

MILITARY VETERANS ASSISTANCE ACT EXPANSION

Overview

SB 3646 (Sen. Porfirio, D-Burbank) would amend the Military Veterans Assistance Act in several significant respects. The proposal expands the structure under which veterans assistance services may be delivered, broadens eligibility for assistance, creates new enforcement mechanisms, and increases oversight and compliance requirements.

While some provisions apply primarily to counties that do not currently operate a Veterans Assistance Commission (VAC), many of the most consequential changes apply statewide. Counties with existing VACs are not exempt from expanded eligibility, arbitration procedures, litigation exposure, or enhanced reporting and oversight requirements.

This *Policy Brief* outlines the major provisions of the bill and analyzes the potential fiscal, legal, and governance implications for counties.

Creation of Jurisdictional Veterans Assistance Commissions (JVACs)

The legislation authorizes the formation of Jurisdictional Veterans Assistance Commissions (JVACs) in counties that did not have a VAC prior to January 1, 2026, where the judicial circuit includes multiple counties. Veteran service organizations within those judicial circuits may come together to create a JVAC, which would operate as the VAC for that circuit. The bill also establishes procedures for selecting a superintendent and delegates.

Counties that currently operate a VAC are not required to dissolve or merge into a JVAC structure. Their existing governance model may remain intact. However, counties located within multi-county judicial circuits could experience indirect effects if neighboring counties form a JVAC. Differences in structure, funding mechanisms, and administrative processes across counties within the same judicial circuit may create coordination challenges or policy inconsistencies.

For counties that do not currently operate a VAC, the creation of a JVAC introduces questions regarding funding responsibility, cost-sharing formulas, and administrative oversight among participating counties. The bill does not clearly establish how financial obligations would be apportioned across circuit counties, which may require intergovernmental agreements or additional clarification.

Taxation Authority

The provision authorizes the county board of counties other than Cook County that participate in a Jurisdictional Veterans Assistance Commission (JVAC) to levy an annual property tax of up to 0.03% of assessed value to fund assistance for military veterans and their families under the Military Veterans Assistance Act. Revenue generated from this levy must be deposited into the county treasury of the county in which the JVAC is headquartered, even if the JVAC serves multiple participating counties.

The levying of up to 0.03% of assessed value taxing authority is a permissive grant of authority to county boards and matches existing law for single county VACs. The underlying law still mandates the levy of an amount equal to 0.02% of assessed value to fund the VAC. Both funding provisions would apply to VACs and JVACs outside of Cook County.

Expanded Eligibility for Veterans Assistance

The legislation expands eligibility for assistance to include veterans who served in the armed forces of the United States and did not receive a bad conduct or dishonorable discharge or equivalent discharge.

This provision applies statewide, including to counties that already operate a VAC. As a result, counties should anticipate a potential increase in the eligible veteran population. Expanded eligibility may lead to higher caseloads, increased general assistance expenditures, and additional administrative demands. The bill does not identify a dedicated state funding source to offset this expansion, raising the possibility of increased county fiscal exposure.

Arbitration of Assistance Disputes

The bill provides that if a supervisor of general assistance or county board fails or refuses to provide assistance recommended by a veterans service organization, VAC, or JVAC, the organization may request that all parties enter into an arbitration agreement.

This represents a structural change in dispute resolution. Historically, counties have exercised discretion in making assistance determinations. Under this proposal, disputed decisions may proceed to arbitration, potentially increasing administrative burdens and legal costs. Counties may need to revise internal review procedures, strengthen documentation practices, and consult with legal counsel before denying recommended assistance.

The arbitration provision applies to counties regardless of whether they operate an existing VAC.

Civil Cause of Action Against Counties

The legislation permits any individual eligible for assistance under the Act to bring a civil action against the county for failure or refusal to provide such assistance.

