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## Reeb Government Relations Veterans Legislative Report

**Legislative Report – June 11, 2025**

*Prepared by Seth Reeb, Legislative Advocate*

As we reach the midpoint of the 2025–26 legislative session, California's veterans face a crossroads defined by intense budget constraints, limited expansion of veterans' programs, and an uncertain federal policy environment. This year began with a projected \$28.4 billion state budget deficit, a number that has since been adjusted downward to \$12 billion due to updated revenue estimates and unanticipated tax inflows. However, the Governor's May Revision reveals that the path forward remains complex for veterans' programs, which continue to be shielded from direct cuts but remain vulnerable to stagnation.

California's fiscal challenges are rooted in a "growth recession" outlook, driven by new federal tariffs and a significant slowdown in economic growth. The state's General Fund revenues have been downgraded by over \$11 billion, with personal income and corporate tax receipts falling and Medi-Cal expenditures rising sharply due to higher enrollment and costs. To close the gap, the state is enacting \$5 billion in reductions, \$5.3 billion in borrowing and fund shifts, and \$1.7 billion in fund transfers, while drawing \$7.1 billion from the rainy day fund, leaving \$15.7 billion in total reserves. These decisions have direct consequences for veterans, as every department is asked to do more with less.

Within this environment, the California Department of Veterans Affairs (CalVet) has managed to maintain its core programs, but not without sacrifice. The total CalVet budget for 2025-26 stands at \$551 million, with \$372 million from the General Fund. The eight state veterans homes, which serve over 2,200 residents, account for about \$350 million of this total. While the state has reappropriated \$38.7 million for the Yountville Veterans Home steam system renovation—a critical project for the oldest and largest home in the system, it has also withdrawn \$819,000 in ongoing funds for deferred maintenance across all homes, compounding a \$43.3 million backlog. Administrative staffing has been trimmed, with two positions and \$285,000 withdrawn from CalVet's Administrative Services Division. The California Military Department, with a \$1.1 billion budget (\$356 million General Fund), also lost \$4.8 million for deferred maintenance at three armories, Azusa, Sacramento-Okinawa, and Fresno-Hammer Field, where failing HVAC systems have already created unsafe conditions and code violations.

Despite these constraints, the state's General Fund commitment to CalVet and the Military Department still exceeds \$700 million annually. This substantial investment is one reason why new benefit expansions, such as the military retirement and Survivor Benefit Plan (SBP) tax exemption proposed in AB 53, face resistance. That measure, which would exempt up to \$20,000 of military retirement and SBP income from state taxes for qualifying veterans and survivors, carries a projected annual cost of \$110–130 million in lost revenue. In a deficit year, this is a major barrier to passage, even as advocates continue to press for relief.

Federal policy changes have compounded the uncertainty. The U.S. Department of Veterans Affairs has already dismissed more than 2,400 employees and is expected to eliminate as many as 80,000 positions, about 17% of its workforce, by the end of 2025. While VA leaders say more than 300,000 "mission-critical" roles, such as crisis

line operators and claims processors, will be protected, the scale of the cuts has already disrupted care delivery. Some crisis line workers, who handled over a million calls last year, have been among those terminated. California, with its large and diverse veteran population, is expected to feel these cuts more acutely than any other state. In May, the California Assembly held a hearing to examine the projected effects of these federal reductions, with testimony from state and local veterans service providers, CalVet officials, and advocacy groups. Lawmakers explored contingency responses such as expanding Medi-Cal eligibility for veterans and training more state-accredited VA claims navigators, but no funding has yet been allocated for these efforts.

Meanwhile, the proliferation of “claim sharks”, unaccredited, for-profit businesses charging veterans for benefits assistance, has prompted a joint Senate and Assembly hearing. Legislators reviewed evidence of increased financial exploitation and discussed new consumer protection measures, including stricter licensing, new enforcement authority for CalVet, and enhanced penalties for unaccredited actors. These efforts are especially urgent as federal VA staff reductions are expected to drive more veterans toward risky, unaccredited claims services. Veterans are strongly encouraged to use only VA-accredited representatives or county veterans service officers for claims assistance.

