

Joint Leadership Council of Veterans Service Organizations
Meeting Minutes
November 20, 2020

A virtual meeting of the Joint Leadership Council of Veterans Service Organizations (the JLC) was held on November 20, 2020.

Members Present

- Richard Oertel, American Legion
- John Cooper, AMVETS
- Denice Williams, Disabled American Veterans
- William Ashton, Fleet Reserve Association
- Lauren Augustine, Iraq & Afghanistan Veterans of America
- Tim Whitmore, Korean War Veterans Association
- James Barrett, Marine Corps League
- Monti Zimmerman, Military Officers Association of America
- Vernon Peters, Military Order of the World Wars
- Preston Curry, Paralyzed Veterans of America
- David Sitler, Reserve Officers Association
- Daniel Boyer, Veterans of Foreign Wars
- Robert Barnette, Virginia Army/Air National Guard Enlisted Association
- Kevin Hoffman, Virginia National Guard Association
- Michael Dick, Chairman, Board of Veterans Services
- John Maxwell, Commissioner, Department of Veterans Services

Members Absent

- Thomas Wozniak, Air Force Association
- Michael Flanagan, Association of the United States Army
- John Manning, Fifth Baptist Church Veterans Ministry
- Robert Herbert, Legion of Valor
- James Cuthbertson, Military Order of the Purple Heart
- Mike Boyle, Navy Seabee Veterans of America
- Jon Ostrowski, Non Commissioned Officers Association
- Perry Taylor, Roanoke Valley Veterans Council
- Charles Montgomery, Vietnam Veterans of America
- Judy Reid, Women Marines Association
- John Lesinski, Chairman, Veterans Services Foundation

Alternates Present (representing their VSO)

- Bob Sempek, Association of the United States Army
- Rich Rinaldo, Legion of Valor
- Mark Atchison, Military Order of the Purple Heart
- Tyrone Anderson, Non Commissioned Officers Association

Alternates Present (not representing their VSO)

- Rich Mansfield, AMVETS

Commonwealth of Virginia Officials Present

- Steven Combs, Department of Veterans Services (DVS)
- Claudia Flores, DVS
- Brandi Jancaitis, DVS
- Glendalynn Glover, DVS
- Ravi Padma, DVS
- Eliza Henderson, DVS
- Tim Bowden, DVS
- Major General Tim Williams, the Adjutant General
- Cassy Horn Russell, Department of Military Affairs
- Chris Snider, Chief of Staff for Senator Bryce Reeves
- David Wingfield, Virginia Department of Corrections

Guests

- Dr. Craig Pinsker, Military Officer Association of America

Items included in the Agenda Packet

- Draft Agenda (Agenda Item III)
- Feedback and Potential Adjustments to JLC 2021 Proposals (Agenda Item V)
 - JLC Initiative 2021-02 – Promote Hiring of National Guard
 - JLC Initiative 2021-03 – Expand Tax Relief for Surviving Spouse
 - JLC Initiative 2021-07 – Partial State Tax Exemption for Military
 - JLC Initiative 2021-08 – Support for DVS Programs and Services

Opening, Pledge of Allegiance, Thoughts & Meditation

JLC Chairman Bill Ashton called the meeting to order and led the Council in the Pledge of Allegiance.

Roll Call of VSOs and Quorum Determination

The roll was called, and 17 of the 24 Veterans Service Organizations (VSOs) represented on the Joint Leadership Council of Veterans Service Organizations (the JLC) were recorded as being represented. A quorum was determined. Mr. Michael Dick, Chairman of the Board of Veterans Services (BVS) and Chief Deputy Commissioner (CDC) Steven Combs, representing Virginia Department of Veterans Services (VDVS) Commissioner John Maxwell, were recorded as present. Commissioner John Maxwell joined the meeting shortly thereafter, representing VDVS. One member joined shortly afterwards, bringing the total number of VSOs represented to 18.

Introduction of Guests and DVS staff

CDC Combs introduced DVS team members and other participants. Their names are recorded above.

Approval of the Agenda

Chairman Ashton asked for a motion to approve the Agenda. Mr. Rick Oertel made a **motion**,

seconded by Mr. Daniel Boyer, to approve the meeting agenda as presented. The motion carried **unanimously**. (See Attachment 1).

