



**JOINT LEADERSHIP COUNCIL OF
VETERANS SERVICE ORGANIZATIONS**

CHAIRMAN'S 2019 ANNUAL REPORT

TO

ACTING COMMISSIONER STEVEN J. COMBS

AND

THE BOARD OF VETERANS SERVICES

November 1, 2019

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Chairman's Message

The Joint Leadership Council of Veterans Service Organizations (JLC), stands at 25 veterans service organizations (VSOs) representing over 250,000 members and all 715,000 Virginia veterans.

JLC members remain committed to serving and advocating for all of Virginia's veterans, military community, National Guard and the Armed Forces Reserves, and their families. With approximately 1 in 11 Virginians being a veteran, and over 104,000 of those veterans being women, Virginia has one of the highest per capita populations of individual veterans, and veterans still in the workforce in the country.

Our commitment to the Commonwealth of Virginia and supporting veterans and their families could not be stronger. JLC members are working on six legislative initiatives for consideration during the 2020 General Assembly session. All six position papers are published on our website had have been distributed to legislators for consideration as possible legislation or budget items.

This year, we held one of our meetings at the new headquarters of the Virginia Department of Military Affairs (Virginia National Guard), on the invitation of The Adjutant General, Maj. Gen. Timothy P. Williams. It is a wonderful experience each for our members to get out "in the field" for one meeting, and support our many hallowed institutions that honor our veterans and educate the public about the sacrifices made.

Additionally, at the July 24 meeting, I was honored to be reelected Chairman of the JLC. Bill Ashton, representing the Fleet Reserve Association was elected Vice Chairman. David Sitler, representing the Reserve Officers Association is our appointed Legislative Chair.

We deeply value our partnership with the Department of Veterans Services, Board of Veterans Services, Veterans Services Foundation, the Governor and the General Assembly, as we work together to serve Virginia's veterans and their families. The General Assembly has significantly supported the legislative initiatives proposed by the JLC over the years. Every January, our members visit the General Assembly at the start of session and enjoy speaking with Senators and Delegates about the merits of JLC-sponsored bills. It is important work that ensures that all Virginia veterans, have the ability to speak with a coordinated voice to our legislators.

The JLC is proud to serve as a voice for all of Virginia's veterans. The JLC looks forward to our continued involvement in the legislative process and promoting Virginia as the most veteran-friendly state in the nation.

Respectfully,
Frank G. Wickersham, III
Chairman
MOAA Representative to the JLC

The Joint Leadership Council of Veterans Service Organizations

The members of the Joint Leadership Council of Veterans Service Organizations (the JLC) represent 25 veterans service organizations (VSOs) in Virginia, that combined, represent over 250,000 members.

The JLC was created by Virginia statute in 2003 to be the voice for Virginia's VSOs, and by extension, for Virginia's veterans. JLC members are appointed by the Governor for three-year terms. The JLC typically meets five times a year. Meetings are open to the public.

Member Organizations

- Air Force Association
- American Legion
- AMVETS
- Association of the United States Army
- Disabled American Veterans
- Fifth Baptist Veterans Ministry
- Fleet Reserve Association
- Iraq & Afghanistan Veterans of America
- Korean War Veterans Association
- Legion of Valor of the US, Inc.
- Marine Corps League
- Military Officers Association of America
- Military Order of the Purple Heart
- Military Order of the World Wars
- Navy Mutual Aid Association
- Navy Seabee Veterans of America
- Non Commissioned Officers Association
- Paralyzed Veterans of America
- Reserve Officers Association of the United States
- Roanoke Valley Veterans Council
- Veterans of Foreign Wars of the United States
- Vietnam Veterans of America
- Virginia Army/Air National Guard Enlisted Association
- Virginia National Guard Association
- Women Marines Association

Please visit the JLC website for each VSO's representative and alternate:

<http://www.dvs.virginia.gov/dvs/joint-leadership-council-veterans-service-organizations>.

Mission Statement

The Council provides advice and assistance to the Governor, General Assembly and the Department of Veterans Services on matters of concern to the veterans community and provides a conduit of information to and from the veterans service organizations on policy and legislation, pending and enacted, as well as information on existing services.

