

# HOUSE BILL REPORT

## HB 2754

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**As Reported by House Committee On:**  
State Government Operations & Accountability  
Appropriations

**Title:** An act relating to creation of the veterans innovations program.

**Brief Description:** Creating the veterans innovations program.

**Sponsors:** Representatives Morrell, Campbell, Green, Haigh, Appleton, Kilmer, Darneille, Cox, Ormsby, Haler, Chase, P. Sullivan, McCoy, Wallace, Sells, Serben, Curtis, Moeller, Blake, Cody, Kenney, Conway, Ericks, Clibborn, Kessler, Simpson and Linville.

**Brief History:**

**Committee Activity:**

State Government Operations & Accountability: 1/18/06, 1/27/06 [DPS];  
Appropriations: 2/2/06, 2/4/06 [DP2S(w/o sub SGOA)].

**Brief Summary of Second Substitute Bill**

- Creates the Veterans Innovations Program (VIP) for the purpose of providing veterans who served in recent military action with crisis and emergency relief, as well as education, training, and employment assistance.
- Creates the Veterans Innovations Program Account (Account) in the state treasury.
- Creates two separate programs within the VIP: the Defenders' Fund Program and the Competitive Grant Program.
- Terminates the VIP on June 30, 2016.

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**HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY**

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass.  
Signed by 9 members: Representatives Haigh, Chair; Green, Vice Chair; Nixon, Ranking Minority Member; Clements, Assistant Ranking Minority Member; Hunt, McDermott, Miloscia, Schindler and Sump.

**Staff:** Kathryn Leathers (786-7114).

**Background:**

The Department of Veterans Affairs provides a variety of services to veterans, including assistance with finding employment, submitting entitlement claims, managing long-term health care, obtaining counseling for post-traumatic stress syndrome, and addressing a variety of other needs specific to veterans.

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**Summary of Substitute Bill:**

The Veterans Innovations Program (VIP) is created within the Department of Veterans Affairs (Department). The purpose of the VIP is to provide assistance, in addition to that offered by the Department, to those veterans who have returned to their families and communities after serving in recent military action.

Two separate programs are created within the VIP: the Defenders' Fund Program and the Competitive Grant Program. The Defenders' Fund Program is administered by the Department, and allows members of the National Guard and reservists who served in Operation Enduring Freedom, Operation Iraqi Freedom, or Operation Noble Eagle, to receive a one-time financial hardship grant of no more than \$500 related to employment, education, housing and health care.

The Competitive Grant Program is created to fund innovative initiatives to provide crisis and emergency relief, education, training, and employment assistance to veterans and their families in their communities. A seven-member board (Board) is created to administer the Competitive Grant Program. The members are appointed by the Governor, must have recognized experience in serving veterans and their families in the areas targeted by the Competitive Grant Program, and may not participate in any Board decision that would create a direct or indirect conflict of interest for that Board member.

The Board must establish a competitive process to solicit proposals for project applications, and it must also establish a peer review committee to provide an independent review of all proposals submitted that are determined to be competitive. The Board may receive gifts, grants, or endowments from public or private sources.

The Veterans Innovations Program Account (Account) is created in the state treasury, and an appropriation of \$10 million is made from the General Fund to the Account for the fiscal year ending June 30, 2006. All interest that accrues to the appropriation will accrue to the Account instead of the General Fund. For the fiscal biennium ending June 30, 2007, \$6 of the \$10 million is appropriated from the Account to the Department solely for the purposes of the VIP. Of the \$6 million appropriated to the Department, \$2 million is provided solely for the Defenders Fund Program and \$4 million is provided solely for the Competitive Grant Program.

The VIP is terminated on June 30, 2016.

**Substitute Bill Compared to Original Bill:**

The VIP, created within the Department of Veterans Affairs (Department), is comprised of two separate programs: the Defenders' Fund Program and the Competitive Grant Program. The Defenders' Fund Program is administered by the Department, and allows members of the national guard and reservists who served in Operation Enduring Freedom, Operation Iraqi Freedom, or Operation Noble Eagle, to receive a one-time financial hardship grant of no more than \$500 related to employment, education, housing and health care.

