



REEB GOVERNMENT RELATIONS

California State Commanders Veterans Council



2025 End-of-Year Legislative Advocate Report

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California Veterans Affairs

Building on Momentum Amid Fiscal Headwinds

California's veteran community entered 2025 facing a daunting fiscal landscape. The state began the year projecting a **\$12 billion deficit**, and the Legislature adopted a May Revision that cut most departments by at least 8 percent.

CalVet, however, weathered the storm. The Governor's FY 2025-26 budget allocates **\$421.8 million in General Fund resources**, a roughly 5 percent decline from FY 2024-25, but no veterans' homes were closed, and the long-planned **Skilled Nursing Facility expansion at Yountville** received an extra **\$6.6 million** to ramp up staffing. This restraint underscores Sacramento's continued commitment to maintain the state's seven homes—Yountville, Barstow, Chula Vista, Fresno, Redding, West Los Angeles, and the Greater Los Angeles/Ventura Counties home—while improving quality of care.

Federal enactment of the PACT Act has placed a greater workload on California's County Veterans Service Officers (CVSOs) and veterans service officers (VSOs) in posts across the state. The local-assistance allocation for CVSOs should be increased from **\$11 million to nearly \$25 million**. The funding gap between the current level and the **statutory commitment to a 50% state cost-share** increases veteran exposure to the **targeted, slick marketing of predatory claim sharks who operate outside of Federal law intended to protect veterans seeking disability claims**.

Accredited CVSOs and VSOs provide essential, free claim-filing assistance, therefore, addressing the state cost-share funding gap and supporting the work of VSOs remains key to protecting the veteran community.

Legislative Wins – Chaptered Bills

Despite the difficult fiscal environment, 2025 produced a surprisingly productive legislative session for veterans. Twelve of our tracked measures were enacted (chaptered) and will become law on January 1, 2026, unless otherwise noted. These bills deliver concrete benefits ranging from expanded educational opportunities to improved tax relief and stronger protections against fraud.

Highlights include:

Educational Opportunities and Academic Mobility

- **AB 88 (Ta) / SB 67 (Seyarto):** These bills extend **Cal Grant and Middle-Class Scholarship Program eligibility** to the sons and daughters of active-duty service members stationed outside California. The new legislation ensures that students who meet academic and financial criteria may receive state aid, even if they graduate high school in another state, as long as their parent maintains California as their legal residence.
- **AB 571 (Quirk-Silva):** Exempts the construction of the **Gypsum Canyon Veterans Cemetery** from the California Environmental Quality Act (CEQA) until 2030, clearing the way for Orange County's long-promised cemetery.
- **AB 587 (Davies):** Requires the **Student Aid Commission** to include at least one public member with expertise in accessing federal educational benefits for veterans.
- **AB 1412 (Gonzalez):** Streamlines the transfer process for students with **special education plans (IEPs)** in military families and clarifies residency rules.
- **AB 1508 (Committee on M&VA):** Extends the authorization for the **Governor's Military Council** to January 1, 2031, ensuring Sacramento maintains an organized base retention strategy.
- **AB 1509 (Committee on M&VA):** Establishes the **California State Accrediting Agency for Veterans Education (CSAAVE) within CalVet**, which should reduce delays and help protect veterans from predatory schools.

Recognizing Service and Civic Culture

- **SB 54 (Umburg):** Excludes veterans' **disability-compensation payments from household income** when determining eligibility for court-fee waivers, preventing disabled veterans from being denied access to the civil courts.
- **SB 132 (Budget Committee):** This budget trailer legislation **excludes certain military retirement and annuity payments from state taxable income from 2025 to 2030**. This complements earlier military pension tax relief.
- **ACR 16 (Gallagher) / ACR 23 (Quirk-Silva) / SCR 18 / SCR 56:** Designate the POW/MIA Bridge, Mental Health Peer Appreciation Week, National Medal of Honor Day, and National Military Appreciation Month, reinforcing a pro-military culture in California.

Continuation of Advocacy: SB 694 and the Call for Unity

Veteran organizations joined forces with Senator Bob Archuleta to co-sponsor **SB 694**, aligning with key partners including American Legion, AMVETS, and CSCVC, all united against predatory claim sharks. Our collective effort led to a robust grassroots push in the **final weeks of the legislative session**: Reeb Government Relations mobilized **136 individuals** to send targeted letters, coupled with numerous personal phone calls to legislators. Despite this substantial effort, the bill failed to advance to the Senate floor, clearly demonstrating the need for even stronger and broader community engagement to counter the opposition.

Ultimately, the bill didn't advance because of several factors. First, we are fighting an industry that has spent nearly half a million dollars lobbying against both SB 694 and SB 1124 in 2024.