Vision

The Council will:

- Give the Department of Veterans Services a broader understanding of the services needed by veterans.*
- Give veterans a broader understanding of the services available to them as citizens of Virginia.*
- Help veterans and veterans' organizations achieve legislation or policy changes needed to improve veterans' services.*
- Enhance communications between the public, the state government, and the state's veterans.*
- Help the Governor and the Department of Veterans Services develop policies that improve services for Virginia's veterans.*
- Help the General Assembly develop and pass laws that more clearly respond to veterans' needs.*

Issue Identification, Development, and Advocacy

As the voice of Virginia's veterans, the JLC identifies issues of concern to veterans, their spouses, orphans, and dependents and serves in an advisory capacity to the Virginia Department of Veterans Services. Each year, the JLC presents a list of key initiatives for consideration by the Governor and General Assembly. So, when you ask, "*What are Virginia's veterans' issues?*" the answer is clear – *these* are the top issues.

Communication

The JLC supports DVS by communicating information to veterans about their benefits, events, and issues. JLC members promptly relay information to the members of their respective organizations, amplifying the effectiveness of DVS' communications and initiatives. Additionally, cross-sharing of information has resulted in partnerships and cooperative efforts among the various veterans service organizations.

2019 Meetings

The JLC typically holds four business meetings and one conference each year. After a year off, due to the legislature's move to the Pocahontas building, the JLC Day at the Legislature resumed in 2019 and was a great success. We enjoyed attending the morning General Assembly Military & Veterans Caucus (GAMVC) meeting, meeting with legislators and aides, and hearing from the Speaker of the House, Lt. Governor and others in the afternoon.

Minutes of JLC all meetings are posted on the Commonwealth Calendar and on the JLC page of the DVS website: <http://www.dvs.virginia.gov/dvs/joint-leadership-council-veterans-service-organizations>. And provided to the Chairmen of the Board of Veterans Services (BVS) and Vice Veterans Services Foundation, who are ex officio members of the JLC.

The 2019 meeting schedule was as follows:

- January 16: JLC Day at the General Assembly
- April 17: Business Meeting, *at the Virginia National Guard HQ*
- July 24: Business Meeting
- October 16: Business Meeting
- December 18: Business Meeting (scheduled)

The JLC also submits a report at each Board of Veterans Services (BVS) and Veterans Service Foundation (VSF) meeting throughout the year.

2019-2020 Officers

Elected Officers

- Chairman: Frank G. Wickersham, III*
- Vice Chairman: Bill Ashton

Appointed Officers

- Legislative Chair: Dave Sitler
 - Assistant Legislative Officers: Robert A. Sempek, Lauren Augustine
- Chaplain: Denice Williams
- Constitution & By-Laws Committee
 - Chairman: Tom Wozniak
 - Members: Ace Taylor, Fallon Martin (A)
- Nominating Committee
 - Chairman: Dan Boyer,
 - Members: Judy Reid, Bob Sempek (A)
- JLC Rep to the Virginia Military Advisory Council (VMAC)

- Primary: Chair
 - Alternate: Craig Cressman
- JLC Rep to the State Board of Elections (SBE)
 - Primary: MOAA
- JLC Rep to Board of Veteran Services (BVS)
 - Primary: Chair
 - Alternate: Rick Oertel
- JLC Rep to Veterans Services Foundation (VSF)
 - Primary: Chair
 - Alternate: Vice Chair
- JLC Reps to Veterans Treatment Dockets
 - Hampton Roads: John Cooper, Rich Mansfield (A)
 - NOVA: Lauren Augustine, Rich Anderson (A)
 - Spotsylvania/Central VA: Bill Ashton
- Select Committee to Assist the DVS Women Veterans Program Manager:
 - Marie Juliano (JLC), Lyla Kohistany (BVS)
- Select Committee to Assist the DVS Veteran Entrepreneurship Ecosystem Coordinator:
 - Lauren Augustine (JLC), Nick Kesler (BVS)

**Chairman and Vice Chairman are elected, all other officer positions are appointed by the Chair.*

For More Information

Please visit the JLC page on the DVS website:

