Sales and Use Taxes: General Exemptions

Summary: This bill removes the sunset date for the sales and use tax exemption for goods sold by thrift stores that are both located on a military installation and operated by a "military welfare society."

Status: Successful.

SB1073 Property Tax: Exemptions: Disabled Veterans

Summary: This bill would expand the disabled veterans' exemption to allow a reduced exemption for partially disabled veterans. This bill, among other things, would do the following: (1) Expand the disabled veterans' exemption to allow a reduced exemption for partially disabled veterans, effective for lien dates on or after January 1, 2023. (2) Set the amount of the partial exemption as the percentage of the full amount of exemption allowed to a totally disabled veteran equivalent to the partially disabled veteran's disability rating percentage issued from USDVA, or the military service from which the veteran was discharged.

Status: Unsuccessful.

SB1182 Family Law

Summary: This bill requires a family court to provide referrals to resources for self-identified veterans appearing before the court, including how to contact the local Department of Veterans Affairs (CalVet); requires, when a self-identified veteran files their status on the Judicial Councils military service form, that the Judicial Council transmit a copy of the form to the CalVet, and for CalVet to contact the veteran within a reasonable time; and requires, when a family court that finds the effects of a parent's, legal

guardian's, or relative's mental illness are a factor in determining the best interest of the child for purposes of custody or visitation, to put its reasons for the finding on the record and provide the affected parent, legal guardian, or relative with a list of local resources for mental health treatment. This bill's requirements take effect January 1, 2024.

Status: Successful.

SB1195 Veteran's Homes

Summary: This bill requires the California Department of Veterans Affairs (CalVet), when reviewing the best continued use of every home, to assess the need for veterans living at or near a Veterans Home to access care at a United States Department of Veterans Affairs (VA) medical facility, and the potential for the Veterans Health Administration (VHA) to place satellite medical clinics on state veteran home campuses and within a 30-minute drive of a state veteran home campus, to serve both residents of the veteran homes and nonresident veterans in the communities where state veteran homes are located.

Status: Successful.

SB1237 Licenses: military service

Summary: This bill clarifies the phrase "called to active duty," for purposes of various professional license requirement waivers under the Department of Consumer Affairs (DCA).

Specifically, this bill defines the phrase "called to active duty" as having the same meaning as "active duty" as defined under federal law and additionally includes active duty in the California National Guard due to the proclamation of a state of insurrection, a state extreme emergency, or otherwise being called by the Governor.

Status: Successful.

SB1311 Military and Veterans Consumer Protection Act

Summary: This bill enacts the Military and Veterans Consumer Protection Act of 2022 which strengthens California's existing military consumer protection laws by enhancing existing legal and financial protections for service members and their families by, among other things, prohibiting a person from conditioning the receipt of a military discount on the waiver of any right of the recipient under state or federal law and voiding any such waiver.

Status: Successful.

Notes: SB 1311 would, among other things:

- Establish the right to appear remotely, or through another military member, in small claims cases seeking the return of an improperly withheld security deposit;
- Make it illegal for a business to access the sensitive personal information stored on chip-based military ID cards (called Common Access Cards or CACs), or from using those cards to access sensitive military pay and personnel websites;
- Clarify existing law, which allows members of the Guard and Reserve to defer payments on mortgages and other obligations during a deployment, to ensure that interest is not accrued on a deferred mortgage obligation during the period of deferment;
- Prohibit businesses from offering military discounts that are conditioned on the service member or veteran waiving their rights under federal or state law;
- Amend state law regarding security interests to prevent businesses from taking advantage of a loophole and denying service members the full protections of the federal Military Lending Act;
- Impose enhanced civil penalties for violations of the Unfair Competition Law (UCL) perpetrated against service members and veterans;
- Enhance the ability of service members to terminate auto leases when they are reassigned or deployed; and
- Provide enlisted service members at the rank of E-5 (an Army, Marine Corps, or Space Force Sergeant, an Air Force Staff Sergeant, or a Navy or Coast Guard Petty Officer Second Class), or below, who are all too often the targets of predatory auto sales practices, with an automatic 30-day

cooling off period for auto purchases and leases to allow them to return the purchased or leased vehicle.

Military consumer protection: <https://oag.ca.gov/consumers/general/military>

SB1395 California Defense Community Infrastructure Program

Bill Summary: SB1395 would require the Governor's Office of Planning and Research (OPR), with input and assistance from the Governor's Military Council (GMC), to develop and implement the California Defense Community Infrastructure Program (CDCIP) to provide grants to local agencies for matching funds and other costs related to community improvements supportive of a military institution, as specified. The bill would appropriate \$50 million from the General Fund for the grant program.

Status: Not successful.

SB1411 Personal Income Taxes: Exclusion: Uniformed Services: Retirement Pay

Summary: This bill would provide an income exclusion for retirement pay received by members of the uniformed services.

Status: Unsuccessful.