Second, we faced internal opposition, including from veterans serving in the Senate, with some members of the **Senate actively engaged in preventing SB 694 from being released from the Rules Committee for a floor vote**. This resistance was supported by other Senators who had planned to speak in opposition had the bill moved to the Senate floor in the final hours of the 2025 legislative session.

We urge veterans to request direct meetings with their state senator to discuss the broad support for SB 694 and encourage them to vote with California veterans on SB 694 and not side with the predatory claims industry, which has spent over half a million dollars to kill the bill. (If you need support finding your legislator, please email sethr@waterwarrior.com)

We need the veteran community to stand in strong support of SB 694 to say **enough is enough**; you are no longer allowed to charge veterans for the initial benefits owed to them by the federal government. **CVSOs and VSOs** exist to support the veteran community, helping veterans file claims as licensed advocates recognized by the Federal VA. These accredited organizations protect veteran privacy, but we face an industry of opposition groups with **substantially greater financial resources**. We have voices in a large community that can be used to influence legislation from the grassroots level, and that's what our advocacy is all about. We need to stand up together now before this industry sinks its teeth deeper into California.

Looking ahead to January 2026, a significant agreement was reached by multiple parties, including Senate leadership, securing a path for SB 694 to advance for a floor vote when the Legislature reconvenes. However, the agreement does

not confirm the support of any of the signatory parties, nor does it guarantee the votes needed for passage. The outcome remains entirely dependent on our continued advocacy.

We must **unify** now and for the remainder of the year to continue advocating on behalf of this bill. We need to continue making those phone calls. We need to go in and talk to our members when they're back in their districts. We need to send letters and call their offices. We must create relationships with them. **To facilitate this effort**, Reeb Government Relations is willing and trying to establish rapid response teams of veterans' organizations, groups, and individuals who want to participate in this process on key legislative issues, serve as spokespeople for their communities, and work with their legislators and our office to advance meaningful legislation.

The Power of Grassroots Advocacy

However, many committee members heard more opposition than support, highlighting the need for much stronger grassroots engagement. Our experience with SB 694 stands in contrast to the overwhelming grassroots support that drove the passage of the military retirement pay tax exemption. That victory occurred because **thousands of veterans and family members contacted lawmakers**, proving that targeted advocacy works. By comparison, SB 694 and the property-tax relief bills saw far fewer participants. The lesson is clear: robust public engagement wins legislative battles, whereas silence allows opposition voices to dominate.

California's standing among veterans underscores the urgency of our action. A **2024 LendingTree study** ranked California as the worst state for veterans. The data is sobering, veterans here spend about **42.7% of their income on housing, the highest burden in the nation**, and the state ranks near the bottom for veteran unemployment and population percentages. This economic pressure is precisely why predatory claim sharks thrive: veterans face high living costs and limited access to accredited support.

SB 694 directly addresses this vulnerability. The bill would make it a misdemeanor to charge unreasonable fees or demand veterans' VA login credentials and would prohibit unaccredited actors from preparing or filing claims. By eliminating claim sharks and channeling more resources toward accredited service providers, we can help veterans secure benefits without being exploited. Yet legislative victories require an engaged community. As our experience with the tax-exemption bill shows, when constituents flood the Capitol with letters, calls, and meetings, lawmakers respond. When we are silent, opposition voices fill the void.

Looking ahead, we must harness that same energy for SB 694 and future veteran-friendly bills. Encourage every veteran, family member, co-worker, and ally to contact their representatives and share their stories. If you believe California can and should do better than being ranked last in the nation for veterans, then join us. Together, we can transform the Golden State into a place that truly honors those who served by eliminating predatory practices and ensuring every veteran has access to accredited, trustworthy help.

Two-Year Bills – Brief Overview

Not every priority advanced to the Governor's desk in the first year of the 2025–26 session. Several promising bills were held in committee or placed on the two-year file, meaning they may be taken up when the Legislature reconvenes in January. Below is an overview of notable two-year bills; we will continue pushing for their passage in 2026:

- **AB 83 (Pacheco):** California Elder Financial Abuse Prevention Act.
- **AB 264 (Carrillo):** Removes the prohibition that prevents dependents who receive federal educational benefits from also receiving state veterans' dependents' benefits.
- **AB 282 (Pellerin):** Clarifies that preferences for housing subsidies do not constitute "source of income" discrimination.
- **AB 556 (Patterson):** Extends existing tuition and fee waivers to **campus-based fees**.
- **AB 637 (Flora):** Increases penalties for **false or misleading "commercial disaster communications."**
- **AB 826 (Jeff Gonzalez):** The **"Veterans' Benefits Protections Act."**
- **AB 901 (Sharp-Collins):** Extends veterans' preference points to **active-duty service members and eligible spouses**.
- **AB 909 (Schiavo):** Increases civil penalties for financial institutions that fail to report suspected elder abuse.
- **AB 1346 (DeMaio):** Ensures military dependents who withdraw retain **resident tuition status upon reenrollment**.
- **SB 55 (Umberg):** Extends free state-park passes to **Gold Star Family members**.
- **SB 60 (Seyarto):** Allows recipients of the **California Military Department GI Bill Award Program** to apply benefits to **extended-education courses**.

