
SENATE COMMITTEE ON MILITARY AND VETERANS AFFAIRS

Senator Bob Archuleta, Chair

2025 - 2026 Regular

Bill No: SB 1040 **Hearing Date:** 4/20/26
Author: Choi
Version: 2/11/26
Urgency: No **Fiscal:** Yes
Consultant: Diego Nelson

Subject: Veterans Cemetery Maintenance-Endowment Match Act

DESCRIPTION

Summary:

This bill establishes a state-local matching funds program to support the long-term maintenance of veterans cemeteries in California. Specifically, the bill requires the California Department of Veterans Affairs (CalVet) to provide a dollar-for-dollar (1:1) match, up to \$250,000 annually per cemetery, for funds raised locally and deposited into a cemetery maintenance endowment.

Existing law:

- 1) Requires CalVet to study, develop, construct, equip, and oversee specified state veterans cemeteries, including the Northern California Veterans Cemetery, the Southern California Veterans Cemetery, and the California Central Coast State Veterans Cemetery at Fort Ord (Mil. & Vet. Code, §§ 1400, 1410, 1450.1).
- 2) Establishes cemetery-specific funding structures, including Perpetual Maintenance Funds for the Northern and Southern California veterans cemeteries and an Endowment Fund and Operations Fund structure for Fort Ord (Mil. & Vet. Code, §§ 1401, 1412, 1451, 1454).
- 3) Requires CalVet to adopt regulations governing interment eligibility and related fees for state-operated veterans cemeteries (Mil. & Vet. Code, §§ 1400, subd. (b)(2), 1410, subd. (b)(2), 1455, subd. (a)).
- 4) Authorizes cemetery funding through fees, donations, investment earnings, cash advances, transfers, and legislative appropriations, with some funds continuously appropriated and others subject to appropriation in the annual Budget Act (Mil. & Vet. Code, §§ 1400, subd. (b)(3), 1401, 1403, 1410, subd. (b)(3), 1412, 1416, 1451, 1453, 1454, 1457).

This bill:

- 1) Establishes a state-local matching funds program for veterans cemetery maintenance.
- 2) Requires the state to provide a \$1-for-\$1 match for locally raised funds (including contributions from individuals, veterans service organizations, local governments, and private donors), up to \$250,000 per cemetery per fiscal year.
- 3) Requires participating cemeteries to apply annually to CalVet.
- 4) Requires CalVet to:
 - a) Develop an application process
 - b) Verify local contributions
 - c) Transfer matching funds

- d) Conduct annual oversight and a five-year program review
- 1) Requires participating cemeteries to submit annual maintenance and financial reports, including deferred maintenance needs.
 - 2) Establishes the Veterans Cemetery Maintenance-Endowment Account in the General Fund, subject to legislative appropriation.
 - 3) Requires CalVet to submit a report to the Legislature summarizing program participation, funding levels, and performance.
 - 4) Applies the program to state, federal, and tribal veterans cemeteries located in California.

BACKGROUND

California's veterans cemeteries fall into three main categories: VA national cemeteries, state veterans cemeteries, and tribal veterans cemeteries. The VA national cemeteries in California include: Bakersfield National Cemetery, Benicia Arsenal Post Cemetery, Fort Rosecrans National Cemetery, Golden Gate National Cemetery, Los Angeles National Cemetery, Los Angeles National Cemetery Annex, Mare Island Naval Cemetery, Miramar National Cemetery, Riverside National Cemetery, Sacramento Valley National Cemetery, San Francisco National Cemetery, and San Joaquin Valley National Cemetery.

The state cemeteries currently operated by CalVet include: California Central Coast Veterans Cemetery at Fort Ord, the Northern California Veterans Cemetery, and the Yountville Veterans Home Cemetery. California law also provides for a Southern California Veterans Cemetery in Orange County, but it is still a development project rather than an operating cemetery. The tribal veterans cemeteries in California include: Big Sandy Rancheria Veterans Cemetery and Yurok Veterans Cemetery.

These categories are funded differently. VA national cemeteries are part of the federal National Cemetery Administration and are funded and operated through the federal system. By contrast, state and tribal veterans cemeteries may receive federal establishment or improvement grants through the VA's Veterans Cemetery Grants Program, but they are operated and maintained by the state or tribe rather than by VA. The grant funding may cover up to 100 percent of approved development costs, although land acquisition is excluded, and ongoing administration, operation, and maintenance remain the responsibility of the state or tribe.