4. Military Housing

California ranks as the second highest cost state (or third, including District of Columbia) for housing, based on Zillow Typical Home Value statistics for July 2022. California at \$816K is lower than Hawaii (\$1039K) and District of Columbia (\$826K) but that's little consolation compared, for example with Missouri at \$231K. Although arguments can be made about the exact numbers, the ranking is usually consistent.

The median sale price continues a steady increase illustrated by the 2000 number (\$165K), 2010 number (\$223K), the 2020 number (\$329K) and the 2022 number \$429K). Thus, housing cost is increasing year by year and California is poorly positioned for affordable housing cost.

The trend in construction costs is not encouraging as affordable housing developers face challenges in both material supply and labor costs.

Our military members face Basic Allowance for Housing shortfalls and competition for available housing, with strong competition for available housing adding stress for military members.

The slow pace of permitting, construction combined with zoning restrictions in California are well known, with a variety of solutions underway. Emerging changes in housings, such as the proliferation of short term rentals, subtract housing from the monthly rental market. California military bases can have hundreds to thousands of short term rentals within easy commuting range, taking housing off the market and no doubt increasing rental costs as properties move out of the monthly rental market.

Discussion of rent control can increase rent as owners position properties should rent control limit future increases.

Zoning changes to enable housing production, funding streams for affordable development and short-term-rental regulation can have strong, vocal and effective opposition.

Adding to the overall housing conundrum are increases in utility and transportation costs.

It's easy to conclude that there isn't one solution, no "all it takes is a signature, a stroke of the pen" solution but many moving parts at the federal, state and local level, all not necessarily aligned to the same goals.

Increases in BAH and more timely calculations are planned by the Department of Defense. The rest is up to local, county, regional and state policies and programs in order to keep California competitive for business.

A variety of solutions are proposed, all with proponents and opponents. For example, proposed bills would fast track housing development in strip malls and commercial real estate. Some cities oppose due to loss of local control (and water usage is more intense in housing than commercial usage). Another idea is to convert excess school lands to teacher housing and even that has opposition. Ultimately solutions may take a form not anticipated in the current discussions.

5. California Defense Community Infrastructure Program Legislation

During the past legislative session, Senate Bill 1395 introduced by Senators Bates and Melendez. Coauthors: Senators Dahle, Grove, Jones, Nielsen, Ochoa Bogh, and Wilk and Coauthor Assembly Member Smith was proposed to complement the federal Defense Community Infrastructure Pilot Program. The bill was not successful and CDCA supports a revised bill for the coming legislative year.

Existing law establishes within state government the Office of Planning and Research as the comprehensive state planning agency for long-range planning and research. Existing law, until January 1, 2026, establishes within state government a Governor's Military Council that serves under the direction of the Military Department to advise the Governor on efforts to retain military installations and operations within this state that are necessary for the defense of the nation, and to coordinate and focus those efforts.

The proposed action is to establish the California Defense Community Infrastructure Program, which would require the Office of Planning and Research, with input and assistance from the Governor's Military Council, to grant funds to local agencies to assist with matching fund requirements in applications for funds from the federal Defense Community Infrastructure Program.

6. Military Retiree Pay Tax Exemption Legislation

CDCA supports legislation to exclude from gross income retirement pay received by a taxpayer from the federal government for service performed in the uniformed services, as defined, during the taxable year.

California is currently the only state in the country, that does not provide some form of exemption for military retirement pay from state income taxes.

When military retirees relocate to other states (upon reaching retirement age, average 42 years old) they take federal funds from the Veterans Administration, Social Security, Medicare and Tri-Care to those other states, resulting in loss of those federal funds and service reductions from those agencies in California. An example, fewer number of military retirees receiving treatment at a California VA Hospital results in personnel being reassigned to VA Hospitals with increase in patients seeking treatment.

Military retirees provide valuable "work force development" to the state they choose to retire in. Military retirees who served as Physicians, Nurses, Aero Space Engineers, Nuclear Propulsion Engineers, First Responders, Vocational Trades and others leave military service and bring those skills to the state's work force.

The San Diego Military Advisory Council engaged the Fermanian Business and Economic Institute to conduct an analysis considering a full exemption of military retirement pay in California. The study showed a gain of \$518 million to state and local tax revenues, which would continue to grow each year by retaining military retirees in California.

7. Federal Defense Community Infrastructure Pilot Program

DCIP is a competitive grant program that addresses deficiencies in community infrastructure that supports military installations in order to enhance military value, installation resilience and military family quality of life.

The Defense Community Infrastructure Pilot (DCIP) Program is designed to address deficiencies in community infrastructure, supportive of a military installation, in order to enhance military value, installation resilience, and military family quality of life.

DCIP is authorized under Public Law 115-232 Section 2861. The program authorizes the Secretary of Defense to make grants, conclude cooperative agreements, and supplement funds available under other Federal programs in support of the program.

Entities eligible to receive a DCIP grant include States and local governments.