<http://www.dvs.virginia.gov/dvs/joint-leadership-council-veterans-service-organizations/>

Or Contact:

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2019 Initiatives - Status

as of April 3, 2019

INITIATIVE	RECOMMENDATION	STATUS
JLC 2019-01 <i>Increased State Active Duty (SAD) Pay</i>	That the Governor and General Assembly appropriate \$50,000 to ensure that all Virginia National Guardsmen are paid at least at the E6 rate.	Budget Amendment: 416 #2h, 416 #3h, 416 #1s – \$50,000 Legislation: HB1968 (Reid): 2/5: <i>Left in Appropriations</i> HB2626 (Ayala) & HB2788 (Thomas): 2/5: <i>Left in Appropriations</i> SB1246 (Reeves): 2/18: <i>Left in Appropriations</i>
JLC 2019-02 <i>Income Tax Subtraction for Certain Low-Income 100% Disabled Veterans</i>	That the Governor and General Assembly approve an individual income tax subtraction for 100% service-connected disabled veterans with a federally adjusted gross income, not exceeding 150% of the federal poverty level for a four-person household, who have not already claimed another exemption.	Budget Amendment: None Legislation: HB1756 (Miyares): 2/5: <i>Left in Appropriations (did not cross over)</i>
JLC 2019-03 <i>Electronic Return of Voted Ballots by Overseas Military</i>	That the Governor and General Assembly enact legislation and provide budget support of a pilot program at the Virginia State Board of Elections for \$100,000 and funding for one FTE, for a limited pilot program for the electronic return of absentee ballots by Virginia's deployed military service members.	Budget Amendment: 83 #6h \$282,600 (Landes) Legislation: HJ670 (Landes): 1/29: <i>Failed to Report (3-3) (did not cross over)</i> SJ291 (DeSteph): 2/1: <i>PBI (did not cross over)</i>
JLC 2019-04 <i>Personal Property Tax Relief for Certain Disabled Veterans</i>	That the Governor and General Assembly approve legislation creating a standardized, statewide personal property tax exemption for one vehicle for 100% service-connected, total and permanent disabled veterans. The corresponding legislation is a constitutional amendment – a 3 year process	Budget Amendment: N/A Legislation: HJ676 (Filler-Corn): 3/7: <i>Signed by Speaker; 3/9: Signed by President</i> SJ278 (Reeves): 3/7: <i>Signed by Speaker; 3/9: Signed by President</i>
JLC 2019-05 <i>Free Tuition for Virginia National Guardsmen</i>	That the Governor and General Assembly provide budget support of approximately a \$1 million increase in the annual State Tuition Assistance program for a pilot program to cover the estimated 3.5% of Guardsmen seeking a degree who are not currently completely covered by federal and state tuition assistance.	Budget Amendment: In GOV introduced amendments – <i>Senate Removed; House Retained; Conference Removed</i> Legislation: SB1412 (Mason): 2/19: <i>Left in Appropriations</i> HB2455 (Simon): 2/5: <i>Left in Appropriations</i>
JLC 2019-06 <i>Removing Combat Requirement for VMSDEP</i>	That the Governor and General Assembly remove the requirement that a veteran's disability rating be combat related. Instead, a permanent service-connected disability rating of at least 90%, plus satisfaction of the other requirements currently in the Code, would qualify a veteran's spouse or child for VMSDEP benefits.	Budget Amendment: 141 #5s \$1.2M in FY19 & \$2.7M in FY20 (McPike) Legislation: HB2685 (Torian): 3/18: <i>Signed by Governor</i> SB1173 (McPike): 3/8: <i>Signed by Governor</i> (SB1665 (Stuart): <i>Rolled into SB1173</i>)
JLC 2019-07 <i>Phased-in System for Partial State Tax Exemption for Military Retirement Income</i>	That the Governor and General Assembly support changes to the current Virginia tax laws for a phased in system to reduce state tax on military retirement income up to \$40,000.	Budget Amendment: None Legislation: None HJ 674 DVS & TAX: feasibility of exempting military retirement income from taxation, report (Torian); 2/4: <i>Agreed to by House (98-0); 2/20: Agreed to by Senate (voice vote)</i> DVS & TAX completed the report in October 2019

