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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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### SB 1040 (Choi) - Veterans Cemetery Maintenance-Endowment Match Act

**Version:** February 11, 2026  
**Urgency:** No  
**Hearing Date:** April 27, 2026

**Policy Vote:** M.&V.A. 4 - 0  
**Mandate:** No  
**Consultant:** Lenin Del Castillo

**Bill Summary:** This bill establishes a state matching program to support the long-term maintenance of cemeteries for veterans.

**Fiscal Impact:** By requiring the California Department of Veterans Affairs (CalVet) to provide a dollar-for-dollar match for funds that are raised locally and deposited into a cemetery maintenance endowment, this bill could result in General Fund cost pressure in the hundreds of thousands to low millions of dollars each year. However, a precise amount would depend on the exact funding level that is raised by local cemeteries. The bill includes an annual cap of \$250,000 for each cemetery and provides that the allocation of funds from the Veterans Cemetery Maintenance-Endowment Account shall be subject to an appropriation.

**Background:** Existing law 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.

Existing law 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.

Existing law requires CalVet to adopt regulations governing interment eligibility and related fees for state-operated veterans cemeteries. The law 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.

**Proposed Law:** This bill establishes a state-local matching funds program for veterans cemetery maintenance to be administered by CalVet. The bill provides that for every dollar contributed by individuals, veterans service organizations, local governments, or private donors, the state would contribute one dollar in matching funds, up to \$250,000 per veterans cemetery per fiscal year. Matching funds shall only be available for the maintenance of state, federal, or tribal cemeteries in the state.

This bill requires participating cemeteries to apply to CalVet who shall create an application process; review applications; certify that deposits were made to a veterans maintenance endowment; transfer matching funds into the same account; and conduct a five-year program review.

This bill requires participating cemeteries to submit annual maintenance and condition reports, including balance sheets, expenditures, and deferred maintenance backlog estimates.

This bill establishes the Veterans Cemetery Maintenance-Endowment Account in the General Fund and provides that moneys in the account shall be allocated, upon appropriation by the Legislature, to CalVet for distribution.

This bill requires CalVet to submit a report to the Legislature summarizing all participating veterans cemeteries, total state matches, and fund performance.

**Related Legislation:** SB 949 (Laird, Chapter 59, Statutes of 2021) modifies reporting and oversight requirements related to veterans cemetery funds.

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

**Staff Comments:** The bill's proposed matching program would apply to state, federal, and tribal veterans cemeteries located in California. It appears there are about 17 cemeteries in the state that would be eligible—12 national cemeteries, three state cemeteries that are currently operated by CalVet, and two tribal veterans cemeteries. The national cemeteries are part of the federal National Cemetery Administration and are funded and operated through the federal system. State and tribal veterans cemeteries may receive federal establishment or improvement grants through the Veterans Affairs Cemetery Grants Program, but are operated and maintained by the state or tribe with varying funding structures. This includes the Perpetual Maintenance Fund that is used for maintenance costs at the Northern California Veterans Cemetery and an Endowment Fund and Operations Fund at Fort Ord. This bill is intended to provide an additional tool to these existing funding structures. 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."

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