Approve October 21, 2020 Meeting Minutes

Chairman Ashton asked for a motion to amend the agenda to delay the approval of the October 21, 2020 minutes. Mr. Daniel Boyer made a **motion, seconded** by Mr. Tim Whitmore. The motion carried **unanimously**.

Feedback from November 13 Board of Veterans Services (BVS) Meeting

Chairman Ashton noted that a meeting of the Board of Veterans Services (BVS) was held November 13 and that it was very informative with great conversation. Chairman Ashton said that he presented the seven JLC 2021 initiatives adopted at the October 21 JLC meeting. He said that the BVS was in support of four of the seven initiatives (2021-01, -04, -05, and -06) but not in support of three of the seven proposals (2021-02, -03, and -07) as presented.

Chairman Ashton thanked BVS Chairman Michael Dick for the meeting.

Chairman Ashton commented that before he presented the first proposals to the Board, BVS Chairman Dick commented that as reviewed the proposals ahead of the meeting, he noticed there were no proposals on veteran suicide, homelessness, education, or women veterans. Chairman Dick said that this was echoed by other BVS members.

Chairman Ashton informed the members that in response to Chairman Dick's comments, he explained to the Board the JLC is made up of 24 Veteran Service Organizations (VSO) and the JLC representatives bring forward proposals their VSO membership requests.

Chairman Ashton noted that following the BVS meeting, he asked CDC Combs for a history of all the JLC initiatives since its inception. Chairman Ashton commented that since 2005, the JLC brought forth 111 issue papers. Of the 111, he noted 76% of them have either been fully or partially approved by the General Assembly and the Governor. He further noted that it sometimes took many years for an initiative to be approved – 19 were not approved the first year they were brought forward but were approved after multiple years. Chairman Ashton commended the JLC for their work.

Chairman Ashton began to go through the proposals and noted this year will be a difficult year to get legislation through that will cost the Commonwealth money given the COVID pandemic.

Proposed revisions to JLC Position Papers 2021-02, 03, and 07 were included the agenda packet. The proposed revisions *as presented* at the meeting are included as Attachment 2.

Chairman Ashton said that the BVS supported 2021-01 as presented.

With respect to proposal 2021-02, Chairman Ashton said that the proposal was not supported as presented (i.e. as a tax credit). He thanked Mr. Robert Barnette for considering an alternate approach to address his VSO's policy goal of promoting the hiring of members of the Guard and Reserve. He noted that instead of a tax credit, this proposal was revised to make it a grant

program, aligned with the V3 grant program. The proposal is now for a \$50,000 grant program to incentivize the hiring of National Guard and Reserves.

Chairman Ashton asked for questions.

Mr. Rick Oertel asked for a definition of a small or medium sized employer. Chairman Ashton commented that the proposal would use the same definition as the V3 program. CDC Combs commented it is fewer than 300 or fewer than 400.

Chairman Ashton reviewed 2021-03, noting that it was not supported by the BVS as presented. He commented that he researched the cost this proposal would have and noted he contacted the Tragedy Assistance Program for Survivors (TAPS) to help determine the number of survivors that would be covered by this proposal. He commented that TAPS reported there are currently 700 survivors of service members who died on active duty in the Commonwealth, but TAPS is not able to differentiate between those who were killed in action vs those who died on active duty. TAPS did not have any information on which of the survivors owned homes, but that the 700 number approximates the maximum number who would fall under the proposed legislation.

Chairman Ashton noted the proposal would require an amendment to the constitution for this to pass and therefore, it would be 2023 before it could take effect, and it would not be retroactive. CDC Combs confirmed the information on the amendment process, noting that it would require a resolution in the 2021 session, another resolution in the 2022, a ballot question in the 2022 General Election, and going into effect in 2023.

Mr. Dan Boyer asked Chairman Ashton to look at the recommendation on 2021-3 and commented he believes it needs to be reworded and said not to change “killed in action” to “died on active duty,” but rather add “died on active duty.”

Mr. Rick Oertel commented that the verbiage does indeed need to be changed to “died on active duty.” Mr. Oertel further commented that unless Delegate John McGuire sponsored this, he recommended the example of the Navy SEAL needs to be removed to “service member” general for everyone concerned and gives it more change of resonating with other members.

Ms. Lauren Augustine confirmed that changing the verbiage from “killed in action” to “died on active duty” makes it more inclusive and does not eliminate those survivors of members “killed in action.”

