

Government Affairs Report

March 2021

In some ways, 2020 was a year lost due to COVID 19. Only two bills involving military and veterans' affairs were signed into law. P.L.2020, c.93, excluding Armed Services combat zone pay from gross income taxation was approved September 28, 2020. P.L.2020, c.147, creating the New Jersey Global War on Terrorism Medal was approved January 14, 2021.

FY2022 Budget

The Governor released the budget proposal for FY2022. Now it goes to a host of budget meetings before it is finally approved and sent back to the Governor.

Every year, New Jersey legislators make choices that shape our communities through the state budget. The budget reveals short-term and long-term priorities of the state. It is how the state pools all of our resources together, mainly through taxes, to fund vital programs and essential services that benefit all of us, including public schools and colleges, highways, mass transit, public-health infrastructure, veterans and the social safety net. Communities, programs, services, and lives depend on the state budget.

The state budget is a formal declaration of where public funds will be allocated. It is also a piece of legislation known as the Appropriations Act, which is passed by the Legislature and signed into law by the Governor every year. As such, it determines whether taxes increase or decrease, which residents and businesses will shoulder those changes, and how the state will gain and distribute additional revenue.

In New Jersey, the fiscal year runs from July 1st to June 30th of every year, but the budget process extends across many months and includes lots of different stakeholders — from the Legislature, to the Governor, to the leaders of state departments and agencies, to members of the public like the veteran community. Given the size and significance of the budget, it should be no surprise that the process is long and sometimes complicated.

The budget process is a nearly year-round affair that starts with the Office of Management and Budget (OMB), which manages the state's financial assets, assessing the economy and making predictions about how much revenue is likely to be generated in the following year. With input from state agencies, they also make predictions about how much revenue will be needed to fund existing programs and departments.

With the projections from the OMB and requests for funding made by various departments, the governor prepares and presents a budget proposal to the Legislature and the public through the annual budget address, which takes place on or before the fourth Tuesday in February. The governor's address is what's colloquially known as the start of "budget season" in Trenton.

Like OMB, the Office of Legislative Services (OLS) produces its own revenue projections, which the Legislature uses to craft their own budget or, as is often the case, make adjustments to the governor's budget proposal. All the while, they hold extensive committee hearings for

state agencies and the general public about their budget priorities. This part of the process begins after the governor's budget address and generally runs through May.

The Legislature drafts and releases its own budget proposal, known as the Appropriations Act, which must be approved with a majority vote by both the Assembly and the Senate. Finally, the bill goes before the governor to be signed before the June 30th deadline.

Once the governor releases a full budget proposal, the Legislature gets to work crafting their own bill with their own spending and revenue priorities. While the Legislature can choose to accept the governor's budget in its entirety, this is unlikely. What often happens is that the Legislature writes their own budget and then negotiates a final deal with the governor.

Each house, the Senate and General Assembly, has their own budget committee that holds budget hearings throughout the Spring. Each committee has their own chairperson who wields power over their respective house's budget process, but the Senate President and the Speaker of the Assembly ultimately act as the final gatekeepers for what is included in or excluded from the budget. The committees are responsible for hearing testimony from the public and all the state department heads. All of these hearings are also open to the public to attend.

After the budget becomes law, the Legislature has the power to change it by drafting and approving new bills to allocate funding for a particular program or service. This bill would have to follow the same process as the Appropriations Act and be signed into law by the governor.

If the governor vetoes a bill or performs a line-item veto, the Legislature has the power to override the veto with a two-thirds majority of all members of both the General Assembly and Senate.

Budget Comments

Governor Murphy's budget demonstrates a continued commitment to assist New Jersey's 326,000 veterans, providing a total of \$11.1 million for veterans' housing and support services, as well as \$2.5 million for grants geared towards improving veterans' access to health care. These numbers are not reflected in the budget for the Department of Military and Veterans' Affairs as they involved different departments.

The proposed budget funds additional nursing and CNA hires at DMAVA's three veterans nursing homes.

In addition, this budget continues support for veterans' service functions such as both Veterans Havens, Brigadier General William C. Doyle Memorial Cemetery, the Veteran Memorial Homes, our Veterans Service Officers, PTSD counseling, and indigent burial assistance

New Jersey Legislative Updates

A267, legislation that makes persons with New Jersey National Guard service and NGB 22 form eligible for certain veterans benefits was pulled from the Assembly Military and Veterans' Affairs committee hearing on February 24, 2021. In my comments prepared for the hearing I stated it would be prudent to amend this proposal to state that any benefit extended

by virtue of a DD214 would also extend to those with a form NGB 22 rather than updating this provision every other year. The proposal was pulled from the schedule.