On the legislative front, several bills advancing in 2025 could have a direct impact on veterans’ lives. AB 53 (Ramos) would provide tax relief for military retirement and SBP income. AB 264 (Carrillo) would eliminate barriers to state educational benefits for veterans’ dependents. AB 587 (Davies) would ensure veteran representation on the Student Aid Commission, and AB 1346 (DeMaio) would protect residency status for military dependents. SB 296 (Archuleta) would expand the property tax exemption for 100% disabled veterans, and SB 56 (Seyarto) would exclude disability payments from property tax income calculations. SB 54 (Umberg) would make it easier for veterans to qualify for court fee waivers. Several important measures, such as SB 519 (Archuleta) aims to address the outmigration of veterans from California by creating a task force to study and recommend solutions, AB 556 (Patterson) for campus fee waivers, AB 826 (Gonzalez) to regulate unaccredited benefit assistance providers, and SB 60 (Seyarto) to expand GI Bill eligibility, have become two-year bills, requiring continued advocacy into 2026.

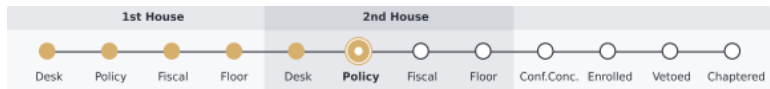
Emerging risks and blind spots are multiplying. California’s unsheltered veteran homelessness rate stands at 71%, far above the national average, and federal cuts threaten over \$200 million in VA homeless assistance. Childcare for military families is at risk as both federal Head Start cuts and state-level reductions in cost-of-living adjustments and emergency bridge funding take effect. Medi-Cal changes, such as asset test reinstatement, new premiums, and the elimination of dental and long-term care benefits for certain populations, could disqualify some veterans from coverage. The state’s loss of 15,000 veterans since 2020, driven by housing costs, tax burden, and spouse employment barriers, is being addressed by SB 519, but the underlying economic pressures remain.

Infrastructure and facilities remain a mixed picture. The \$38.7 million Yountville steam system renovation is moving forward, but deferred maintenance funding has been withdrawn for both veterans homes and key military armories, risking further code violations and unsafe conditions. The state’s investment in veterans, veterans homes, and the Military Department totals over \$1.6 billion (all funds) in 2025-26, with a General Fund commitment exceeding \$700 million. In this context, the projected \$110–130 million annual cost of the military retirement and SBP tax exemption is likely a significant reason why the administration has not advanced our proposed amendments this year.

The convergence of federal VA workforce reductions, state budget constraints, and the proliferation of unaccredited claims assistance providers poses a significant risk to California veterans’ access to care and benefits. The Legislature’s recent hearings signal a growing awareness of these challenges, but meaningful solutions will require both new resources and sustained advocacy. Veterans and their advocates should continue to press lawmakers for dedicated funding to support state-level contingency plans, protect housing and health programs, and ensure robust enforcement against unaccredited claims assistance providers. With the June budget deadline looming, the choices made in the coming weeks will shape the future of California’s veterans for years to come. For further information or to schedule a policy briefing, contact Seth Reeb at [sethr@water-warrior.com](mailto:sethr@water-warrior.com)

Personal income taxes: exclusion: Military Services Retirement and Surviving Spouse Benefit Payment Act.

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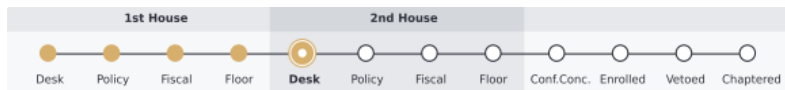
Bill information

**Summary:** This bill would let military retirees and surviving spouses exclude up to \$20,000 a year from their state taxable income between 2025 and 2030. It applies to retirement pay and annuities from the federal government, like the Department of Defense Survivor Benefit Plan.

**Location:** 05/29/2025 - Senate RLS.

Veterans: mental health.

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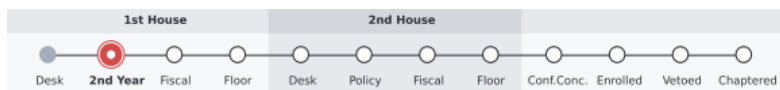
Bill information

**Summary:** This bill requires the California Department of Veterans Affairs to fund a study on the mental health of women veterans in the state. The findings and recommendations must be reported to the Legislature by June 30, 2029. The program ends on January 1, 2030.