Chairman Ashton stated that 2021-04, -05, and -06 were supported by BVS as presented.

Chairman Ashton said that 202107 was not supported by the BVS, as presented, and reviewed the proposed revisions. He noted the revision included those under the age of 65 would get a \$2,500 tax credit and \$5,000 for those over the age of 65 for those with a federal Adjusted Gross Income (AGI) of less than \$82,000.

Chairman Ashton explained that the JLC would first have further discussion and vote on the three revised position papers, and would he would then present a new position paper on behalf of his

VSO for consideration by the JLC. He asked if there were any questions or discussion at this point.

Mr. Rich Rinaldo asked if the federal AGI was for married filing jointly or filing separate. Mr. Ashton said to bring it up during discussion.

Mr. Monti Zimmerman asked if 2021-01 was supported by the BVS as presented. Chairman Ashton confirmed it was. Mr. Zimmerman then asked if there would be an adjustment to the background section. Mr. Oertel confirmed an adjustment would be made.

CDC Combs commented there will be an updated position paper on JLC 2021-01 posted on the JLC webpage and said the JLC webpage will be updated by DVS as soon as it is received. He further noted that the JLC webpage will be kept up to date with the latest versions of the positions papers, so that members (or members of their VSOs) should always look to the JLC webpage for the latest version (<https://www.dvs.virginia.gov/dvs/joint-leadership-council-veterans-service-organizations-2>).

Chairman Ashton thanked CDC Combs.

Chairman Ashton asked more a motion to accept the revised JLC 2021-02 initiative. Mr. Rick Oertel made the **motion, seconded** by Ms. Lauren Augustine. There was no additional discussion. The motion carried **unanimously**.

Chairman Ashton asked for a motion to accept the revision on the revised JLC 2021-03 initiative. Mr. David Sitler made the **motion, seconded** by Mr. Preston Curry. Mr. Chairman asked for discussion. Mr. Oertel said he opposed this proposal, but noted he thought the reference to Navy SEAL be removed and substituted with service member. Mr. Oertel also commented it should be defined better how the service member “died on active duty.” He further commented that he looked at the Code, and noted that Mr. Boyer was correct; that the proposal should include both “Killed in Action” and “died on active duty” rather than simply changing “Killed in Action” to “died on active duty.”

CDC Combs recommended a restating of the motion to amend the paper as Mr. Oertel outlined. Mr. Dan Boyer made a **substitute motion, seconded** by Mr. Preston Curry, to approve the revised proposal to include the changes identified by Mr. Oertel.

Mr. Hoffman asked for confirmation that the amended changes referred to the removal of Navy SEAL and replacement with service member. Chairman Ashton confirmed this was correct.

BVS Michael Dick commented that the JLC should consider included the phrase “in the line of duty” to further define how a member died on active duty.

Ms. Lauren Augustine made a recommendation to ask TAPS how to further phrase the language so that no Gold Star families are excluded.

Chairman Ashton commented a line of duty investigation is done to determine if the member was in an official capacity. Ms. Augustine commented the issue is with timing and Chairman Ashton confirmed he will circle back to TAPS to ensure that language is such that no one is inadvertently excluded.

A roll call to accept the revisions to 2021-03 was conducted. The motion carried by a **majority. American Legion voted Nay.**

Chairman Ashton commented his intention is to update the BVS at their next meeting with the revisions.

Chairman Ashton noted that if the JLC is to change state law or advocate for change, it will take concerted advocacy by all JLC members and the members of their VSOs to contact their Delegates and Senators.

CDC Combs indicated a motion and roll call was needed for 2021-07.

Chairman Ashton asked for a motion to approved the revisions to 2021-07. Mr. John Cooper made a **motion, seconded** by Mr. Rick Oertel.

Chairman Ashton called for discussion.

Mr. Zimmerman asked about for more clarity for the income tax exemption – whether the intent was to apply it only to military retirement income or to total income. He noted that clarification is needed to clarify that the JLC intended the exemption to apply to a maximum income level.

Mr. Rinaldo commented that there might be a need to clarify that there were category of filers.

Mr. Cooper commented that he reads the proposal to apply to the military retiree, irrespective of tax filing status.

