

Government Affairs Report

June 30, 2019

New Jersey Legislative Update

10,638 bills have been introduced as of June 28, 2019, with over 450 military and veterans' affairs bills included in that amount.

The Governor has signed two additional bills, one designating High Point State Park as High Point State Park and New Jersey Veterans Memorial (P.L. 2019, c.99) and the other permitting certain health care professionals to waive health insurance copayments for members of the military active duty and their families (P.L. 2019, c.111). In 2018 four bills impacting veterans were signed into law. It was noted previously that the low number of bills being signed into law is not a good reflection of an administration that takes their obligation to the veteran community seriously.

The Governor also signed a resolution designating June 12 of each year as "Women Veterans Appreciation Day" in New Jersey. P.L. 2019, JR-15 was approved June 12, 2019.

DMAVA Leadership Changes

There has been a major change in the leadership at DMAVA. Dr. Lisa J. Hou, D.O., a physician and a New Jersey Army National Guard veteran of Iraq and Afghanistan, is the Assistant Commissioner for Operations, serving in the position of Deputy Adjutant General (DAG) for New Jersey.

She is the principal advisor to The Adjutant General on all matters concerning military readiness, mobilizations, homeland security, defense support to civil authorities, human resources, logistics, training, and financial management. The duties include the supervision and management of the Department's 3,200 full-time State and Federal employees, and more than 30 armories and associated properties.

In addition to her role as assistant commissioner, Dr. Hou holds the rank of Colonel and serves in the New Jersey Army National Guard.

Dr. Mark A. Piterski, Ph. D., CDFM, is the Assistant Commissioner for Veterans, serving in the position of Deputy Commissioner for Veterans Affairs (DCVA). In this capacity, he administers two Divisions that serve the more than 300,000 veterans in New Jersey.

The Division of Veterans Healthcare Services, oversees the operations of the state's three long-term care veterans' homes and respite care program. The Division of Veterans Services, oversees the Veterans Service Offices, other state entitlement programs and services, veteran's preference determinations, veteran's status determinations, and the blind and catastrophic veteran pension entitlements.

The Mission Act

The VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act (MISSION Act) of 2018

VA Health Care Eligibility

Veterans who have enrolled are eligible for care from VA hospitals based on a tier system or Priority group that looks at their service-connected injuries, income and other criteria. The Priority system was not changed by the Mission Act. Veterans do not need to take any action to remain enrolled. The MISSION Act provides additional options for care if you meet community care eligibility requirements.

VA Community Care Eligibility

VA Choice was the previous option and established rules around who could receive care outside the VA hospital. Based on a variety of factors such as health needs and where the veteran lives, the Choice program let veterans see providers within a civilian health care network. Choice expires on June 6, 2019, veterans enrolled in Choice may choose to be grandfathered and continue to receive care, but must be eligible and select that option.

The MISSION Act is the new community care program and is updated to include new eligibility standards. You can see a community-based doctor if:

- Care is not available within the new access standards, which cap wait times at 20 days for primary care and 28 days for specialty care and drive times for 30 minutes for primary care and 60 minutes for specialists.
- Necessary care is not provided by the VA at a nearby facility.
- You live in a designated state or territory where the VA is not full service, including Hawaii, Alaska, New Hampshire, Guam, American Samoa, Northern Mariana Islands and the U.S. Virgin Islands.
- You are grandfathered into the old Choice rules, which allowed for community-based care if you lived 40 miles or more from the nearest VA hospital.
- VA doctors believe community-based care is best for you. (medical care is in the best interest of the veteran).
- VA has designated the type of care you need as not meeting standards.

VA Urgent and Walk-In Care

Starting June 6, veterans who have received care from the VA in the last 24 months can get care at some community-based urgent care facilities. **Very important fact - urgent care facilities MUST be within VA's Network or contract to be covered.**

VA Co-Pays and Other Health Insurance

Veterans may be subject to co-pays based on their tier or Priority group status. The Mission Act changed how VA communicates with other health insurance held by some veterans. Under the new rules, VA no longer needs a veteran's permission to bill or communicate with their other health insurance. If a veteran decides they do not want VA to make contact, he/she should contact your local facility's privacy office.

Veterans to Receive Increase in Deduction From NJ Gross Income Tax Liability

Veterans who are honorably discharged or released under honorable circumstances from active duty in the Armed Forces of the United States, a reserve component, or the National Guard of New Jersey in a federal active duty status, are currently eligible to deduct \$3,000 from their income for purposes of calculating their State gross income tax liability.