Eligible community infrastructure projects are any complete and useable transportation project; community support facilities (e.g., school, hospital, police, fire, emergency response, or other community support facility); and utility infrastructure projects [e.g., water, waste-water, telecommunications, electric, gas, or other utility infrastructure (with necessary cyber safeguards)] that:

- are located off of a military installation;
- support a military installation;
- are owned by a state or local government or a not-for-profit, member-owned utility service;
- that will enhance military value, military installation resilience and/or military family quality of life at the supported military installation (definitions of these enhancements are provided in Section E., paragraph 1. of the Notice of Funding Opportunity);
- that are endorsed by the local installation commander representing the installation benefitting from the proposed project;
- are where ground-disturbing work has not yet commenced; and,
- are construction-ready.

For FY2022, no awards were made to any California applicant. In FY2021, three awards were made to California applicants.

8. Spotlight on a CDCA member: Beale Military Liaison Council

Founded in 1985, BMLC (Beale Military Liaison Council) is a non-profit 501(c)3 organization that raises funds and awareness for programs that support Beale AFB and make a difference in the lives of the men, women and their families stationed there.

BMLC maintains ongoing dialogue with Air Force leaders, elected officials and relevant community organizations to ensure Beale, the center for High Altitude Intelligence, Surveillance and Reconnaissance, or HAISR, remains viable and top of mind.

We support Beale AFB, improving quality of life for airmen and their families by advocating, educating and partnering. We advocate to protect the viability of Beale AFB and ensure its future for our community and our nation.

Advocacy *for* Beale

Many objectives are achieved through our advocacy initiatives that emphasize the critical importance of Beale's missions to our national security and its economic impact to our region.

Through frequent meetings and communication with elected officials, in California and Washington DC, and in conjunction with Air Force leadership at Beale, Air Combat Command and the Pentagon, BMLC advocates to grow and improve Beale AFB.

- Advocate to keep Beale open
- Advocate for new missions and add-on missions
- Advocate for Beale Improvements.

Education *about* Beale

Special events are mission critical as they raise money and awareness not only to the needs of Beale's Airmen and their families but of the regional economic impact Beale AFB provides.

- Annual Patriotic Golf Tournament
- Distinguished Military Leader Visits
- Speakers Series featuring Elected Officials and Military Dignitaries.

Partnering *for* Beale

The BLMC mission includes an unwavering commitment to enhance the quality of life for Beale Airmen and their families by improving their facilities, their welfare and morale and ultimately, their experience at Beale AFB and within our communities. Some objectives are directly accomplished through fundraising efforts and the generous support of the communities surrounding Beale.

9. CDCA Executive Board

In compliance with the CDCA Bylaws, the Board of Directors held an election of officers for the 2021/2022 fiscal year (July 1 to June 30).

Board membership is comprised of one representative from each of the Community Support Organizations and Local Government Support Organizations.

The officers of the corporation and board are the Co-Chairs, the Treasurer, and the Secretary. Due to the nature of the organization and corporation and the possible movement of people in leadership and within the membership groups, the Board of Directors has two co-chairpersons of equal status and responsibility for the purpose of continuity in the management of the corporation.

The Executive Board members are the two Co-Chairpersons, Treasurer, Secretary, and two members appointed by the Board.

The Co-Chairs are Mark Balmert of SDMAC and David Janiec of the China Lake Alliance. Treasurer is Sandy Person of Travis Community Consortium. Secretary is Gene Fisher of Regional Defense Partnership. Member at Large is Hans Uslar of Monterey Bay Defense Alliance. One Member at Large position is open.

10. CDCA Points of Contact

Feel free to contact the co-chairs, Mark Balmert (executivedirector@sdmac.org) or David Janiec (david.janiec@chinalakealliance.org). The web site is www.cadefensecommunitiesalliance.org. Twitter: @CaDefenseComm. (Take a look at these for the latest CDCA news.)

Mailing address is 1017 “L” Street #398, Sacramento, CA 95814.

11. Tools and Resources

For additional resources and tools to support military community interests discussed in this newsletter, see:

Office of Local Defense Community Cooperation
<https://oldcc.gov>

Defense Community Infrastructure Program
<https://oldcc.gov/defense-community-infrastructure-program-dcip#blocktitle>

Military Consumer Protection
<https://oag.ca.gov/consumers/general/military>

California Legislation Information
<http://www.leginfo.ca.gov/>

Membership

For membership, see the CDCA web site www.cadefensecommunitiesalliance.org or contact any Executive Board member.

About CDCA

More than a dozen nonprofit organizations formed the California Defense Communities Alliance (CDCA) with the shared mission of supporting Department of Defense presence in communities throughout California while advocating on behalf of active duty and veterans in their communities. Organizations work together under the CDCA umbrella to advance collaboration and communication among the military, elected officials, and other community leaders to enhance an understanding of the many contributions Defense organizations make to California.

CDCA mission is to support, promote, and represent the interests of our Defense Organizations throughout California while advocating on behalf of those that serve or have served in these organizations. CDCA will advance the collaboration and communication between the military, our elected and appointed officials, and our communities while working to enhance the recognition of the many contributions Defense Organizations make to California and our Nation