**Final Report of MOAA Portland Chapter Legislative Committee’s**

**August 2017 Visits to Oregon Congressional Offices**

**By Captain Douglass T. MacEllven, USAF (Former)**

**(As of 7 September 2017)**

**TASK:** MOAA National asked that each chapter visit local Congressional offices in August

2017 before Congress went back into session after Labor Day. MOAA National

prepared talking points on three issues of concern to present to Congressional staffs.

**ISSUES:**

**Issue 1:** **“Eliminate the** ‘**Widow’s Tax’**”: 10 U.S. Code 1450 requires that survivors of deceased military members forfeit part of their Survivor Benefit Plan (SBP) if the widow is awarded the VA’s Dependent’s Indemnity Compensation (DIC) following the veteran’s death due to service-connected causes such an Agent Orange cancer. There is currently a small rebate of the widow’s tax termed the Special Survivor Indemnity Allowance (SSIA), but it will terminate in 2018. This tax affects 671 widows in Oregon and more than 63,000 nationally.

* In addition to the MOAA talking points memo, our Chapter Legislative Committee prepared a hypothetical example of two brothers (one having two years Army service, then a Federal Civil Service 20-year career; the other brother serving a 22-year Army career). In the Civil Service example, the widow would receive $35,000 ($20,000 Civil Service annuity plus the fixed $15,000 DIC).  In the other example with a similar but SBP $20,000 annuity, the Army widow would receive the $15,000 DIC plus ($20,000 SBP minus the $15,000 DIC plus an add-back SSIA of $3600) yielding only $23,600 annual income.
  + **MOAA position**: absent full repeal of the forfeit, SSIA should be extended 10 years with incremental increases.
  + Currently, H.R. 846 (“Military Surviving Spouses Equity Act”) and S. 339 (“Military Widow’s Tax Elimination Act of 2017”) are bills, both of which propose eliminating the reduction of survivor annuities under the SBP when the surviving spouse receives DIC.

**Issue 2: “Prevent disproportional** **TRICARE fee hikes**”: Following reforms of the Military Health System and the TRICARE program in 2017, MOAA believes that the current ratio between costs borne by beneficiaries and costs absorbed by the government is fair.

* + **MOAA position**: the annual TRICARE percentage fee increase should not exceed the annual retired pay COLA percentage.

**Issue 3: “Eliminate** **Sequestration: End Harmful Defense Cuts”:** The return of sequestration in FY 2018 will cut billions from the defense budget as threats from various trouble spots around the world pose increasing risks to our national security. Successive Secretaries of Defense (Panetta, Hagel, and Mattis) have publicly described these cuts in terms such as a “meat axe” approach that will “hollow out the force.”

* + **MOAA position**: While there is a need for bipartisan debt-reduction agreement, cuts must not “hollow out the force” and must not assess disproportionate penalties on service members, retirees, and their families.

**COMMITTEE MEMBERS AND VISITS**:

* The MOAA Portland Chapter Legislative Committee members--**CAPT Larry Roberts, USNR** (Ret); **LTC Gary Battles, USAR (Ret);** **Captain Doug MacEllven, USAF (Former);** and **COL John Richard, USA (Ret)--**visited the following offices in groups of 1 to 3: Senator Merkley, plus Representatives (in order of visits) Bonamici, Blumenauer, and Schrader.
* The Committee has placed four calls to Senator Wyden’s office over several weeks but has not received a return call. We have sent an email asking whether Senator Wyden specifically supports S. 339 with a reply requested, but at time of writing, we do not have a reply.

**SUMMARY OF VISITS:** A summary of our visits and support by the offices are noted below. The summaries are in order of our visits to the offices over a period of about two weeks.

**Issue 1:** “**Widow’s Tax”**

* Representative **Bonamici -** Staff reaction: Staff members did not understand how such a difference could have arisen and wondered if the history of the concept would shed any light on the rather obvious unfairness. Staff members would bring this to Representative Bonamici’s attention. (**Note**: Given the more positive reception by other offices, we have asked staff for updates on Rep Bonamici’s support of H.R. 846, but at time of writing, we have not received a reply.)
* Senator **Merkley** - Staff reaction: Kelly Fitzpatrick stated that there are now 33 Senators co-sponsoring the S. 339, and she is asking the Washington, D.C. staff to bring this to the Senator Merkley’s attention to see if he will sign on.
* Representative **Blumenauer** is a co-sponsor of H.R. 846.
* Representative **Schrader** - Staff reaction: Discussion surmised that the Federal Civil Service situation is a newer law than SBP, and sometimes legislation can be enacted without foreseeing all of the effects. DIC being an earned benefit was stressed. To date, 133 Representatives have signed onto bill H.R. 846. Staff will check with leadership to try to determine status. There is the thought that new spending must be counterbalanced by cuts elsewhere.