Assembly bill A5609 and Senate bill S3960 increase the gross income tax deduction available to veterans to \$6,000. A5609 was passed by the General Assembly June 20th, 2019 (78-0). S3960 was passed by the Senate (38-0) on June 20th, 2019. The bill awaits the Governor's signature.

The Office of Legislative Services (OLS) estimates that increasing the veterans' deduction from \$3,000 to \$6,000 may decrease annual gross income tax revenue collections by approximately \$14.3 million. In the OLS fiscal estimate for P.L.2016, c.57, which among other provisions established the current veterans' deduction of \$3,000, the OLS estimated that the annual impact on gross income tax revenues

would be approximately \$23 million. The estimate utilized an average marginal tax rate of 3.5 percent multiplied by the deduction amount (\$3,000) to yield an approximate average benefit \$105 per taxpayer who claims the deduction. Recent data from the federal Department of Veterans Affairs suggests that there were 387,844 veterans in New Jersey in 2016. The OLS notes that compounding these deductions may shift certain taxpayers to brackets with lower marginal tax rates. Thus, the average marginal tax rate applied against the bill's additional \$3,000 deduction will be lower than 3.5 percent. Utilizing the same logic applied for the original deduction, but reducing the average marginal tax rate assumed to 2.45 percent (\$73.50 benefit amount), yields an estimated annual impact of \$14.3 million on gross income tax revenues. The annual impact of this deduction on gross income tax revenues is likely to decline over time as the veteran population decreases.

This legislation awaits the Governor's signature.

NJ State Elections 2019

This November all 80 seats in the General Assembly and one seat in the Senate are up for election. Some of the most hotly contested races will again be in the 1st and 2nd Districts covering Cape, Cumberland and Atlantic counties.

Blue Water Navy Veterans Update

Even though H.R.299, the Blue Water Navy Vietnam Veterans Act of 2019, was recently passed by both the House and the Senate it appears the battle to extend coverage to thousands of Navy veterans who have developed illnesses related to exposure to Agent Orange is far from being resolved. This comes as no real surprise to anyone who has followed this long, frustrating journey since Congress originally passed the Agent Orange Act in 1991, granting a presumption of service connection for certain diseases to veterans who "Served in the Republic of Vietnam". Many sailors who had their eligibility for benefits due to Agent Orange, saw it revoked in 2002.

In the previous Congressional session (2017-2018), legislation to address the efforts to restore benefits to the group of veterans known as the Blue Water Navy Veterans seemed very close. The legislation moved through the House of Representatives with 330 co-sponsors, including all 12 New Jersey members of the House, and was passed June 25, 2018 with 382 in favor and none opposed. Then the legislation died in the Senate. Sailors who had their eligibility for benefits due to Agent Orange revoked in 2002 were once again abandoned.

This year, *Procopio v. Wilkie*, No. 2017-1821, decided January 29, 2019 changed things favorably for Blue Water Navy Veterans. The U.S. Court of Appeals for the Federal Circuit agreed that benefits for Blue Water Navy Veterans must be restored, and that such benefits must include those who served in territorial waters. The court also recognized a pathway into "waters offshore" which extends past the territorial sea.

Meanwhile on January 8th, 2019, H.R.299, the Blue Water Navy Vietnam Veterans Act of 2019 was introduced in the House. May 10th, 2019 the legislation was reported by the House Committee on Veterans' Affairs. May 14th, 2019 the legislation was passed by the House 410-0. June 12th, 2019 it was passed by the Senate and sent to the President on June 19th, 2019. June 25th, 2019 this legislation became Public Law No: 116-23. This legislation goes into effect January 1st, 2020.

The Military Veterans Advocacy and the Blue Water Navy Vietnam Veterans Association pulled their support of H.R.299 and placed it behind a better drafted Senate bill, S1195 that had 30 co-sponsors in the Senate including both Senators Booker and Menendez. However it was too little, too late.

The main difference between H.R.299 and Procopio is where the line is drawn that would decide which veterans would receive aid from the Department of Veterans Affairs for complications caused by exposure to Agent Orange during their service in the Vietnam War. H.R. 299 defines "offshore" as the geographical limits of the territorial sea of the Republic of Vietnam. Any serviceman who was farther than 12 miles beyond the coast may not now be eligible for VA benefits regarding ailments likely due to Agent Orange exposure.

This represents a major step in the wrong direction as some 55,000 veterans may have been left behind by the legislation.

Blue Water Navy veterans who served past the territorial sea are urged to submit their claims prior to January 1, 2020, the effective date of the legislation. Military Veterans Advocacy will argue that they are grandfathered under the Procopio decision. Let's hope they prevail.