S171, legislation that establishes grant program for homeless veterans shelters was scheduled for a hearing in the Assembly Budget committee February 24, 2021. S171 was passed by the Senate (39-0) 11/16/2020 and received by the Assembly 11/16/2020 and referred to the Assembly Human Services Committee. Identical bill A5076 was introduced 12/07/2020 and referred to the Assembly Military and Veterans Affairs committee. This legislation was not heard in either the Military and Veterans' Affairs or Human Services committee. When I prepared my comments for the Assembly Budget committee I asked how this proposal could have advanced to the Budget committee without first being heard in either the Military and Veterans' Affairs or Human Services committee. The proposal was pulled from the hearing schedule on the 24th.

AJR20 - Urges United States Department of Defense and New Jersey Civil Service Commission to permit civil service examinations during deployment. Reported from the Assembly Military and Veterans' Affairs Committee, 2nd Reading 2/24/2021.

A1025/S2968, legislation that changes the definition of veteran for civil service hiring preference was passed by the Assembly Military and Veterans' Affairs committee 2/24/2021 and was referred to the Assembly Appropriations committee.

A4623/S2815, legislation that requires DMAVA assist service members discharged solely due to LGBTQ status with petitions to change discharge designation was passed by the Senate 33-0 2/19/2021. 3/1/2021 S2815 was substituted for A4623 and passed 68-01. It now awaits the Governor's signature.

Governor Murphy signed legislation in October 2020 requiring nursing homes to meet certain ratios for direct care staff to nursing home residents. The law went into effect on February 1, 2021. Now, nursing homes must have 1 direct care staff member for every 8 residents during the day shift, 1 for every 10 residents during the evening shift, and 1 for every 14 residents overnight. If the number of residents increases, the facility has few days to adjust to meet the ratio again; after this, they must be in compliance. These ratios are a big improvement over past standards and should result in better quality of nursing home care. Nursing home workers, residents, families and advocates (including LTCO) pushed for these ratios for years and this is a great victory! This may impact staff levels once the three Veterans Homes are back up to full occupancy.

Changes in Property Tax For Veterans

This year there is an increase in monies paid by the state to the municipalities to cover the increased number of veterans' property tax \$250.00 deductions.

Here is the history:

P.L.2019, c.413. Authorizes veteran's property tax exemption and veteran's property tax deduction for honorably discharged veterans of United States Armed Forces who did not serve in time of war or other emergency.

1/13/2020 Passed by the Senate (40-0)
1/13/2020 Received in the Assembly without Reference, 2nd Reading
1/13/2020 Substituted for A1268
1/13/2020 Passed Assembly (Passed Both Houses) (74-0-0)
1/21/2020 Approved P.L.2019, c.413.

ACR253/SCR187 Proposes constitutional amendment to extend veterans' property tax deduction and veterans' property tax exemption to certain veterans who did not serve in time of war or other emergency.

1/13/2020 Passed by the Assembly (72-0-0)
1/13/2020 Received in the Senate without Reference, 2nd Reading
1/13/2020 Substituted for SCR187
1/13/2020 Resolution Passed Senate (38-0)
1/13/2020 Filed with Secretary of State

New Jersey Public Question 2 approved by the voters November 3, 2020.

Yes 3,064,754 76.48%
No 942,580 23.52%

The Office of Legislative Services (OLS) estimated that there were 53,274 property-owning peacetime veterans and 440 peacetime veterans living in continuing care retirement communities. According to OLS, an increase in the number of veterans' deductions for peacetime veterans would cost the state about \$13.6 million for tax year 2020. The OLS was unable to estimate the number of surviving spouses of peacetime veterans, who were eligible to receive the deduction.

OLS estimated that 4,340 disabled peacetime veterans paid property taxes in 2018. Therefore, the constitutional amendment would have provided \$38 million in tax exemptions in 2018. The OLS was unable to estimate the number of surviving spouses of peacetime veterans, who were eligible to receive the exemption.

This will result in an estimated 29.1% increase over 2021, from \$39.9 million to \$51.1 million.

VA Secretary Urges Congress to Pass COVID-19 Relief

Secretary of the Department of Veterans Affairs, Denis McDonough recently held a press briefing with White House press secretary Jen Psaki to urge Congress to pass the "American Rescue Act" (H.R.1319 COVID relief package) to provide additional resources for the VA to progress vaccinating veterans and VA staff, as well as potential improvements to bolster the nation's vaccine supply chain. He claimed the bill will give the VA the ability to provide vaccines for every veteran. Since the start of the pandemic, more than 10,605 VA patients have died from COVID-19. To date, 1.4 million "high risk" veterans have been vaccinated by the VA at 258 sites. VA Sec. McDonough reported veterans have put off healthcare visits during the pandemic; more than 19 million appointments were canceled, changed or deferred in the past year.

