

## **BILL ANALYSIS**

C.S.H.B. 3426

By: Flynn

Defense Affairs & State-Federal Relations  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Texas Veterans Commission (TVC) was created by the Legislature in 1927 as the Veterans State Service Office. This office was later renamed the Veterans Affairs Commission by the Legislature in 1947. The agency was renamed the Texas Veterans Commission effective September 1, 1985. The Veterans Employment Service was transferred from the Texas Workforce Commission to the TVC in 2005. The Texas Veterans Commission operates three major programs: Claims Representation and Counseling, the Veterans Employment Service and Veterans Education. Today, TVC administers these three main programs along with a training program for county service officers, who provide claims assistance on the local level, and a marketing program aimed at informing Texas veterans of the benefits and services available.

The Veterans Commission is subject to Sunset review and will be abolished on September 1, 2007 unless continued by the Legislature. The Sunset Commission found that the recent transfers of the veterans employment and education programs present significant challenges to TVC and its ability to fulfill these new responsibilities. Additionally, the Sunset Commission recommended that some guidance is needed to help focus TVC's efforts to meet the demands of today's returning veterans.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly delegated to the Texas Veterans Commission in C.S.H.B. 3426, in SECTION 10 and SECTION 13.

### **ANALYSIS**

CSHB 3426 continues the Texas Veterans Commission as an independent state agency until September 1, 2013. It includes language that applies the standard across the board recommendations regarding board member training, separation of functions, public input, complaint information, technology use and alternative dispute resolution. It updates and modifies the across the board recommendations regarding public membership and conflicts of interest. Clarifies that a Commission member may not serve on the Texas Veterans Commission if they or their spouse concurrently serve as an officer, manager, or paid consultant of a Texas trade association in the field of labor, workforce development, or career schools and colleges. It modifies standard Sunset language by adding language that excludes veterans service organizations and entities approved by the Veterans Commission from the types of organizations with which a Commission member may have financial ties. It updates the across the board recommendations regarding unbiased appointments and grounds for removal. The bill grants the Governor authority to designate the Veterans Commission's presiding officer.

CSHB 3426 requires TVC to adopt procedures for administering claims assistance services to Texas veterans to ensure completeness and basic eligibility of claims and establishes certain areas that the Commission must address when adopting these procedures. It requires TVC to consult with the United States Department of Veterans Affairs (VA) when developing these claims assistance procedures to ensure, among others, that disputes are resolved at the lowest level of the VA's benefit decision process, that TVC employees are not involved in adjudicating claims, and to establish broad areas of cooperation with the VA, including cooperating on expediting hardship cases and appeals, identifying opportunities for the VA to provide TVC with needed data to assist in tracking claims, and updating changes to a veterans' power of attorney designation.

It requires the Commission to develop a process for receiving input and recommendations from stakeholders during the development of rules and policies. The bill authorizes the Commission to establish an advisory committee as a way to gain stakeholder input. The committee would make recommendations to the Commission regarding future development of programs, rules, and policies affecting the delivery of services to veterans. If the Commission chooses to appoint an advisory committee, the bill requires the Commission to adopt rules in compliance with Government Code provisions regarding advisory committees.

CSHB 3426 clarifies that county service officers must complete training requirements established by the Commission instead of attending one training conference per year. The bill specifies that TVC develop and implement methods for training county service officers which could include Internet-based seminars,

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participation through videoconference, and training provided by the U.S. Department of Veterans Affairs, among others.

The bill requires the Commission to develop and adopt standard course materials, training curriculum, and exams for county service officer certification and United States Department of Veterans Affairs accreditation. The Commission must maintain and regularly update these training materials, and develop a training handbook, to include case studies and instruction, that addresses certain criteria.

CSHB 3426 requires the Commission by rule to create a system for coordinating with county service officers and county commissioners courts to develop a plan to create a statewide approach to claims assistance services and establishes areas that the plan must address.

CSHB 3426 requires the Commission to adopt all rules, policies, and procedures specified in this bill by March, 1, 2008. All changes made in the bill relating to prohibitions or qualifications applying to a member of the TVC do not affect members serving on the Commission before September 1, 2007. Changes relating to complaints filed with the Veterans Commission only relate to complaints filed on or after September 1, 2007. Finally, the bill requires the Commission to comply with and implement all nonstatutory Sunset Commission recommendations, and to report the implementation of these provisions to the Sunset Commission no later than November 1, 2008.

### **EFFECTIVE DATE**

September 1, 2007

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

CSHB 3426 modifies the original bill by extending the Veterans Commission's Sunset date an additional two years to 2013. It modifies standard Sunset language by adding language that excludes veterans service organizations and entities approved by the Veterans Commission from the types of organizations that a Commission member may have financial ties to. It removes language specifying that a Commission member may not serve on the Commission if they use or receive a substantial amount of tangible goods, services or money from the Veterans Commission.

CSHB 3426 deletes language in the original version of the bill that prohibited Commission members from serving on the Commission if they or their spouse concurrently serve as an officer, employee, or paid consultant of a Texas or national veterans service organization. The substitute adds a subsection to clarify that a Commission member may not serve on the Texas Veterans Commission if they or their spouse concurrently serve as an officer, manager, or paid consultant of a Texas trade association in the field of labor, workforce development, or career schools and colleges.

The substitute removes all language relating to the Veterans Commission and the Veterans' Land Board developing a coordinated approach to communications efforts, including requiring the Veterans' Land Board to operate one communications center on behalf of both the both agencies; requiring the agencies to cooperatively create one website and one comprehensive brochure that provides information about all available veterans' benefits and services; and requiring the agencies to jointly plan and present state-sponsored veterans benefits seminars and to coordinate any planning involvement with other veterans organizations holding benefits seminars. The substitute also deletes provisions that list specific areas of coordination that the Commission and the Veterans' Land Board must address, including: operation of the joint communications center; combining direct mail efforts; sharing veterans contact databases; and dissemination of information through a joint website and joint brochure. CSHB 3426 also removes the requirement that TVC and the Veterans' Land Board modify their existing Memorandum of Understanding (MOU), by March 1, 2008, to specify the guidelines, powers, and duties necessary to coordinate veterans' benefit awareness activities.

In the section that requires the Commission to conform its alternative dispute resolution procedures to model guidelines used by the State Office of Administrative Hearings, CSHB 3426 modifies the original bill by replacing the word "must" with "shall". The substitute removes the requirement that procedures for administering claims assistance services, and for receiving input and recommendations from interested persons regarding the development of rules and policies, be adopted by rule. The substitute requires the Commission to approve the procedures, but does not require this approval to be done in rule.

CSHB 3426 removes the instructional provision establishing specific areas of consideration and evaluation for the 2011 Sunset review, including an evaluation of the agency's ability to integrate its new programs into its overall mission and the ability of the Veterans Employment Services program to work within the workforce system.