**Location:** 06/04/2025 - Senate DESK

The California Elder Financial Abuse Prevention Act.

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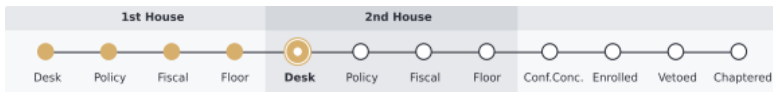
Bill information

**Summary:** This bill allows banks and credit unions to delay or block transactions if they believe an older or dependent adult is being financially abused. They can also notify a trusted third party and won't be penalized under state privacy laws for doing so.

**Location:** 05/01/2025 - Assembly 2 YEAR

Student financial aid: Cal Grants: Middle Class Scholarship Program: eligibility: dependents of members of the armed services stationed outside of California.

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Bill information

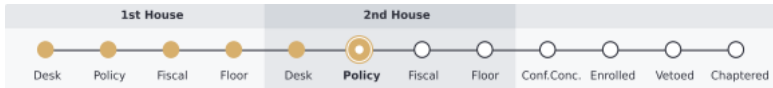
**Summary:** This bill would allow military dependents and spouses to qualify for Cal Grants and Middle Class Scholarships even if they didn’t live in California when they finished high school, as long as their military parent or spouse is stationed outside California and still claims California as their legal home.

**Location:** 06/04/2025 - Senate DESK

[AB 264](#) [Carrillo \(D\)](#) [HTML](#) [PDF](#)

**Veterans: benefits.**

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Bill information

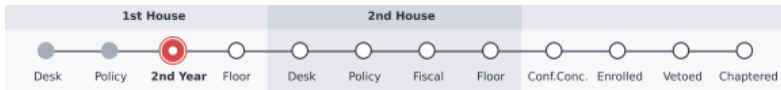
**Summary:** This bill would allow dependents of disabled or deceased veterans to receive state education benefits even if they’re also getting similar federal benefits.

**Location:** 05/29/2025 - Senate RLS.

[AB 556](#) [Patterson \(R\)](#) [HTML](#) [PDF](#)

**Public postsecondary education: waiver of campus-based fees: veterans.**

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Bill information

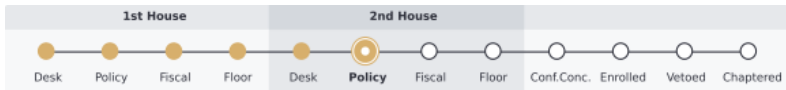
**Summary:** This bill would expand existing tuition waivers for certain veterans' dependents and Medal of Honor recipients to also cover mandatory campus-specific fees at public colleges and universities. It would apply to University of California campuses only if the UC Regents approve it.

**Location:** 05/23/2025 - Assembly 2 YEAR

[AB 571](#) [Quirk-Silva \(D\)](#) [HTML](#) [PDF](#)

**California Environmental Quality Act: exemption: Gypsum Canyon Veterans Cemetery.**

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Bill information

**Summary:** This bill would exempt all construction and approval steps for the Gypsum Canyon Veterans Cemetery in Orange County from environmental review under CEQA. The exemption would last until January 1, 2030.

**Location:** 05/28/2025 - Senate E.Q.

Student Aid Commission: membership.

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Bill information

Summary:

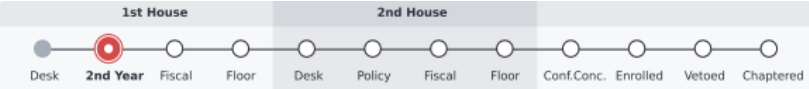
This bill would ensure that one seat on the Student Aid Commission is filled by a U.S. military veteran representing the veteran community, starting when the next public member’s term ends.

Location:

06/04/2025 - Senate ED.

False or misleading commercial disaster communication.

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Bill information

Summary:

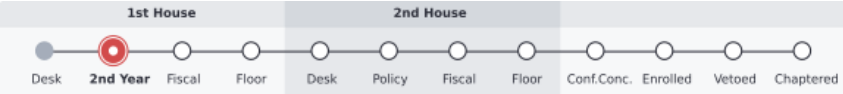
This bill would let courts raise the fine by up to \$2,500 for false or misleading insurance ads related to disasters, on top of existing penalties.

Location:

05/01/2025 - Assembly 2 YEAR

Veterans’ benefits: protections.