The bill includes the following VA provisions:

- \$272 million for the VA to mitigate the impacts of the pandemic on the benefits claims and appeals backlog;

- \$13.5 billion for the VA to provide health care services and related support to eligible veterans, including COVID-19 vaccine distribution, expanded mental health care, enhanced telehealth capabilities, extended support for veterans who are homeless or in danger of becoming homeless, and PPE and supplies for clinical employees;
- \$100 million for accelerated deployment of the VA's supply chain modernization initiative to improve the department's preparedness and response to public health emergencies;
- \$750 million for the VA to support COVID-19 response, staff and veteran safety, and preparedness at state veterans homes through one-time payments to support operations and additional construction grants to support shovel-ready projects;
- \$10 million for the VA Office of inspector general to provide oversight;
- \$386 million for up to 12 months of retraining assistance for veterans who are unemployed due to COVID-19 and do not have other veteran education benefits; and
- Providing the VA health care copayment relief by waiving medical debts and billing during the pandemic, as well as costs for COVID-19 testing, treatment and vaccination services at the department.

In January 2021, the VA gave permission for veteran caregivers to also receive the vaccine. There is no charge for the vaccine. The VA has given priority to veterans already receiving care at the VA and veterans who are age 75 or older. Some VA facilities are offering vaccines to veterans who are age 65 and older.

VA Issues Ethics Guide on Using Veterans' Personal Information

The VA has issued a guide to ethical considerations for the use of veterans' personal information both internally and by external parties to whom the department might provide it, including for covid-19 response purposes.

“While the regulatory and policy framework that governs data access and use sets important standards about what is required with respect to data access and use, it does not always provide definitive guidance about how VA should manage access or use of Veteran data when regulation and policy permit organizational discretion,” said the guidance. <https://www.oit.va.gov/about/ethical-data-use>.

Principles include that: the primary goal for use of veteran data is for the good of veterans; veteran data should be used in a manner that ensures equity to veterans; the sharing of veteran data should be based on the veteran's meaningful choice; and access to and exchange of veteran data should be transparent and consistent.

Also: de-identified veteran data should not be re-identified without authorization; there is an obligation of reciprocity for gains made using veteran data; all parties are obligated to ensure data security, quality and integrity of veteran data; veterans should be able to access to their own information; and veterans have the right to request amendments to their own information.

VA Wants To Hear From You! Join Us For A Virtual Listening Session

Wilmington VA Medical Center, along with several other local VA medical centers in the region, is hosting a public virtual listening session to hear Veterans on how to design a health

care system of the future and grow services for Veterans in a way that reinforces VA's role as a leader in the U.S. health care system.

This listening session represents an exciting opportunity for Veterans to help VA reimagine how VA delivers care in an equitable, high quality, Veteran-centered manner and develop a plan for investing in VA's aging infrastructure. We are looking forward to robust engagement and to hearing the voices and insights of Veterans on the following topics:

- How Veterans want care to be delivered in the future
- Perception of the quality of health care at VA and VA's community network
- Experience with the ability to get care at VA and within VA's community network
- Satisfaction with the condition and location of VA's facilities
- VA's role in research, education, and emergency preparedness

The listening session will be conducted virtually on **March 19, 2021 from 12 – 1:30 p.m.** You will be able to participate via phone or computer.

To register go to the [Event Registration page](#) or to www.va.gov/HEALTHPOLICYPLANNING/listening.asp and look for *VISN 4: VA Healthcare (Delaware, Pennsylvania)* and then *Wilmington VAMC* for additional details.

On the day of the event, you can also call **404-397-1596** (Access Code: 199 167 5707) to join. If you are not able to attend the meeting but would still like to provide feedback, please submit your feedback to VHAMAQs@va.gov.

The feedback will be used to develop the recommendations VA submits to the Asset and Infrastructure Review (AIR) Commission in January 2022. The AIR Commission will also conduct public hearings as part of their review of VA's recommendations before submitting its recommendations to the President and Congress for review and approval in 2023.

VA Fights Back Against Predatory Claims-Assistance Practices

During National Consumer Protection Week, Feb. 28-March 6, 2021 the Department of Veteran Affairs (VA) is raising public awareness about a tool to protect Veterans and claimants from companies who may be targeting them or their potential benefits. VA encourages Veterans and their families filing benefits claims to review the department's Accreditation Search Index.

The index provides state-by-state contact information, as well as a downloadable list of Veterans Service Organization (VSO) representatives, attorneys and claims agents who are ready to assist with preparing VA claims in an ethical and lawful manner.

“VA cautions Veterans and claimants of online offers to assist in the preparation of their benefit claims that sound too good to be true,” said Acting Under Secretary for Benefits Thomas Murphy. “To help guard against fraud and scams, VA urges all Veterans and claimants to first consult VA's Accreditation Search Index to protect themselves from predatory practices.”

