

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original  
POSITION: Oppose  
SPONSOR: Author

BILL NUMBER: AB 2828  
AUTHOR: M. Salas

**BILL SUMMARY: Veterans Substance Abuse and Mental Health Service Fund**

This bill would require the California Department of Veterans Affairs (CDVA) to apply to the Substance Abuse and Mental Health Services Administration (SAMHSA) for federal grants to fund community-based organizations that provide substance abuse and mental health services to veterans, as specified. This bill would also create a new special fund, the Veterans' Substance Abuse and Mental Health Services Fund for deposit of any SAMHSA grant funds, continuously appropriated to the CDVA without regard to fiscal year.

**FISCAL SUMMARY**

The CDVA has indicated that this bill would cost the department approximately \$10,000 to prepare a SAMHSA grant. This would be an additional cost to the General Fund if the grant was unsuccessful. If the grant was successful, SAMHSA funds would be allowed to cover reasonable administrative expenses, which would cover the costs of preparing the grant.

The cost of developing and implementing a certification process for community-based organizations is unknown. Additionally, the cost of establishing criteria to determine eligibility for continued funding is unknown. Should the SAMHSA grant restrict administrative costs, there may be insufficient administration funds to implement the program or would create pressure to provide General Fund for this purpose.

This bill would create a new special fund, the Veterans' Substance Abuse and Mental Health Services Fund for deposit of any SAMHSA grant funds, continuously appropriated to the CDVA without regard to fiscal year.

**COMMENTS**

The Department of Finance would be opposed to this bill because it may increase General Fund costs and would unnecessarily create a new, continuously appropriated special fund. The new special fund is unnecessary because the CDVA could use the existing Federal Trust Fund for deposit of any SAMHSA grant funds, which would be subject to review and approval through the annual budget process.

Existing law establishes criteria for Federal Veterans Administration (VA) service eligibility. Eligibility is based on discharge status, length of active duty (generally 24 months of continuous active service), financial need, and whether a veteran has a service connected disability. VA medical care is then prioritized.

A veteran has two years from the time of his/her separation to qualify for VA services. At the end of the Vietnam War, Post Traumatic Stress Disorder (PTSD) was not recognized as a service connected disability. It was not diagnosed in large numbers until the 1980s, by which time the two-year window to enter the VA system had passed for most Vietnam War veterans. This resulted in many veterans being untreated by local mental health officials who considered them a federal responsibility. It also left the veterans untreated

(Continued)

**COMMENTS** (continued)

by the VA because they had not entered the system within two years from separation of service. In the near future, veterans from Iraq and Afghanistan may add to the number of veterans dealing with PTSD.

This bill would require the CDVA to apply to the SAMHSA for federal grants to fund community-based organizations that provide substance abuse and mental health services to veterans.

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Analyst/Principal (0221) R. Baker	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
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**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**  
**AUTHOR** **AMENDMENT DATE**

**Form DF-43**  
**BILL NUMBER**

M. Salas

Original

AB 2828

This bill would also create a new special fund, the Veterans' Substance Abuse and Mental Health Services Fund for deposit of any SAMHSA grant funds, continuously appropriated to the CDVA without regard to fiscal year. The CDVA shall determine how to allocate and disburse these funds, which shall only be used for the purpose of providing substance abuse and mental health services to veterans, including but not limited to, the treatment of PTSD.

The CDVA would also be required to develop a certification process for community-based organizations that may receive funding. Only community-based organizations certified by the CDVA would be eligible for funding and those that receive funding would be required to submit an annual report to the CDVA to determine if funding should be renewed.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)									Fund Code
	SO	PROP			2008-2009			2009-2010		
	LA	98	FC	FC	FC	FC	FC	FC		
8955/Vets Affairs	SO	No	C	\$10	C	\$10	C	\$10		0001
8955/Vets Affairs	SO	No		----- See Fiscal Summary -----						0499
<u>Fund Code</u>	<u>Title</u>									
0001	General Fund									
0499	Pending New Special Funds									