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Bill information

Summary:

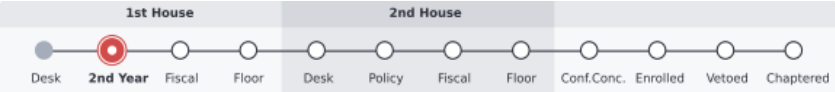
This bill would make it illegal to charge veterans for help filing benefit claims unless the person or business is VA-accredited. Violators would face a \$2,000 fine, split between the Veterans Service Office Fund and the local district attorney’s office.

Location:

05/01/2025 - Assembly 2 YEAR

Veterans’ preferences: eligible spouses.

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Bill information

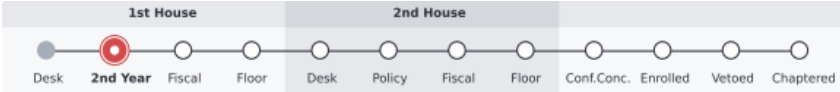
**Summary:** This bill would extend civil service hiring preference to active duty service members, allowing them to be ranked at the top of the eligibility list if they pass a state job entrance exam—just like veterans and certain spouses already are.

**Location:** 05/01/2025 - Assembly 2 YEAR

[AB 909](#) [Schiavo \(D\)](#) [HTML](#) [PDF](#)

**Financial abuse of an elder or dependent adult: fraudulent transactions: liability.**

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**Bill information**

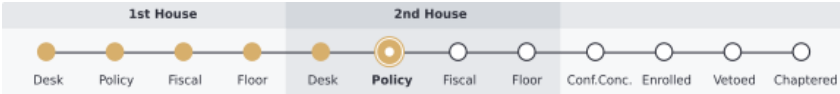
**Summary:** This bill clarifies that existing legal protections, such as those against fraud, coercion, or mistakes, continue to apply to electronic fund transfers, even when security procedures are in place under the Uniform Commercial Code.

**Location:** 05/01/2025 - Assembly 2 YEAR

[AB 1346](#) [DeMaio \(R\)](#) [HTML](#) [PDF](#)

**Public postsecondary education: residency: dependents of members of the Armed Forces: reenrollments.**

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**Bill information**

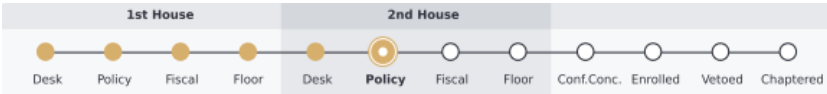
**Summary:** This bill would allow dependents of military members to keep their California residency status for in-state tuition when they return to college after a break, even if their parent or spouse has been transferred out of state or retired from active duty.

**Location:** 06/04/2025 - Senate ED.

[AB 1412](#) [Gonzalez, Jeff \(R\)](#) [HTML](#) [PDF](#)

**Special education: pupil transfers: residency requirements: records.**

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**Bill information**

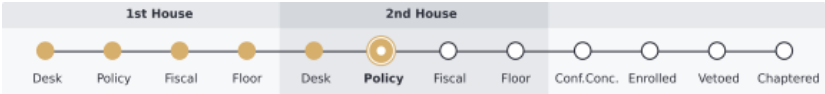
**Summary:** This bill would require schools to act within 30 days of receiving a special education student’s records, either by continuing the student’s existing education plan or creating a new one that follows federal and state laws.

**Location:** 06/04/2025 - Senate ED.

[AB 1508](#) [Committee on Military and Veterans Affairs \(\)](#) [HTML](#) [PDF](#)

Governor’s Military Council.

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Bill information

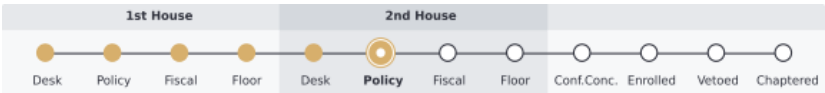
**Summary:** This bill would keep the Governor’s Military Council in place until January 1, 2031, allowing it to continue advising on how to retain military bases and operations in California.

**Location:** 06/04/2025 - Senate RLS.

[AB 1509](#) [Committee on Military and Veterans Affairs \(\)](#) [HTML](#) [PDF](#)

Veterans: educational assistance.