Mr. Oertel commented he agreed with Mr. Rinaldo and Mr. Zimmerman. Mr. Oertel also commented that the proposal needs more work in the way it is presented. He said that a tax subtraction (from AGI) may be looked on more favorably than a tax credit.

Chairman Ashton commented it is a tax subtraction (i.e. subtract the proposed amount) for filers with incomes less than \$82,000. Mr Boyer noted that that the tax filing status should not make a difference. Mr. Zimmerman agreed the way a person files is not the concern and wants the proposal to be clear the \$82,000 is a maximum AGI amount to which an tax subtraction could be claimed..

Chairman Ashton commented the federally adjusted gross income needs to be under \$82,000. Mr. Rinaldo recommended the proposal should be run by a tax expert to make sure of the language.

Mr. Sempek recommended it not be based on federal AGI, but rather have it against the state income.

Chairman Ashton asked CDC Combs about asking state tax officials. CDC Combs said that DVS could ask the Virginia TAX about this. He clarified that he thought the exemption would be taken off of a federal AGI of \$82,000 or less. He gave an example of a filer, under the age of 65, with an federal AGI of \$80,000. This filer could subtract \$2,500, meaning that the starting point in determining their state income tax was \$77,500. He said DVS would ask TAX for unofficial advise on the correct way to word this on the JLC position paper.

Chairman Ashton asked for a vote. A roll call vote was conducted on 2021-07. The motion passed.

Chairman Ashton passed the gavel to JLC Vice Chair Denice Williams and then spoke as the representative of the Fleet Reserve Association. He commented he thought about the issues BVS mentioned were not part of this year's proposals such as veteran suicide, homelessness, and women veterans. He also mentioned DVS peer specialists, peer mentoring, and claims processing. He noted he recommends to Fleet Reserve Association members that they refer veterans to DVS for support in these areas. He noted JLC support of DVS programs related to these programs and services. As the representative for the Fleet Reserve Association, Mr. Ashton put forward a new proposal (FRA 2021-03) for the new funding that was originally appropriated to DVS for FY21, that had to be unallotted due to the revenue downturn, be restored. He noted that each VSO and their members rely on the DVS to deliver state-level veterans services and programs.

Chairman Ashton asked for a motion to accept FRA 2021-03 as a new JLC recommendation (*See Attachment 3*). Mr. Dan Boyer made a **motion, seconded** by Mr. Tyrone Anderson. Chairman Ashton asked for discussion.

Mr. Cooper asked how much money was taken from the DVS budget. Chairman Ashton commented it was \$1.25 million cut from DVS due to COVID. Mr. Cooper asked what percentage of the existing budget was cut due to COVID. CDC Combs responded it was new funding on top of the base budget, which is probably about 5%. Mr. Cooper indicated the JLC should support the recommendation. He further commented the JLC has members on the Governor's Challenge to Prevent Suicide among Service Members, Veterans, and their Families, which further means that the JLC should support this proposal. Mr. Cooper referenced the VA PREVENTS roadmap.

Mr. Oertel commented his agreement that DVS and the initiatives are important and supports what DVS does and has done for veterans, but said it is unrealistic to put this proposal forward at this time. He noted that some of the other JLC proposals have costs associated with them, and that because the General Assembly and Governor had only approved the budget (with the cuts to the DVS budget included) two weeks ago, it is unrealistic to ask to restore these budget cuts so quickly. Mr. Ashton thanked Mr. Oertel for this input.

Mr. Cooper said a squeaky wheel gets the oil, and it is important that the JLC raise the issue, even if the full amount does not get restored.

Mr. Ashton recommended that if it is important to the JLC, it should be on record as a proposal. He noted that some past JLC recommendations took several years to be fully adopted.

Mr. Rinaldo commented that he appreciated Mr. Oertel's comments, but said that if the JLC members think this is important, it should remain a recommendation for the General Assembly.

Mr. Oertel commented that this request will not be forgotten whether or not it goes forward at a JLC recommendation this year or not. He further commented next year is a budget year and it will be considered again based upon projected revenues. He noted he would go with the recommendation of the board. Mr. Ashton thanked Mr. Oertel.