Summary of 2020 JLC Policy Initiatives

These 6 priorities were approved and ranked at the October 16 meeting

Each policy paper can be accessed at: <https://www.dvs.virginia.gov/dvs/joint-leadership-council-veterans-service-organizations-2>

Initiative	Recommendation
JLC 2020-01 <i>2nd Resolution – Personal Property Tax Exemption</i>	That the Governor and General Assembly approve legislation, and send to the voters via ballot initiative, creating a standardized, statewide personal property tax exemption for one vehicle for 100% service-connected, total and permanent disabled veterans.
JLC 2020-02 <i>Counting Military Absentee Ballots After Election Day</i>	That the General Assembly enact and the Governor sign legislation that directs Virginia registrars receive and count military overseas absentee ballots postmarked on or before election day and which arrive by 5:00 p.m. on the second business day before the State Board of Elections meets to certify the results of the election.
JLC 2020-03 <i>Income Tax Subtraction for Certain Low-Income 100% Disabled Veterans</i>	That the Governor and General Assembly approve an individual income tax subtraction for 100% service-connected disabled veterans with a federally adjusted gross income, not exceeding 150% of the federal poverty level for a four-person household, who have not already claimed another exemption.
JLC 2020-04 <i>Virginia National Guard Emergency Response Pay</i>	That the Governor and General Assembly appropriate budget and legislative support to ensure that all Virginia National Guardsmen are paid at least at the E6 rate when they are called to SAD in emergency situations.
JLC 2020-05 <i>Tax Credits for Employers who Hire VNG and Reserves</i>	That the Governor and General Assembly approve Tax credits for employers of National Guard members and self-employed National Guard members.
JLC 2020-06 <i>Microloans for Veterans Program (MVP)</i>	That the Governor and General Assembly provide an appropriation in the amount of \$1,000,000 in FY20 and \$1,000,000 in FY21 for the Microloan for Veterans Program fund.
	<i>Letters of Support</i>
	<i>In 2019, the JLC voted to show support for four issues via letters of support rather than inclusion in the formal list of policy initiatives</i>
<i>Governor's Challenge to Prevent Suicide Among Service Members, Veterans and Their Families</i>	<p>The JLC hopes that focus on this important issue in Virginia will lead to potential cutting-edge solutions and policies. We stand ready to assist the Governor and the members of this Challenge in any way needed. As a starting place, at our April 17 meeting, we voted unanimously on the following:</p> <ol style="list-style-type: none"> 1. Make a commitment to pass out the cards from the Governor's challenge; 2. Put the information about the Governor's Challenge and presentation on suicide prevention in VSO newsletters; and 3. Send a formal letter through the Chairman to the Governor supporting the Challenge and committing to support its' efforts.

<i>Funding for new Care Centers in biennial budget</i>	The JLC fully supports providing the funding necessary to open and operate our two new veterans care centers – the Puller Veterans Care Center and the Jones & Cabacoy Veterans Care Center – and requested the Governor include it in his introduced biennial budget for FY21-22. The JLC has always, and will continue to, support our commonwealth-run veterans care centers.
<i>Commonwealth Connect - Universal Broadband Access for Virginians</i>	The JLC supports the Governor’s efforts to fund VATI with \$50M in funding to help Virginia’s progress towards universal broadband access. Several member VSOs have signed on as Commonwealth Connect Coalition partners.
<i>Virginia National Guard Scholarship</i>	The JLC supports the Secretary of Veterans and Defense Affairs efforts for a Virginia National Guard Scholarship program to fully cover Guardsmen seeking a degree or certification in Virginia to bring Virginia in line with other states’ National Guard benefits.
	<p><i>Each letter will be posted to the JLC website after submission to the Governor and Secretary of Veterans & Defense Affairs</i></p> <p>https://www.dvs.virginia.gov/dvs/joint-leadership-council-veterans-service-organizations-2</p>



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October 16, 2019

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COMMONWEALTH OF VIRGINIA JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS

Position Paper 2020-01

2nd Resolution of Personal Property Tax Relief for Certain Disabled Veterans

OBJECTIVE: To create a unified, cohesive system for personal property tax relief to certain disabled veterans in the Commonwealth of Virginia.