Meanwhile the VA is sending out notices to veterans who have submitted claims for illnesses based on herbicide exposure writing that their claims may be affected by a recent decision by the U.S. Court of Appeals for the Federal Circuit, Procopio v. Wilkie. VA is evaluating the court's decision for further action. Currently the VA has temporarily suspended deciding these claims and appeals until further guidance is received from the Department of Veterans Affairs General Counsel. Once VA has that guidance, they will resume processing the claims.

Public Utilities Required To Charge Veterans' Organization Residential Rates

The matter of P.L. 2018, c.77 – legislation that requires public utilities to charge veterans' organization residential rate for service delivered to property at which veterans' organization primarily operates has not been initiated everywhere.

The law was passed August 10, 2018. Although all the steps to implement this law have been taken, there are still problems with some utilities complying with this legislation. It was recommended that any post, branch, chapter or other unit of a veterans' organization experiencing problems reach out to Assemblyman Wayne DeAngelo who is both the chairman of the Assembly Telecommunications and Utilities committee and vice chairman of the Assembly Military and Veterans' Affairs committee.

New Jersey Military Skills Council

The New Jersey Military Skills Council, first established under Public Law 2016, c. 16 July 15, 2016 was scheduled to hold their first meeting May 29, 2019.

The council is established in the Department of State, and is comprised of the Secretary of State, the Adjutant General, the Commissioner of Labor and Workforce Development, the Chairperson of the State Employment and Training Commission, the Secretary of Higher Education, and the Commissioner of Education, or their designees, who shall serve ex officio.

The bill provides that it shall be the duty of the council to assess the condition of military skills and training in the State and to advise the Department of Labor and Workforce Development and the Department of Education on expenditures from the Workforce Development Partnership Fund and other State funds for the training and education of workers in preparation for jobs with the military and supporting industries.

The bill requires the council, in developing an assessment of the condition of military skills and training in the State, to:

- (1) develop a comprehensive needs analysis of the State's military installations and key industries;

- (2) explore barriers impeding workforce alignment with the federal government and offer solutions to overcome those barriers;
- (3) identify opportunities for growth and deficiencies in the current skill sets of the workforce;
- (4) examine methods to develop and align curriculum, specifically science, technology, engineering, and math, at all levels of education in preparation for jobs with the military and supporting industries, as well as methods for increasing enrollment of students of all ages in science, technology, engineering, and math programs;
- (5) develop methods to improve understanding of the resources, benefits, and improved outcomes for service members resulting from federal or State legislation that provides opportunities for veterans, such as the federal Post-9/11 Veterans Educational Assistance Act of 2008;
- (6) prepare workforce development strategies for the jobs of today and the future, by expanding academic and training opportunities to support workforce needs and exploring public-private partnerships to support workforce development; and
- (7) engage with educators, the military, and industry to ensure that workforce alignment initiatives address military, public, and private sector needs.

The bill also requires the council to submit an annual report to the Legislature by March 1 of each year.

Federal Veterans' Legislation Passed in One Chamber

H.Res.105 — Providing for consideration of the bill (H.R. 840) to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to provide child care assistance to veterans receiving certain medical services provided by the Department of Veterans Affairs; providing for the adoption of the resolution (H. Res. 86) providing amounts for the expenses of the Select Committee on the Climate Crisis and the Select Committee on the Modernization of Congress; and providing for consideration of motions to suspend the rules. Agreed to in House.

H.Res.413 —Expressing the immense gratitude of the House of Representatives for the acts of heroism, valor, and sacrifices made by the members of the United States Armed Forces and allied armed forces who participated in the June 6, 1944, amphibious landing at Normandy, France, and commending those individuals for their leadership and bravery in an operation that helped bring an end to World War II. This bill has the status Agreed to in House.

H.R.128 —Small Business Advocacy Improvements Act of 2019. This bill has the status Passed House.

H.R.190 —Expanding Contracting Opportunities for Small Businesses Act of 2019. This bill has the status Passed House.

H.R.226 —Clarity on Small Business Participation in Category Management Act of 2019. This bill has the status Passed House.

H.R.425 — Supporting Veterans in STEM Careers Act. This bill has the status. Passed House.

H.R.450 — Preventing Crimes Against Veterans Act of 2019. This bill has the status Passed House.

H.R.840 —Veterans' Access to Child Care Act. This bill has the status Passed House.

H.R.1198 —To designate the facility of the United States Postal Service located at 404 South Boulder Highway in Henderson, Nevada, as the "Henderson Veterans Memorial Post Office Building". This bill has the status Passed House.