Mr. Boyer asked if it should go forward as a "strong letter." Mr. Ashton commented it should remain a JLC proposal rather than a letter. He noted that JLC recommendations are not always successful in the first year, but if an issue is important for members of VSOs, their JLC representative should bring them forward for consideration by the JLC. He noted that reducing the number of veteran suicides, support for women veterans, and other issues were important. He said that his VSO did not have specific services in these areas, so it was important for support of DVS in this area.

BVS Chairman Dick concurred with Mr. Oertel that the proposed initiative will likely not go anywhere and highlighted the need for policy recommendations from the VSOs to modify or emphasize policies that are in effect now such as suicide prevention, evictions. He asked for policy initiatives with a smaller financial impact as an interest item of the BVS.

Mr. Ashton thanked Chairman Dick.

Mr. Ashton asked for a roll call vote. Mr. Rinaldo asked for a comment. He noted Chairman's Dick point on policy was valid and asked if there is a possibility if the proposal can be presented as a resolution rather than a cost-associated recommendation.

Mr. Ashton thanked Mr. Rinaldo.

A roll call vote was conducted. **There were 13 votes to accept FRA 2021-03 as a new JLC recommendation four 2021, and four abstentions (American Legion, Legion of Valor, Marine Corps League, and MOAA). The motioned carried.**

Chairman Ashton commented on where the new priority should rank. Mr. John Cooper made a recommendation it be 2021-08 and made the **motion, seconded** by Mr. Kevin Hoffman. Chairman Ashton asked for discussion.

Mr. Sitler made a comment that the phrase "at the earliest opportunity" be inserted to make it clear that this was a JLC priority, while also recognizing that it may be a while before the state has the funding to include this proposal in the adopted budget.

CDC Combs commented the same phrase could be tacked on to all the JLC initiatives and that this was implied in all JLC proposals. Chairman Ashton agreed, and noted that action JLC initiatives can

take several years, and that if it is not adopted (or fully adopted) this year, a JLC member can bring it back next year for continued JLC support/advocacy.

Mr. Oertel called for the question.

Chairman Ashton called for a roll call vote to place this proposal as number 8 on the JLC initiatives. A roll call was conducted and the motion passed **unanimously**.

CDC Combs commented on proposal AUSA-1, which was not acted on at the October 21 meeting (AUSA was to use the period between the October and December meetings to work on revisions to the proposal). CDC Combs said that he believed it was the intent of AUSA to withdraw its proposal, and asked if AUSA was prepared to do so at this meeting. Mr. Sempek commented he was not prepared to speak to the level of detail required and requested to hold off until December. Chairman Ashton asked if a motion was required at this time. CDC Combs replied that no action was required at this meeting.

CLOSING REMARKS

Chairman Ashton thanked CDC Combs and DVS Director of Policy & Planning (DPP) Claudia Flores for the Zoom meeting. Chairman Ashton thanked the JLC for their participation in the Zoom meeting. He further commented the JLC has been successful over multiple years in getting initiatives through the General Assembly and noted the history spreadsheet of initiatives from 2005.

CDC Combs commented that the information will be posted to the JLC webpage.

Mr. Cooper asked about the meeting format for the December meeting and for the upcoming General Assembly session. Chairman Ashton replied that at this time the intent is to meet in-person for the December meeting, but that if COVID-19 restrictions apply, the meeting may switch to virtual.

Mr. Oertel said the Speaker of the House of Delegates said the upcoming General Assembly session will be virtual, at least for the House.

Mr. Ashton reiterated that the members will be notified as soon as possible about the format for the December 16 meeting. He thanked all of the JLC members for being part of today's meeting and especially for their hard work in support of the veterans of the Commonwealth of Virginia.

Mr. Daniel Boyer made a **motion** to adjourn, **seconded** by Mr. Vernon Peters. The JLC meeting adjourned by unanimous consent.

ATTACHMENT 1
Joint Leadership Council of Veterans Service Organizations

ELECTRONIC MEETING

November 20, 2020
11:00 a.m. – 12:00 p.m.