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Bill information

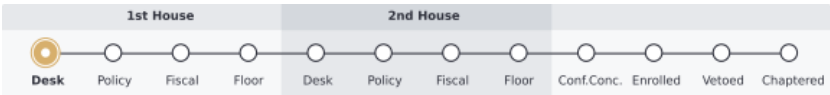
**Summary:** This bill would create the California State Accrediting Agency for Veterans Education (CSAAVE) within the Department of Veterans Affairs. CSAAVE would oversee and approve schools that want to offer education benefits to veterans under federal law, and the Secretary of Veterans Affairs would have the authority to sign on its behalf.

**Location:** 05/21/2025 - Senate M. & V. A.

[ACA 5](#) [Schiavo \(D\)](#) [HTML](#) [PDF](#)

Property taxation: veterans’ exemption.

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Bill information

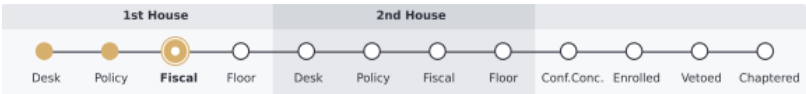
**Summary:** This bill would expand property tax exemptions for veterans and their families. It would allow veterans or their survivors who qualify for the veterans' or disabled veterans' exemption to also receive the standard homeowners' exemption. It would also remove property value limits that currently prevent some veterans, spouses, or parents from qualifying for these exemptions.

**Location:** 02/03/2025 - Assembly PRINT

[SB 1](#) [Seyarto \(R\)](#) [HTML](#) [PDF](#)

Personal income taxes: exclusion: Military Services Retirement and Surviving Spouse Benefit Payment Act.

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Bill information



Summary:

This bill would let qualified military retirees and surviving spouses exclude up to \$20,000 per year from their state taxable income, covering both retirement pay and annuity payments. The exclusion would apply from 2025 through 2035.

Location:

05/12/2025 - Senate APPR. SUSPENSE FILE

SB 23

Valladares (R)

HTML

PDF

Property Taxation: Exemptions for Disabled Veteran Homeowners.

Progress bar

This Bill is Dead

1st House

2nd House

Desk

Policy

Fiscal

Floor

Desk

Policy

Fiscal

Floor

Conf.Conc.

Enrolled

Vetoed

Chaptered

Bill information

Summary:

This bill would exempt the home of a 100% disabled veteran, their spouse, or both from property taxes. An unmarried surviving spouse could also receive the same exemption if certain conditions are met. Applicants must provide proof to the county assessor and cannot receive other property tax exemptions at the same time.

Location:

03/12/2025 - Senate M. & V. A.

SB 54

Umberg (D)

HTML

PDF

Court fee waivers: veterans.

Progress bar

1st House

2nd House

Desk

Policy

Fiscal

Floor

Desk

Policy

Fiscal

Floor

Conf.Conc.

Enrolled

Vetoed

Chaptered

Bill information

Summary:

This bill would exclude veterans’ disability compensation from being counted as income when deciding if someone qualifies for a waiver of court fees due to low income.

Location:

05/29/2025 - Assembly DESK

SB 55

Umberg (D)

HTML

PDF

State parks: facilities pass: Gold Star Family members.

Progress bar

1st House

2nd House

Desk

Policy

Fiscal

Floor

Desk

Policy

Fiscal

Floor

Conf.Conc.

Enrolled

Vetoed

Chaptered

Bill information

Summary:

This bill would require the state to give free access passes to all state parks, including boat launch areas, to eligible Gold Star Family members who provide proof of eligibility.

Location:

05/29/2025 - Assembly DESK

SB 56

Sevarto (R)

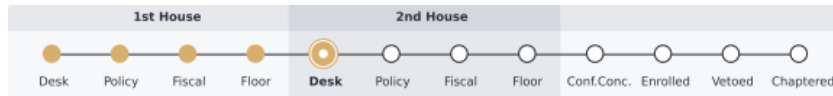
HTML

PDF

Property taxation: disabled veterans’ exemption: household income.



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## Bill information

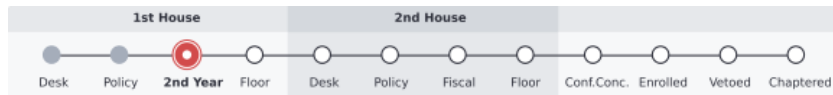
**Summary:** This bill would exclude service-connected disability payments from being counted as household income when determining eligibility for the full disabled veterans' property tax exemption. It also fixes a reference error in the existing law.