The VIP Account (Account) is created in the state treasury, and an appropriation of \$10 million is made from the General Fund to the Account for the fiscal year ending June 30, 2006. All interest that accrues to the appropriation will accrue to the Account instead of the General Fund. For the fiscal biennium ending June 30, 2007, \$6 of the \$10 million is appropriated from the Account to the Department solely for the purposes of the VIP. Of the \$6 million appropriated to the Department, \$2 million is provided solely for the Defenders Fund Program and \$4 million is provided solely for the Competitive Grant Program.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed, except section 10 which reinstates prior law related to the deposit of surplus balance investment earnings in the State Treasury Income Account after a scheduled expiration, and takes effect July 1, 2006.

**Testimony For:** Approximately 11,456 Washington citizen-soldiers have participated in the Gulf War on terror, leaving behind families. To date, about one-fifth of them have received services from the Washington Department of Veterans Affairs (VA), and many more have returned to their communities but they no longer have ties to the military or the VA. These soldiers were there to protect our security and safety, and this legislation is an opportunity for the community and the Legislature to give something back to them. The main purpose of the competitive grants is to give our communities the ability to identify and address the particular needs of that particular community.

Anything we can do to assist veterans and their families in their readjustment process is going to help keep them being taxpayers in the future. In previous conflicts like Vietnam, when veterans came home, there were not a lot of resources to help those veterans get back into the job market or to help their families cope with the stress of the soldier both leaving and returning home. This legislation will go a long way to provide a vehicle to help them readjust, and that will reduce the impact of post-traumatic stress disorder (PTSD) and other disabilities. Many World War II veterans who prudently saved their money have outlived their savings. These heroes are now in the position of having to apply for disability claims because they have no savings. If we can help younger veterans get into jobs and help their families, this will help to reduce the need to provide social services to those veterans and their families in the future.

Washington is one of only five states in the country that has a growing veteran population. According to the last census, there are over 670,000 veterans who live in Washington. While many of those veterans are an aging population, recent statistics show that 1,000 veterans return from active duty each month. Classes are now given to many veterans on reintegration, what to expect and how to prepare for it. However, an estimated 9,000 veterans have not been reached. Of the veterans that have been contacted, 12 were homeless; a significant portion requested assistance with finding readjustment counseling due to PTSD; 35 percent were unemployed; and many were experiencing severe financial issues. Despite the effort of a lot of good people, many veterans continue to fall through the cracks. Often, these young veterans do not come forward willingly to ask for help. It is estimated that for every young veteran reached, 10 more need help but have not asked for help. Faith-based and other non-profit organizations have stepped up to provide assistance, but the assistance is temporary and does not address the underlying problems.

Returning soldiers deserve all the help that we can give them. Stable employment is important, but this bill allows the flexibility to provide other related services. The locally-driven nature of the bill is smart because local resources can be leveraged. Returning soldiers are an exceptional resource for our economy.

**Testimony Against:** None.

**Persons Testifying:** Representative Morrell, prime sponsor; Gary "Frosty" Hulse, Veterans of Foreign Wars; Tom Riggs, Washington National Guard State Benefits Advisor; Tim Probst, Washington Workforce Association; and Larry Seaquist.

**Persons Signed In To Testify But Not Testifying:** None.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on State Government Operations & Accountability. Signed by 30 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Chandler, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Pearson, Priest, Schual-Berke, P. Sullivan, Talcott and Walsh.

**Staff:** Owen Rowe (786-7391).

### **Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On State Government Operations & Accountability:**

The \$10 million appropriations is removed. Limits the duties of the Veterans' Innovations Program Board to establishing a competitive process for funding projects that serve the purpose of the program. Requires a one-time report by the board to the Legislature on January

1, 2007, instead of annually. Removes the interest accrual provisions, thereby allowing any interest that accrues to the Veterans' Innovations Program Account to accrue to the General Fund.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Second Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** We have 11,456 Washington soldiers that have participated in Operation Enduring Freedom, Operation Iraqi Freedom, and Operation Noble Eagle. This bill came about through talks with Veterans' Affairs and veterans' groups, about the problems that our returning soldiers are facing. The Defenders' Fund would give grants to veterans of up to \$500.

**Testimony Against:** None.

**Persons Testifying:** Representative Morrell, prime sponsor.

**Persons Signed In To Testify But Not Testifying:** None.