AGENDA

- I. Opening, Meeting Notes, and Pledge of Allegiance – *Bill Ashton, JLC Chairman* (11:00 – 11:05)
- II. Roll call of VSOs, quorum determination, and introduction of guests – *Bill Ashton, JLC Chairman* (11:05 – 11:10)
- III. Approve Agenda – *Bill Ashton, JLC Chairman* (11:10 – 11:12)
- IV. Approve October 21, 2020 meeting minutes – *Bill Ashton, JLC Chairman* (11:12 – 11:15)
- V. Feedback from November 13 BVS meeting and potential adjustments to JLC 2021 proposals (11:15 – 11:55) – *Bill Ashton, JLC Chairman* and *Lauren Augustine, JLC Legislative Officer*
- VI. Closing remarks and prepare for December 16 meeting – *Bill Ashton, JLC Chairman* (11:55 – 12:00)
- VII. Adjourn (12:00)

ATTACHMENT 2

PROPOSED REVISIONS TO JLC 2021 POSITION PAPERS – AS PRESENTED AT THE MEETING

Position Paper 2021-02

Promote Hiring of Virginia National Guard and Reserve Members

OBJECTIVE: To promote the hiring of members of the Virginia National Guard and the Reserves by recognizing Virginia employers who hire our citizen-soldiers.

BACKGROUND:

- Members of the Virginia National Guard and the Armed Forces Reserves are citizen-soldiers, meaning that when they are not serving on federal or state missions, they are in their communities and working to support their families.
- As a Commonwealth and a Nation, it is important that we recognize our employers who hire our citizen-soldiers. One way to do this is through a small-scale grant to encourage and incentivize hiring.
- After the Virginia Values Veterans (V3) Program was established, the Governor and General Assembly authorized the creation of a grant program to recognize small to medium-sized employers that hire Virginia veterans.
- If a Guardsman or Reservist serves on federal active duty, they earn Veterans status. Employers who hire these members of the Guard and Reserve would qualify for a V3 employer grant.
- However, if a Guardsman or Reservist is not called to federal active duty, they are not considered a Veteran. Employers who hire them do not qualify for the V3 grant program.

DISCUSSION:

- This proposal seeks to build on the V3 Program employer grant model by awarding a one-time grant of \$1,000 to a Virginia employer who hires a member of the Virginia National Guard or the Armed Forces Reserves.
- Extending eligibility for a V3-type grant to Virginia employers who hire Virginia's citizen-soldiers will both incentivize hiring of these talented individuals and recognize the vital dual role played by citizen-soldiers in our work places and our Commonwealth.
- The JLC recommends a small-scale initial investment of \$50,000 in FY22, sufficient to award 50 grants of \$1,000 each. The Departments of Veterans Services and Military Affairs would report back to the Governor and General Assembly of the demand for this grant, and whether any shortfalls exist that should be addressed in future fiscal years.
- The JLC recommends that the eligibility requirements for the \$1,000 grant be modeled on the V3 employer grant requirements.

RECOMMENDATION: That the Governor and General Assembly approve \$50,000 to create a grant program to incentivize small to medium-sized Virginia employers to hire members of the Virginia National Guard and Armed Forces Reserves

Position Paper 2021-03

Expand Tax Relief for Surviving Spouses of Military Services Members “Killed in Action” to also include “Died on Active Duty”

OBJECTIVE: To reform the Virginia state law, Tax Relief for Surviving Spouse of a Member of the Armed Forces to include both “Killed in Action” and “Died on Active Duty.”

BACKGROUND:

- Virginia Code Title 58.1, Chapter 32, section 58-1-3219.9 states:
On March 23, 2015, legislation was approved by the Virginia General Assembly providing for an exemption of real estate taxes for the surviving spouse of a member of the United States Armed Forces who was Killed in Action as determined by the United States Department of Defense.
- Disabled Veterans or Surviving Spouses Real Estate Exemption:
The Commonwealth of Virginia exempts from taxation the real property, including the joint real property of husband and wife, of any veteran who has been rated by the U. S. Department of Veterans Affairs or its successor agency pursuant to federal law to have a 100% service connected permanent and total disability, and who occupies the real property as his or her principal place of residence.

DISCUSSION:

- a. Approximately 1% of the American population served in our Armed Forces. According to Tragedy Assistance Program for Survivors (T.A.P.S.) there are 700 Survivors of Service Members who died on active duty in the Commonwealth.
- b. Virginia Code states a surviving spouse is eligible for exemption of real estate taxes if the spouse is “Killed In Action” verified by Department of Defense. There are no differences in Benefits for a military member who are killed in action verses a military member who dies on active duty.
- c. Currently, a surviving spouse of a SEAL team member “Killed in action” qualifies for the exemption of real estate tax. Yet a surviving spouse of a SEAL team who died on active duty does not qualify. In this scenario, both SEAL team members died while actively serving this nation, yet their surviving spouses do not receive equal tax exemption benefits.
- d. Disabled Veterans who are 100% Permanent and Total rating by the Veterans Administration are eligible for the tax exemption. If this Veteran dies of a service connected disability his/her spouse will continue the entitlement.