- **SB 70 (Seyarto):** Raises the single-bid contracting threshold for DVBES to \$350,000.
- **SB 99 (Blakespear):** Creates a licensing exemption for family childcare homes certified by the U.S. Armed Forces.
- **SB 519 (Archuleta):** Establishes a **Veteran Out-Migration Task Force**.
- **SB 751 (Becker):** Authorizes UC to run a research pilot program exploring controlled-psilocybin therapies.
- **SB 798 (Rubio):** Increases the amount counties may spend on burial or cremation for indigent veterans to **\$1,000**.

These measures will re-emerge in January 2026.

Proposition 1 Implementation – Housing and Behavioral Health

California voters narrowly approved **Proposition 1** in March 2024, authorizing **\$6.38 billion** in general obligation bonds for behavioral health and housing. The bond dedicates **\$1.065 billion specifically for veterans' housing**. To date, the state has awarded about **\$284 million** through early “Homekey+” rounds, launching **321 new supportive-housing units reserved for veterans**.

Conclusion – Call to Action

As the year concludes, the veteran community can celebrate significant victories and recognize the **undeniable momentum** we have built: new tax relief, educational opportunities for military families, progress on long-stalled cemeteries and supportive housing projects, and a stronger voice in Sacramento. Yet challenges persist, especially the persistent under-funding of County Veterans Service Officers and the need to pass our remaining bills. **Grassroots advocacy must not wane**.

In early 2026, the Legislature will revisit the two-year bills summarized above. We must support the **\$25 million CVSO funding campaign** (critical to closing the funding gap that enables claim sharks to operate), secure final passage of **SB 694 (Claim Sharks Act)**, and closely monitor **Proposition 1** implementation to ensure veterans receive their fair share of housing dollars. Furthermore, we must **secure full 100% funding** of the military retirement pay tax exemption, **while increasing the income thresholds** for the tax exemption to **\$150,000 for individuals** (up from \$125,000) and **\$300,000 for joint filers** (up from \$250,000).

To our partners and fellow veterans: thank you for writing letters, making phone calls, hosting town halls, and traveling to Sacramento. **Our collective voice is powerful**. As your legislative advocate, I will continue to navigate the Capitol halls, but meaningful change depends on community energy.

If you are not yet involved, now is the time. Please reach out to our office to join upcoming lobbying days, schedule district-office visits, or participate in our digital advocacy campaigns. Together, we can secure the resources and recognition that California's veterans and their families have earned.

Let's keep fighting for those who have fought for us.

FOR IMMEDIATE RELEASE

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Joint Statement on Senate Bill 694

Sacramento – Senate President pro Tempore Mike McGuire (D-North Coast), Assembly Speaker Robert Rivas (D-Salinas), Senate Pro Tem Elect Monique Limón (D-Santa Barbara), Senator Bob Archuleta (D-Pico Rivera), Senator Tom Umberg (D-Santa Ana) and Assemblymember Pilar Schiavo (D- Chatsworth) released the following statement on Senate Bill 694:

"We have reached an agreement on SB 694 and the bill will immediately move to the Senate Floor in January. Veterans have earned and deserve our support. They have sacrificed so much for this country, and we're coming together to put an end to the deceptive practices that target them. This legislation deserves a vote and this bill will get its day in the legislature as soon as we return in the new year."

The legislative session reconvenes on January 5, 2026.

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Mike McGuire is President pro Tempore of the California Senate. He represents the North Coast of California, which stretches from the Golden Gate Bridge to the Oregon border, including Del Norte, Trinity, Humboldt, Lake, Mendocino, Sonoma, and Marin counties. Website of Senate Leader McGuire: <https://sd02.senate.ca.gov/>

A Critical Call to Action for Veterans and Supporters

Please read this carefully: While we've secured an agreement to move SB 694 to the Senate Floor for a vote in January, **this does not mean we have the votes secured**. Despite our hard-fought progress, **the fight is far from over**. To push SB 694 across the finish line in the Senate and onto the Governor's desk, we need **every veteran's voice in California** to rise up. Your calls, letters, emails, and advocacy are critical to making this bill law. Join us now, let's ensure our veterans get the protections they deserve!

STAY CONNECTED

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Notion: <http://leg4vetsca.notion.site/>

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