BACKGROUND:

- Virginia's counties and independent cities currently have a patchwork system of personal property tax relief for veterans. Most offer no exemption, but among those that do offer something, how much relief – partial or full – and which veterans qualify varies widely.
- This creates confusion and distress among veterans who move from a locality with personal property tax relief to a new locality that does not.
- The Disabled American Veterans (DAV), Department of Virginia has passed resolutions at the past two state conferences (Res 10, Res 19) calling for personal property tax exemption for one vehicle for veterans who qualify for the real property tax exemption.
- Vehicles such as SUVs and vans that are retrofitted to accommodate disabilities can have high value and therefore high personal property tax rates.

DISCUSSION:

- As a Commonwealth, there is supposed to be uniform policies and tax exemptions.
- The Commissioners of the Revenue and other assessing officials are supportive of personal property tax exemption on one vehicle with the same requirements as the real property tax exemption.
- This would allow veterans who are 100% service-connected, total and permanently disabled, as rated by the U.S. Dept. of Veterans Affairs, and therefore qualified for the real property tax exemption to also qualify for exemption on one vehicle.
- This is another way to support low-income veterans, many of whom often risk losing their vehicle due to late payments and fines.
- Localities would still be able to keep existing partial or full exemptions for other veterans in place, if desired.

RECOMMENDATION: That the Governor and General Assembly approve the 2nd resolution and corresponding legislation creating a standardized, statewide personal property tax exemption for one vehicle for 100% service-connected, total and permanent disabled veterans and send it to the voters on November 3, 2020.

THE 25 ORGANIZATIONS OF THE JOINT LEADERSHIP COUNCIL HAVE MORE THAN 250,000 MEMBERS



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October 16, 2019

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COMMONWEALTH OF VIRGINIA JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS

Position Paper 2020-02 Counting Military Absentee Ballots After Election Day

OBJECTIVE: To ensure the continued commitment of the Commonwealth of Virginia to fully support of our military servicemen and women who are serving overseas, by enabling returned overseas military ballots to be counted when received after the polls close and before 5:00 p.m. on the second day before the State Board of Elections meets to certify the election results.

BACKGROUND:

- Currently, absentee ballots received by the local registrar after 7:00 p.m. on Election Day are not counted.
- In 2017, over 50 overseas absentee ballots arrived for the 28th House of Delegates race the morning after the election – but they were not counted. Even though the margin was razor thin and a recount was called, those ballots were never counted.
- While federal law allows the military to register to vote and request a ballot by electronic means, in Virginia those voted ballots cannot be returned electronically, but must be returned via “snail mail.”
- Mail delays are common, especially for those service members in remote or hostile areas. The Military and Overseas Voter Empowerment (MOVE) Act requires that all [absentee] ballots be mailed to service members not less than 45 days before an election, however, at least 36 days may be needed to transmit the ballots – and that is without shipping delays.

DISCUSSION:

- In 2018, Senator Surovell patroned SB771 to solve this problem, but it did not make it out of committee.
- After the November 2018 election, the State Board of Elections (SBE), reported over 6,770 absentee ballots were returned after polls closed and were not counted.
- The JLC has been working to find a solution to the disenfranchisement of Virginia military men and women since 2013. This is a sensible solution that addresses the privacy concerns brought up by Verified Voters.
- This solution is low-tech, cost effective and easily implemented by the localities to ensure the enfranchisement of our deployed military.

RECOMMENDATION: That the General Assembly enact and the Governor sign legislation that directs Virginia registrars receive and count military overseas absentee ballots postmarked on or before election day and which arrive by 5:00 p.m. on the second business day before the State Board of Elections meets to certify the results of the election.



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October 16, 2019

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COMMONWEALTH OF VIRGINIA JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS

Position Paper 2020-03

Income Tax Subtraction for Certain Low-Income 100% Disabled Veterans

OBJECTIVE: To allow individual income tax subtraction for the amount of annual retirement compensation received for service as a member of the U.S. Armed Forces, or the Virginia National Guard, for 100% service-connected disabled veterans with a federal adjusted gross income not exceeding 150% of the federal poverty level for a four-person household.