**Location:** 05/29/2025 - Assembly DESK

[SB 60](#) [Sevarto \(R\)](#) [HTML](#) [PDF](#)

**Public postsecondary education: waiver of tuition and fees: California Military Department GI Bill Award Program: extended education courses.**

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## Bill information

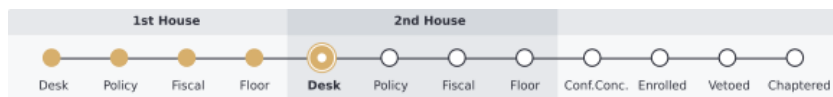
**Summary:** This bill would stop public universities from charging tuition or fees for certain eligible students who take extended education courses, as long as those courses count toward an undergraduate degree. It would apply to UC campuses only if the UC Regents approve it.

**Location:** 05/23/2025 - Senate 2 YEAR

[SB 67](#) [Sevarto \(R\)](#) [HTML](#) [PDF](#)

**Student financial aid: Cal Grants: Middle Class Scholarship Program: eligibility: dependents of members of the armed services stationed outside of California.**

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## Bill information

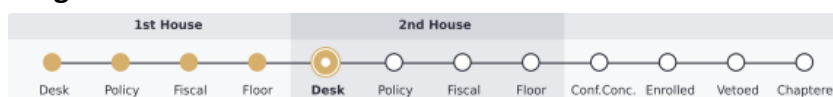
**Summary:** This bill would allow military dependents and spouses to qualify for Cal Grants and Middle Class Scholarships even if they didn't live in California when they graduated high school, as long as their military parent or spouse is stationed outside the state but still claims California as their legal residence.

**Location:** 05/29/2025 - Assembly DESK

[SB 70](#) [Sevarto \(R\)](#) [HTML](#) [PDF](#)

**Public contracts: Small Business Procurement and Contract Act.**

## Progress bar



## Bill information

Summary:

This bill would raise the limit for no-bid contracts awarded to certified small businesses, including disabled veteran business enterprises, from \$250,000 to \$350,000 under the Small Business Procurement and Contract Act.

Location:

05/29/2025 - Assembly DESK

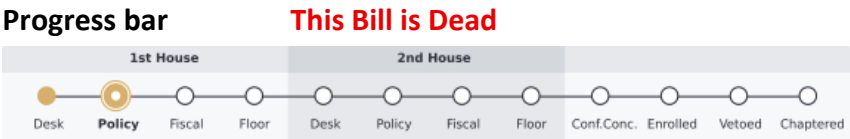
SB 96

Umberg (D)

HTML

PDF

Veterans’ benefits.



Bill information

Summary:

This bill would make minor, technical updates to the law that prohibits misusing funds raised for veterans or veterans’ organizations.

Location:

01/23/2025 - Senate RLS.

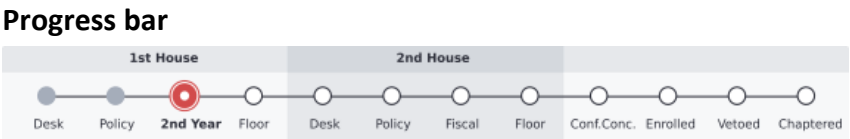
SB 99

Blakespear (D)

HTML

PDF

Family childcare homes: United States Armed Forces.



Bill information

Summary:

This bill would exempt certain family child care homes run by certified military providers from state licensing rules, as long as they serve only children of eligible federal personnel and surviving spouses.

Location:

05/23/2025 - Senate 2 YEAR

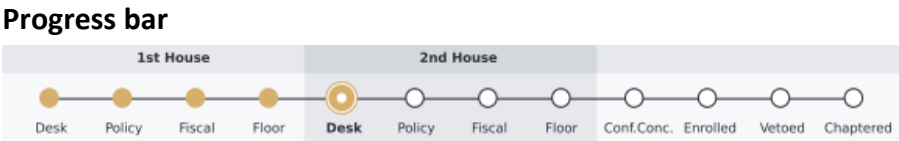
SB 296

Archuleta (D)

HTML

PDF

Property taxation: exemption: disabled veteran homeowners.



