

- SUBJECT:** Sunset revisions to administration of the Veterans' Land Board
- COMMITTEE:** Defense Affairs and State-Federal Relations — committee substitute recommended
- VOTE:** 6 ayes — Corte, Escobar, Garcia, Herrero, Hodge, Raymond
0 nays
3 absent — Noriega, Merritt, Moreno
- WITNESSES:** For — None
Against — None
On — Ken Levine and Chloe Lieberknecht, Sunset Advisory Commission; Paul E. Moore, Texas Veterans Land Board.
- BACKGROUND:** The Veterans' Land Board (VLB), created by a constitutional amendment in 1946, provides veterans with state benefits, such as below-market interest rate loans that can be used to purchase land or a house or fund home-improvement projects. The agency builds and operates veterans nursing homes and cemeteries and provides care and burial space to veterans, their spouses, and dependents.
- The Constitution mandates that the commissioner of the General Land Office (GLO) chair the VLB and that the governor appoint the other two members — one with experience in veterans' issues and the other with a financial background — to serve staggered four-year terms. The agency has 83 employees and receives no general revenue funds, administering its program through investment income, loan payment proceeds, and federal funds. It received about \$19 million in funding in fiscal 2005, and \$23 million in fiscal 2006.
- VLB is not subject to abolishment under the Sunset Act, but it undergoes Sunset review every 12 years.
- DIGEST:** CSHB 3140 would require VLB to coordinate certain outreach efforts with the Texas Veterans Commission (TVC). The agencies would create a joint

communications center to manage a shared contact database and develop a uniform web site and brochure detailing veterans benefits and services. The two agencies would be required to host joint benefits seminars and combine outreach efforts, as appropriate. They would enter into a memorandum of understanding governing these new duties.

Communications center. VLB would be required to operate the joint communications center for the VLB and TVC and supervise its employees. Employees from both agencies would work at the center and would receive training and compensation from their respective employers.

Communications center employees would have access to veterans contact databases in each agency and would be required to:

- answer the toll-free veterans hotline;
- maintain and improve the databases and create additional databases as needed;
- send direct mail to veterans, as appropriate; and
- send direct mail to newly discharged veterans to alert them of benefits seminars and services available to them.

Joint web site and brochure. VLB and TVC would be required to create a uniform web site and brochure to provide a comprehensive and centralized catalogue of all available veterans benefits and services. The Web site address would have to be easily identifiable and prominently displayed in the brochure. Both agencies would reserve the right to operate additional web sites or disseminate other information.

Benefits seminars. VLB and TVC would be required to jointly plan and host state-sponsored benefits seminars to provide veterans with uniform information on all available veterans benefits and services. The agencies also would have to coordinate their involvement in veterans seminars hosted by other organizations.

Memorandum of understanding. VLB would be required to enter into a memorandum of understanding with TVC to delineate powers and duties that both entities would have as they coordinated veterans benefits outreach activities. Once approved, the agencies would be required to periodically update the memorandum and explore additional coordination opportunities. The agencies would have to take into account any

constraints governing legal use of bond proceeds and federal money before entering into the agreement.

The memorandum would have to identify shared and separate roles of the two agencies, including powers and duties governing:

- reimbursement for coordinated activities;
- management, funding, and cross-training of collocated employees;
- administrative and operating expenses incurred through joint activities;
- development and dissemination of the joint brochure and web site;
- joint presentations at or sponsorship of veterans benefits seminars.

VLB would be required to review and approve, as appropriate, any internal audit plans. The agency also would be required to review and discuss findings of internal audit reports. The bill would authorize standard Sunset provisions governing board member training and removal, negotiated rulemaking and alternative dispute resolution policies, conflicts of interest, unbiased appointments, complaint documentation, and the use of technology.

The bill specifies that VLB would be reviewed in 2019 and every subsequent 12 years.

This bill would take effect September 1, 2007. Provisions applying to board members would apply only to those installed on or after that date. Provisions governing complaints would apply only to those filed on or after that date. The agencies would be required to enter into the memorandum of understanding by March 1, 2008.

**SUPPORTERS
SAY:**

CSHB 3140 would make the VLB even more effective and efficient by coordinating its efforts with TVC to better publicize available benefits and services to veterans. It also would ensure the agency was performing proper internal audits. The agency's core efforts in providing benefits to veterans and procurement and management of contracts are working very well, and VLB generally is well regarded in the veterans community.

Texas offers many veterans benefits and services, but many veterans are confused or unaware about what is available to them. The bill would reduce duplication of services currently performed by VLB and TVC and merge their roles to create one centralized and comprehensive source of

information. It would provide both agencies with the necessary staff and resources to perform such a task by requiring them jointly to establish a communication center. It would not require more funding and in fact would probably save money by creating efficiencies, which would enable the agencies to reach more veterans through this new service.

Although a review of the agency's internal audit procedures found no problems, CSHB 3140 would strengthen the impact of audit reports and plans by adding requirements for the VLB to undertake once presented with findings.

OPPONENTS
SAY:

The bill also would miss an important opportunity to expand and enhance outreach efforts and participation in VLB programs. The bill should be amended to allow active-duty soldiers intending to move to Texas who are not yet residents to qualify for the agency's land-loan program. Additionally, the agency should be afforded resources to serve the needs of veterans in areas that are hard to reach, such as *colonias*.

OTHER
OPPONENTS
SAY:

The communications center employees should be placed under the supervision and administration of VLB. The language in the bill governing the memorandum of understanding is too prescriptive and would be cumbersome for both agencies. Additionally, requirements governing a joint Web site should ensure a new Web site would not need to be created.

NOTES:

The committee substitute replaced the word "must" with "shall" in the provision governing alternative dispute resolution guidelines.

The companion bill, SB 916 by Shapleigh, is pending in the Senate Government Organization Committee.