This provision significantly increases potential legal exposure for counties. In addition to arbitration proceedings, counties could face direct litigation, including legal defense costs and potential court-ordered compliance. Risk management policies, insurance coverage, and internal procedural safeguards may need to be reassessed if the bill is enacted. If a court orders a county to pay sums it previously refused, the court may award attorney's fees plus interest at a rate of 1% per month starting from the date of the original request.

Counties with established VACs are not exempt from this provision; it applies statewide.

Restrictions on Funding and Organizational Structure

The bill prohibits the disbursement or transfer of VAC or JVAC funding to any not-for-profit corporation or similar entity. It also prohibits a VAC or JVAC from establishing or operating a not-for-profit corporation with a substantially similar name. This is to prevent "relegating the responsibilities" of the Commission to an outside entity. The legislation permits VACs and JVACs to receive gifts or donations in furtherance of veterans' interests and contains provisions relating to employee benefits.

Counties that utilize nonprofit-affiliated structures or cooperative service arrangements may need to review their current models to ensure compliance. These provisions appear designed to promote transparency and prevent circumvention of statutory oversight requirements, but they may limit flexibility in service delivery.

Training, Reporting, and Oversight Requirements

The legislation imposes additional compliance requirements, including annual voting reporting obligations and mandatory training for VAC and JVAC delegates and alternates. It also includes audit provisions and establishes a Veterans Assistance Provost within the Office of the Attorney General.

VAC delegates must complete Open Meetings Act training within 90 days and the Attorney General's new electronic training within 30 days or lose their voting rights.

The creation of a Veterans Assistance Provost formalizes state-level oversight and enforcement authority. Counties should anticipate increased scrutiny, potential compliance inquiries, and expanded audit exposure.

If a Veterans Assistance Commission (VAC) or Jurisdictional Veterans Assistance Commission (JVAC) fails to timely submit or publish required audits and reports to the Veterans Assistance Provost, acting on behalf of the Attorney General, the superintendent or interim superintendent may be fined up to \$50 for each month, or portion thereof, that the required audit or report is not submitted or published as mandated under the Military Veterans Assistance Act.

The State's Attorney of the county in which the VAC or JVAC is located, or the Attorney General, may seek a court order through mandamus to compel payment of the fine. Any fines collected must be paid to the county where the VAC or JVAC is located and deposited into that county's general corporate fund.

Administrative staff may need to dedicate additional time to reporting, recordkeeping, and training requirements.

These compliance and oversight provisions apply broadly and are not limited to counties without existing VACs.

Fiscal and Operational Considerations

The combined effect of expanded eligibility, arbitration procedures, civil litigation authority, and enhanced oversight will increase costs for counties. Potential cost drivers include higher assistance caseloads, administrative time associated with dispute resolution, legal defense expenses, training mandates, and audit compliance obligations.

The legislation **requires** counties to fund VAC offices, furnishings, supplies and services from the county's general fund. None of the revenue generated from the designated property tax levy can be used for these purposes. This will result in the county having to increase other taxes and fees, cut other public services, or a combination of both.

Counties should evaluate the extent to which implementation will create unfunded mandate concerns and consider modeling potential fiscal impacts based on local veteran populations and current assistance expenditures.

Limitations on County Board Authority

The bill includes a provision prohibiting counties or their policies from controlling VAC operations, despite counties retaining their obligation to fund the VACs.

County Boards are also mandated to pay a warrant presented to them by a VAC superintendent.

Conclusion

The proposed amendments to the Military Veterans Assistance Act represent a significant shift in the administration and enforcement of veterans assistance at the county level. Although counties with existing VACs are not required to transition to a JVAC structure, they remain subject to expanded eligibility standards, arbitration requirements, civil litigation exposure, and increased oversight.

Per ISACo's analysis, the following provisions would be problematic for counties:

- Establishment of a civil cause of action.
- Inclusion of mandatory arbitration.
- Unfunded mandate risk with costs tied to litigation and eligibility expansion.
- Attorney General oversight.
- Collateral tax increases and/or reductions in other public services.