A business or individual who prepares, presents or prosecutes VA benefit claims without proper recognition by the department is doing so contrary to law. All accredited representatives have been formally vetted to ensure they have good character and reputation along with being capable of providing competent representation for presenting to VA. When

assisting Veterans, they must adhere to VA's standards of professional conduct which expressly prohibit the charging of unlawful or unreasonable fees. Those found in violation risk having their VA accreditation suspended or cancelled.

Here in New Jersey, A4622/S2818, legislation that prohibits persons from receiving compensation for advising or assisting with Veterans benefits was introduced in the Senate 8/13/2020 and referred to the Senate Military and Veterans' Affairs Committee. 8/20/2020 S2818 was reported from the Senate Committee, 2nd Reading. Identical bill A4622 was introduced 9/14/2020 and referred to the Assembly Military and Veterans' Affairs Committee.

The bill makes it a violation of the consumer fraud act for persons to receive compensation for advising or assisting, or referring any individual to another person to advise or assist, with any veterans benefits matter, except as is permitted under federal law.

Under the bill, a "veterans benefits matter" means the preparation, presentation, or prosecution of any claim affecting any person who has filed or expressed an intent to file a claim for any benefit, program, service, commodity, function, or status, entitlement to which is determined under the laws and regulations administered by the United States Department of Veterans Affairs or the New Jersey Department of Military and Veterans Affairs pertaining to veterans, their dependents, their survivors, and any other individual eligible for such benefits.

Under the bill, no person may receive any fees for any services rendered before the date on which a notice of disagreement is filed with respect to the individual's case, guarantee, either directly or by implication, that any individual is certain to receive specific veterans benefits or that any individual is certain to receive a specific level, percentage, or amount of veterans benefits, or receive excessive or unreasonable fees as compensation for advising or assisting any individual with any veterans benefits matter.

The bill also requires that a person seeking to receive compensation for advising or assisting any individual with any veterans benefits matter shall, before rendering any services, memorialize all terms regarding the individual's payment of fees for services rendered in a written agreement, signed by both parties, that adheres to all criteria specified within 38 C.F.R. s.14.636.

Under the bill, no person may advise or assist for compensation or advertise for-compensation services to advise or assist in a veteran's benefits matter without making an oral and a written disclosure.

An unlawful practice under the consumer fraud act is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense. Violations can also result in cease and desist orders issued by the Attorney General, the assessment of punitive damages, and the awarding of treble damages and costs to the injured party.

This legislation needs a hearing in the Assembly Military and Veterans' Affairs committee.

AARP, Others Offer Free Tax Prep Help To Veterans, Military And Families

As we inch closer to the April 15 tax deadline, AARP Foundation's Tax-Aide is among the programs aimed at helping the military community and others file their state and federal tax

returns. Tax-Aide is free and available (appointment only) to all veterans, military personnel and their families regardless of age or whether they are AARP members.

“In this new environment of COVID, Tax-Aide has instituted a range of tax preparation assistance models that can help veterans, those currently in the military and others,” according to Lynnette Lee-Villanueva, vice president and national director of AARP Foundation Tax-Aide. “From safely delivered in-person service, virtual assistance and hybrid options – we are here to help.”

The nationwide tax help program is geared toward people 50 and older or those who have low to moderate incomes, but Tax-Aide is open to anyone free of charge. AARP membership isn't required to take advantage of Tax-Aide's knowledgeable volunteers, nor will there be any sales pitch for other services.

If you'd like to look for an appointment to receive tax filing assistance from AARP Foundation's Tax-Aide, go to <https://taxaide.aarpfoundation.org/>

Due to the pandemic, Tax-Aide availability is limited this year. Other programs offering free tax help include Tax Counseling for the Elderly (TCE), Volunteer Income Tax Assistance (VITA), IRS Free File and MilTax.

In addition, here is some helpful information specifically for military Veterans from CPA and tax expert Lisa Greene-Lewis of TurboTax. See the rest of her tax advice for military Veterans on aarp.org

- VA payments exempt from federal taxes:
- VA education benefit payments.
- VA disability payments.
- Interest from VA life insurance policies.
- Benefits under a dependent-care assistance program.
- Money paid to a survivor of a member of the armed forces who died after Sept. 10, 2001.
- Payments made under the compensated work therapy program.
- Any bonus pay from a state, county, city or town because of service in a combat zone.

Fast facts on state taxes:

- States typically offer tax benefits only to Veterans who were honorably discharged or released under honorable circumstances from active duty.
- State benefits usually include some form of exemptions on property taxes, according to value.
- Benefits are often transferred over to a spouse or surviving spouse of honorably discharged Veterans.
- Many states include additional benefits for Veterans who are disabled.
- Every state's revenue website outlines state benefits for Veterans and how to apply for them.

Respectfully submitted,
Robert E. McNulty, Sr.
Government Affairs Chairman