H.R.1200 —Veterans' Compensation Cost-of-Living Adjustment Act of 2019 This bill has the status Passed House.

H.R.1271 —Vet HP Act. This bill has the status Passed House.

H.R.1381 — Burn Pit Registry Enhancement Act. This bill has the status Passed House.

H.R.1449 —To designate the facility of the United States Postal Service located at 3033 203rd Street in Olympia Fields, Illinois, as the "Captain Robert L. Martin Post Office". This bill has the status Passed House.

H.R.1812 — Vet Center Eligibility Expansion Act .This bill has the status Passed House.

H.R.1947 — To amend title 38, United States Code, to exempt transfers of funds from Federal agencies to the Department of Veterans Affairs for nonprofit corporations established under subchapter IV of chapter 73 of such title from certain provisions of the Economy Act, and for other purposes. This bill has the status Passed House.

H.R.2045 — To amend title 38, United States Code, to establish in the Department the Veterans Economic Opportunity and Transition Administration, and for other purposes. This bill has the status Passed House.

H.R.2326 — Navy SEAL Chief Petty Officer William Bill Mulder (Ret.) Transition Improvement Act of 2019. This bill has the status Passed House.

H.R.2333 — Support for Suicide Prevention Coordinators Act. This bill has the status Passed House.

H.R.2340 — FIGHT Veteran Suicides Act. This bill has the status Passed House

H.R.2359 — Whole Veteran Act This bill has the status. Passed House.

H.R.2372 —Veterans' Care Quality Transparency Act. This bill has the status Passed House.

S.Res.10 —A resolution honoring the life of Richard Arvin Overton. This bill has the status Agreed to in Senate.

S.Res.68 — A resolution designating April 5, 2019, as "Gold Star Wives Day". This bill has the status Agreed to in Senate.

S.Res.69 — A resolution designating March 29, 2019, as "Vietnam Veterans Day". This bill has the status Agreed to in Senate.

S.Res.85 — A resolution recognizing the 100th anniversary of the founding of Easterseals, a leading advocate and service provider for children and adults with disabilities, including veterans and older adults, and their caregivers and families. This bill has the status Agreed to in Senate.

S.Res.93 — A resolution expressing support for the designation of March 2, 2019, as "Gold Star Families Remembrance Day". This bill has the status Agreed to in Senate.

S.Res.118 —A resolution recognizing the importance of paying tribute to those individuals who have faithfully served and retired from the Armed Forces of the United States, designating April 18, 2019, as "Military Retiree Appreciation Day", and encouraging the people of the United States to honor the past and continued service of military retirees to their local communities and the United States. This bill has the status Agreed to in Senate.

S.Res.135 — A resolution expressing the gratitude and appreciation of the Senate for the acts of heroism and valor by the members of the United States Armed Forces who participated in the June 6, 1944, amphibious landing at Normandy, France, and commending those individuals for leadership and

bravery in an operation that helped bring an end to World War II. This bill has the status Agreed to in Senate.

S.Res.166 — A resolution expressing support for the designation of May 1, 2019, as "Silver Star Service Banner Day". This bill has the status Agreed to in Senate.

S.Res.191 —A resolution supporting the designation of the week of May 5 through May 11, 2019, as "National Small Business Week" and commending the entrepreneurial spirit of small business owners in the United States and the impact that small business owners have on their communities. This bill has the status Agreed to in Senate.

S.Res.235 — A resolution designating June 12, 2019, as "Women Veterans Appreciation Day". This bill has the status Agreed to in Senate.

S.504 — LEGION Act This bill has the status Passed Senate.

S.693 — National POW/MIA Flag Act. This bill has the status Passed Senate.

S.1370 —Gold Star Family Tax Relief Act. This bill has the status Passed Senate.

S.1749 —Protecting Affordable Mortgages for Veterans Act of 2019. This bill has the status Passed Senate.

Federal Veterans' Legislation passed Both Chambers

H.R.299 —Blue Water Navy Vietnam Veterans Act of 2019.This bill has the signed by the President.

S.49 —A bill to designate the outstation of the Department of Veterans Affairs in North Ogden, Utah, as the Major Brent Taylor Vet Center Outstation. 03/21/2019 Became Public Law No: 116-10.

S.863 —A bill to amend title 38, United States Code, to clarify the grade and pay of podiatrists of the Department of Veterans Affairs. 4/08/2019 Became Public Law No: 116-12.

Prepared by
Robert E. McNulty, Sr.
Government Affairs Chairman