RECOMMENDATION: Legislation introduce in the General Assembly to amend the Code of Virginia to change “Killed in Action” to “Died on Active Duty.”

Position Paper 2021-07

Partial State Tax Exemption for Military Retirement Income

OBJECTIVE: To reform the Virginia state tax law, creating a partial exemption on military retirement income beginning in 2021.

BACKGROUND:

- Currently Virginia does not exempt military retirement income, while three of Virginia's neighbors (NC, WV, and MD) have some level of state tax exemption on military retirement income.
- The personal income tax laws of over half the states provides various exclusions from gross income in determining tax liability, including an exclusion for combat-related special compensation and death benefit payments received by a surviving spouse or other beneficiary designated by a military veteran.

DISCUSSION:

- Approximately only 1% of the American population served in our Armed Forces and approximately 2% of the total population of the Commonwealth of Virginia are collecting a military retirement. This would be an appreciation of the Commonwealth of Virginia to our Veterans who served their country
- Non-military income, including all income derived from federal or military contracts, consulting or full-time employment will be taxed at the full gross income percentages.
- The qualifying retirement income must be received as a result of an honorable discharge and retirement from full-time, active-duty service in the armed forces of the United States, or reserve components thereof, including the National Guard.
- For each taxable year beginning on or after January 1, 2021
- Beginning in 2021: A military retiree under the age of 65 may subtract \$2,500 and \$5,000 for those 65 years old from federally adjusted gross income that is less than \$82,000 before determining Virginia tax.

RECOMMENDATION: That the Governor and General Assembly support changes to the current Virginia tax laws for a partial exemption of military retirement pay to reduce state tax on military retirement income.

ATTACHMENT 3

PROPOSED NEW POSITION PAPER – AS PRESENTED AT THE MEETING

Position Paper FRA 2021-03

Department of Veterans Services (DVS) programs and services

OBJECTIVE: To support the operations of the Virginia Department of Veterans Services (DVS) related to suicide prevention, homelessness, disability claims processing, women veterans, and education.

BACKGROUND:

- The Governor and the 2020 General Assembly approved new funding in FY21 (\$1.15M) and FY22 (\$1.38M) to support critical DVS programs/services related to suicide prevention, homelessness, disability claims processing, women veterans, and education.
- This funding included additional peer specialist positions for the Virginia Veteran and Family Support (VVFS) program. Working in conjunction with VVFS resource specialists, peer specialists play a critical role in helping veterans who are in crisis or at risk. They used their “lived experiences” to help their fellow veterans facing the challenges of post-traumatic stress, who are at risk of suicide, or who are homeless or at risk of becoming homeless (6,153 veterans were housed statewide from October 2014 – September 2020).
- This funding included additional funding for the DVS benefits services program, which helps veterans and family members develop and submit claims with the federal government related to a service-connected disability (for a wound, injury, exposure to toxic substance, etc.). The award of a disability rating by the VA results in direct monetary compensation paid to the veteran (\$3.57B to Virginia veterans in FFY19) and priority access to VA medical care (VA spent \$1.99B on medical care for 167,677 Virginia veterans in FFY19).
- This funding included a second position for the DVS women veterans program, which helps support largest (per capita) population of women veterans in the U.S. – over 110,000 and growing – by addressing the unique challenges that women veterans face related to their military service, and the unique strengths they bring to Virginia through their talent and drive to succeed.
- This funding included a position to support DVS education programs for veterans and families, including support of the Virginia Military Survivors and Dependents Education Program (VMSDEP), which saw 1,438 new students in FY20. In FFY19, 51,489 Virginia veterans and family members received over \$857M in G.I. Bill education benefits.

DISCUSSION:

- The new funding approved by the Governor and 2020 General Assembly had to be “un-appropriated” due to the downturn in revenues caused by COVID-19.

RECOMMENDATION: That the Governor and General Assembly take action to restore the funding for critical DVS programs and services.