BACKGROUND:

- Virginia currently allows qualifying taxpayers to claim a subtraction for up to \$20,000 of disability income. Disabled veterans who already claim this subtraction would not qualify for the new program or would have to drop this subtraction and claim the new one.
- D.C. and Maryland offer exemptions ranging from \$3,000 to \$5,000.
 - North Carolina offers a full exemption for retirees with five years of service as of August 12, 1989; otherwise, retirees may claim a deduction of up to \$4,000.
 - Kentucky offers exemptions of \$41,110 and West Virginia \$20,000.

DISCUSSION:

- While Combat-Related Special Compensation (CRSC) is not subject to federal or Virginia taxation, Concurrent Retirement and Disability Payments (CRDP) are generally subject to both federal and Virginia taxation.
- Available reports do not provide specific data on the exact number of 100% service-connected disabled veterans in Virginia, however, the VA has given a reasonable estimate of 1,371 disabled Virginia veterans who would qualify for this benefit.
- Department of Taxation considers implementation of this bill as routine, and does not require additional funding.
- No subtraction would be permitted if another Virginia subtraction or deduction for such service has been claimed.

RECOMMENDATION: That the Governor and General Assembly approve an individual income tax subtraction for 100% service-connected disabled veterans with a federal adjusted gross income, not exceeding 150% of the federal poverty level for a four-person household, who have not already claimed another exemption.



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October 16, 2019

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COMMONWEALTH OF VIRGINIA JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS

Position Paper 2020-04 Virginia National Guard Emergency Response Pay

OBJECTIVE: To ensure Virginia's continued commitment to the men and women of the Virginia National Guard, through raising the minimum National Guard Emergency Response Pay (ERP) to equal the currently used DOD pay table plus a 2-10% increased adjustment, depending on rank.

BACKGROUND:

1. During state emergencies, Guardsmen are brought into an Emergency Response role as temporary state employees at a very low pay band.
2. Other state employees involved in emergency response work overtime and go home or to a hotel, however, Guardsmen on duty are not eligible for overtime pay, put in 12-18 hours per day, and are typically quartered in austere conditions such as an armory or tent.
3. Since January 2014, the VNG has mobilized 2,570 personnel to respond to hurricanes, winter storms and flooding, often with only 12 hours to report for Emergency Response duty.

DISCUSSION:

1. During the Charlottesville "Unite the Right" Protests in August 2017, Guardsmen stood side-by-side with Virginia State Police, in extremely stressful and challenging conditions, and were woefully undercompensated compared to the state police.
2. While in an Emergency Response capacity, Guardsmen are often forced to use vacation time or take leave without pay from their civilian jobs when military leave runs out, and most employers do not supplement the pay difference.
3. Current Emergency Response pay amounts are determined by DOD pay tables. An E-1 VNG Soldier/Airman earns about \$89.75 per day, before taxes, which on a 12-hour shift equals \$7.48 per hour – less than the federal minimum wage.
4. When Guardsmen are federally activated they receive hazard pay, separation pay, housing allowance and other allowances dependent on their circumstances. When Guardsmen are activated by the Governor they only receive their base pay, housing, and meal allowance, all of which are taxed.
5. It is essential that Guardsmen are compensated at a reasonable rate to promote a positive work environment when conducting critical, emergency response missions to send the message to Guardsmen that their efforts are valued equally to other emergency response agencies.

RECOMMENDATION: That the Governor and General Assembly appropriate budget and legislative support to ensure that all Virginia National Guardsmen receive a 2-10% adjustment to the current pay table for NG Emergency Response Pay.



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COMMONWEALTH OF VIRGINIA JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS

Position Paper 2020-05 Tax Credits for Employers Who Hire National Guard and Reserves

OBJECTIVE: To ensure Individual and corporate income tax credit; employers of National Guard members and self-employed National Guard.