Bill information

Summary:

This bill would exempt the home of a 100% disabled veteran, their spouse, or both from property taxes between 2026 and 2036. An unmarried surviving spouse could also qualify for the exemption if certain conditions are met. Applicants must provide documentation and cannot receive other property tax exemptions at the same time.

Location:

05/29/2025 - Assembly DESK

SB 519

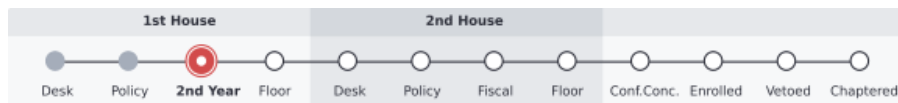
Archuleta (D)

HTML

PDF

Veterans.

## Progress bar



## Bill information

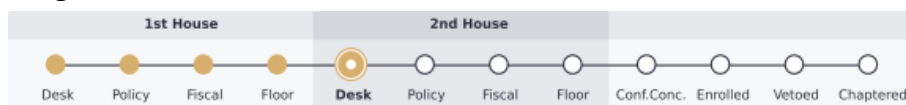
**Summary:** This bill would create a Veteran Task Force to study why veterans and transitioning service members are leaving California. The task force would review benefits, housing, childcare, and other support systems, and recommend ways to help veterans and their families stay in the state.

**Location:** 05/23/2025 - Senate 2 YEAR

[SB 587](#) [Grayson \(D\)](#) [HTML](#) [PDF](#)

**Personal income taxes: credit: manufacturing: sales and use taxes.**

## Progress bar



## Bill information

**Summary:** This bill would give taxpayers a state income tax credit, from 2026 through 2031, to offset local sales or use taxes they paid on certain retail purchases that would otherwise be tax-exempt. It also allows tax agencies to share limited information to manage the credit properly.

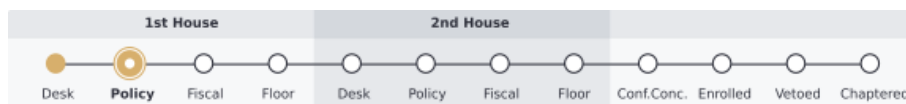
**Location:** 06/02/2025 - Assembly DESK

[SB 604](#) [Alvarado-Gil \(R\)](#) [HTML](#) [PDF](#)

**Veterans' benefits: farm and home purchase.**

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**This Bill is Dead**



## Bill information

**Summary:** This bill would make technical updates to the laws governing the CalVet Home Loan Program, without changing how the program works or who qualifies.

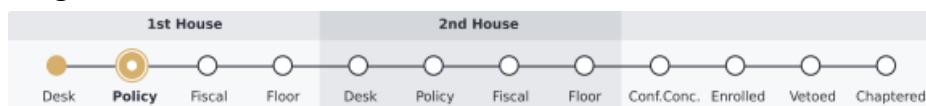
**Location:** 02/20/2025 - Senate RLS.

[SB 623](#) [Archuleta \(D\)](#) [HTML](#) [PDF](#)

**Property taxation: homeowners', veterans', and disabled veterans' exemptions.**

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**This Bill is Dead**



## Bill information

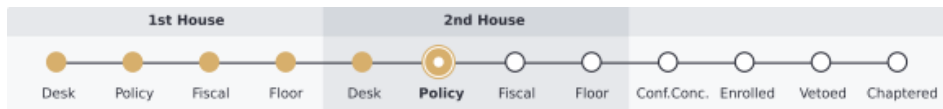
**Summary:** This bill would allow homeowners who receive the veterans' or disabled veterans' property tax exemption to also claim the standard homeowners' exemption, starting January 1, 2025, if a related constitutional amendment is approved by voters in 2026.

Location: 03/05/2025 - Senate REV. & TAX

[SB 694](#) [Archuleta \(D\)](#) [HTML](#) [PDF](#)

**Veteran service providers.**

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**Bill information**

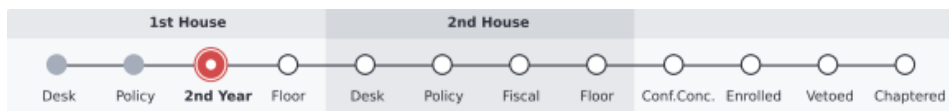
**Summary:** This bill would update the deadline for the California Department of Veterans Affairs to report on its veteran service provider certification rules, moving it from April 1, 2019, to April 1, 2026.