Within California's state cemetery system, the funding structure also varies by cemetery. For the Northern California Veterans Cemetery, state law uses a Master Development Fund for design and construction and a Perpetual Maintenance Fund for maintenance, with annual state support subject to appropriation. For the Southern California Veterans Cemetery project, state law likewise provides for a Master Development Fund and a Perpetual Maintenance Fund, with expenditures subject to legislative appropriation. For Fort Ord, the statute uses a different model: an Endowment Fund and a separate Operations Fund, with money allocated upon appropriation for non-reimbursable design and construction costs and for ongoing operations and maintenance. In general, California's state cemeteries are not funded the same way as federal cemeteries; instead, they rely on a mix of state-created funds, appropriations, and in some cases other dedicated revenues.

COMMENT

According to the author: “California has a solemn responsibility to honor the service and sacrifice of our veterans, including by ensuring that the cemeteries where they are laid to rest are maintained with dignity and respect. As new State veterans’ cemeteries are developed, and existing ones continue to serve more families, long-term maintenance funding becomes increasingly important. SB 1040 establishes a State-Local Matching Program to help ensure stable, sustainable funding for the care of these sacred spaces. By encouraging partnerships and leveraging additional resources, this bill helps protect the long-term upkeep of veterans’ cemeteries across the state. Our veterans and their families deserve the assurance that these final resting places will be preserved with the honor they have earned.”

SB 1040 would establish a new statewide matching program for veterans cemetery maintenance, adding another funding tool to structures already in existing law. Current law already provides several cemetery-specific funding mechanisms, including perpetual maintenance funds for the Northern California Veterans Cemetery, an endowment and operations fund structure for the California Central Coast Veterans Cemetery at Fort Ord, and appropriated funding tied to those accounts. Existing law also allows certain revenues, such as fees and donations, to be deposited into those funds. In that sense, the bill would add to, rather than replace, the funding mechanisms already in place.

Because those funding structures already exist, the need for a separate statewide matching program may be open to question. The bill appears to assume that existing cemetery-specific funds may not always be enough to meet long-term maintenance needs. But current law already provides dedicated accounts and appropriations for cemetery upkeep and operations. That raises the policy question of whether a new statewide match is necessary, or whether any funding shortfalls would be better addressed through the mechanisms already established for each cemetery.

The bill also presents several policy considerations. Because access to matching funds would depend in part on a cemetery’s ability to attract outside donations, cemeteries with stronger local fundraising capacity may be better positioned to benefit than those with greater maintenance needs but fewer local resources. The bill could also create continuing General Fund pressure by making matching funds available not only to state veterans cemeteries, but also to federal and tribal cemeteries. It also raises questions about the state’s role in helping support facilities it does not own or operate, particularly where federal or other funding sources may already be available.

The bill may also be viewed as having several potential benefits. A statewide matching program could serve as an additional tool to address long-term maintenance needs if existing cemetery-specific funds prove insufficient. By increasing the impact of outside contributions, the bill could also encourage support from local governments, tribes, nonprofit organizations, and private donors. It could also help leverage nonstate resources, promote shared responsibility for cemetery upkeep, and establish a more uniform mechanism for supporting veterans cemeteries throughout the state.

Prior Legislation

AB 3035 (Laird, 2006) – Established endowment funding requirements for the Central Coast Veterans Cemetery. Chaptered; Chapter 291, Statutes of 2006.

AB 1453 (Quirk-Silva, 2014) – Created a development fund for the Southern California Veterans Cemetery. Chaptered; Chapter 646, Statutes of 2014.

SB 949 (Laird, 2021) – Modified reporting and oversight requirements related to veterans cemetery funds. Chaptered on July 19, 2022; enacted as Chapter 59, Statutes of 2022.

POSITIONS

Sponsor: Author.

Support: American Legion, Department Of California
Amvets, Department Of California
California State Commanders Veterans Council
City Of Seaside, California
County Of Monterey
Military Officers Association Of America, California Council Of Chapters
Town Of Yountville
Vietnam Veterans Of America, California State Council

Oppose: None

-- END --