BACKGROUND:

- Provides for taxable years 2019 through 2023 a non-refundable tax credit against individual and corporate income taxes for wages paid by an employer to an employee who is a Virginia National Guard member or Reserves.
- Income of a self-employed National Guard member or Reservist attributable to his business would also qualify for a non-refundable tax credit against individual and corporate income taxes for wages paid for taxable years 2020 through 2024.
- For taxable years beginning on and after January 1, 2020, but before January 1, 2025, a self-employed National Guard member shall be allowed a credit against the tax levied pursuant to § 58.1-320 or 58.1-400 for income attributable to his trade or business during the taxable year.

DISCUSSION:

- The amount of the credit shall be:
 - 25%, if such member was in a military pay status for 65 days or more during such taxable year, or
 - 15% if such member was in a military pay status for 45 days or more during such taxable year.
- The credit should not be allowed if such member was in a military pay status for less than 45 days during such taxable year.
- The taxpayer should be allowed to carry unused credits over for up to five taxable years within the taxable years of 2024 to 2028.
- The amount of the credit claimed shall not exceed the total amount of tax imposed pursuant to § 58.1-320 or 58.1-400 upon the employer for the taxable year.

RECOMMENDATION: That the Governor and General Assembly approve Tax credits for employers of National Guard members and self-employed National Guard members.



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*Air Force Association
American Legion
AMVETS
Association of the United
States Army
Disabled American
Veterans
Fifth Baptist Veterans
Ministry
Fleet Reserve Association
Iraq & Afghanistan Veterans
of America
Korean War Veterans
Association
Legion of Valor of the
U.S., Inc.
Marine Corps League
Military Order of the
Purple Heart
Military Officers Association
of America
Military Order of the
World Wars
Navy Mutual Aid Association
Navy Seabee Veterans of
America
Non-Commissioned
Officers Association
Paralyzed Veterans of
America
Reserve Officers Association
Roanoke Valley Veterans
Council
Veterans of Foreign Wars
Vietnam Veterans of America
Virginia Army/Air National
Guard Enlisted
Association
Virginia National Guard
Association
Women Marines Association*

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COMMONWEALTH OF VIRGINIA JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS

Position Paper 2020-06 Microloans for Veterans Program (MVP)

OBJECTIVE: To establish the Microloans for Veterans Program, through the Virginia Small Business Financing Authority's system of microloans, available solely to Virginia veteran entrepreneurs establishing business ventures based in Virginia.

BACKGROUND:

- Entrepreneurship is the "third leg of the stool," (along with Education and Employment) for Virginia veterans. It is a key for veterans and the New Virginia Economy.
- Current programs, such as the U.S. Small Business Administration's (SBA) Boots to Business program, Bunker Labs, Capital Post, and the Arsenal are focused on training and mentorship and businesses that are established and can provide proof of revenue. SBA loans can be almost impossible for veteran start-ups to access.
- The Virginia Small Business Financing Authority (VSBFA) is Virginia's business and economic development financing arm, providing financing for small businesses and economic growth in Virginia. The VSBFA already has the authority to administer microloan programs and are willing to administer a microloan for veteran entrepreneurs.

DISCUSSION:

- MVP would place veteran entrepreneurs on a more equal footing with civilian entrepreneurs and encourage the growth of small businesses in Virginia.
- MVP sets up a public-private partnership between VSBFA, DVS, Virginia Community College System and private banks to assist veterans and incentivize veterans to complete financial education and business planning classes with lower interest rates (1-2% below market rate) and extended payback periods.
- The program would have two tiers –
 - a) Tier 1: Loan amounts up to \$10,000 through VSBFA; Requirements: Honorably discharged, minimum credit credentials, repayment and interest rate terms set by VSBFA, and a willingness to sign on to education and mentorship requirements, unless comparable credentials can be produced.
 - b) Tier 2: Loan amounts up to \$50,000 through Virginia banking institutions (such as V3 partners); Requirements: Successfully completed all education and mentorship requirements of Tier 1 and paid back the loan early or on time.
- The two tiered system minimizes risk, keeps state funds circulating more quickly and promotes successful small businesses in Virginia by providing a wide range of educational and support tools to the veterans.

RECOMMENDATION:

That the Governor and General Assembly provide an appropriation in the amount of \$1,000,000 in FY20 and \$1,000,000 in FY21 for the Microloan for Veterans Program fund.