**Location:** 05/29/2025 - Assembly M. & V. A.

[SB 751](#) [Becker \(D\)](#) [HTML](#) [PDF](#)

**Veterans and Former First Responders Research Pilot Program.**

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**Bill information**

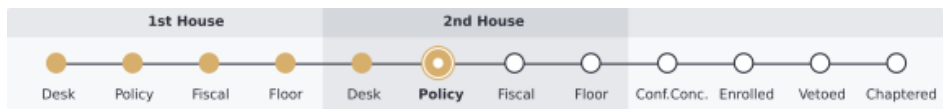
**Summary:** This bill would ask the University of California to run pilot programs in up to five counties through 2031 to research psilocybin therapy for veterans and former first responders. The programs would involve trained professionals, health care providers, and community partners, and would include screening and oversight for all participants.

**Location:** 05/23/2025 - Senate 2 YEAR

[SB 798](#) [Rubio \(D\)](#) [HTML](#) [PDF](#)

**Veterans.**

**Progress bar**



**Bill information**

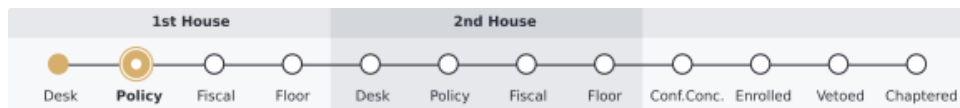
**Summary:** This bill would raise the maximum amount counties can provide for the burial or cremation of indigent veterans from \$350 to \$1,000.

**Location:** 05/19/2025 - Assembly M. & V. A.

[SCA 4](#) [Archuleta \(D\)](#) [HTML](#) [PDF](#)

**Property taxation: veterans' exemption.**

**Progress bar**



## Bill information

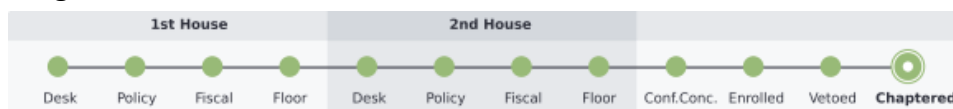
**Summary:** This bill would let veterans and their families receive both the veterans’ or disabled veterans’ property tax exemption and the standard homeowners’ exemption. It would also remove outdated property value limits that currently prevent some veterans, spouses, or parents from qualifying for the exemption, and allow the full value of a home to be exempt if authorized by the Legislature.

**Location:** 02/20/2025 - Senate RLS.

[SCR 18](#) [Archuleta \(D\)](#) [HTML](#) [PDF](#)

## National Medal of Honor Day.

### Progress bar



## Bill information

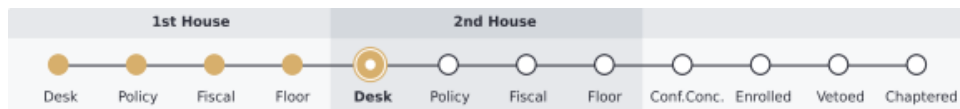
**Summary:** Would proclaim March 25, 2025, as National Medal of Honor Day in California.

**Location:** 04/29/2025 - Senate CHAPTERED

[SCR 56](#) [Archuleta \(D\)](#) [HTML](#) [PDF](#)

## National Military Appreciation Month.

### Progress bar



## Bill information

**Summary:** Would honor those service members who have served and are serving in our nation’s military, and would recognize the month of May 2025 as National Military Appreciation Month.

**Location:** 05/23/2025 - Assembly DESK

## Key / Legend: California Legislative Measures

- **SCA (Senate Constitutional Amendment):** Proposes changes to the California Constitution; requires voter approval after legislative passage.
- **ACA (Assembly Constitutional Amendment):** Similar to SCA but originates in the Assembly; also requires voter approval.
- **SCR (Senate Concurrent Resolution):** Expresses the Legislature's sentiments or addresses matters affecting both houses; does not require the Governor's signature.
- **ACR (Assembly Concurrent Resolution):** Similar to SCR but originates in the Assembly; does not require the Governor's signature.