**Issue 2: TRICARE Fee Hikes**

* + Representative **Bonamici:** Staff reaction: Staff members would bring this to Rep Bonamici’s attention.
  + Representative **Blumenauer -** Staff reaction: Staff member expressed belief that Rep. Blumenauer would sponsor a House Bill to insure TRICARE fee hikes do not exceed COLA increases.  Staff member said that he would appreciate legislative drafting input from MOAA National Legislative Director, Dan Merry. Gary will contact Dan. (**Note:** Gary did contact Dan.)
* Senator **Merkley -** Staff reaction: Kelly Fitzpatrick stated she would like to facilitate with Dan Merry (MOAA National) as he coordinates with Rep Blumenauer’s staff. Kelly could assist the effort by asking Senator Merkley to create a Senate bill that would reflect the House bill to be generated. Gary will put Dan Merry in touch with Kelly.
* Representative **Schrader –** Staff reaction: Staff member will talk to Rep Blumenauer’s staff. We stressed that chipping away at military personnel benefits to favor military hardware pursuits is damaging to morale.

**Issue 3:** **Sequestration**

* Representative **Bonamici -**  Staff reaction: Staff stressed Rep Bonamici believes that there is a bloated military budget. There will be a continuing resolution to “kick” the budget discussions down the road another three months, and it is unclear what will happen after that.  Staff did say that no one really believed that Sequestration would be implemented back in 2011, and that there must be a rational approach to preserving what is necessary.

* Representative **Blumenauer** - Staff reaction: Staff member understood our points and will pass them along to Rep Blumenauer.

* Senator **Merkley** – Staff reaction: Kelly Fitzpatrick stated that Senator Merkley will likely vote against the National Defense Authorization Act (NDAA). But Kelly is concerned about recent military accidents and the need for adequate training funds, which is a personnel issue. As a Senator votes against a bill, the Senator can side with a “minority report”, and Kelly will talk to Senator Merkley about including phrasing that makes a priority of not letting personnel issues receive less attention than hardware issues*.*
* Representative **Schrader** – Staff reaction: Staff member stressed that Rep Schrader usually votes against the NDAA as he wants accountability and transparency from DoD. We discussed the personnel training aspects of recent Naval accidents. Rep Schrader supports troops but wants unnecessary conflicts reduced. Rep. Schrader is a fiscally conservative Democrat, and as he votes against the NDAA, he usually issues a press release emphasizing transparency and accountability. Staff will talk to him about the release containing support for personnel issues.

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**SUMMARY OF THE 2017-2019 BUDGET**

**FOR THE OREGON DEPARTMENT OF VETERANS’ AFFAIRS**

**By Captain Douglass T. MacEllven, USAF (Former)**

**(As of 7 September 2017)**

* During the first half of 2017, the MOAA Portland Chapter Legislative Committee was active in attending meetings regarding the preservation of Measure 96 funds for supplemental veterans’ programs and resources and testified twice in person before the Oregon Joint Ways & Means Committee. Our testimony noted how far behind Oregon is compared to the leading states (Oklahoma and Nebraska) in reaching out to disabled veterans through County Veterans Service Officers (CVSOs).
* The Oregon Department of Veterans Affairs (ODVA)--headed by CAPT Cameron Smith, USMC (Former) who is a MOAA-PDX Chapter member--issued a press release outlining the success of efforts by many veterans’ organizations: “*Measure 96 passed last November with a resounding 84% approval by Oregonians and now dedicates 1.5% of net lottery revenues to better serve our veterans and their families. Because of this broad citizen support and bipartisan leadership of the Governor and the Legislature this Session, Oregon is making historic investments in local and statewide veteran services.”*
* New investments with Measure 96 lottery funds include $ Millions (M) for:
* $4.5 M to double funding of CVSOs and National Service Officers (NSOs), the subject of our Chapter’s testimony before the Legislature. This should bring Oregon much closer to performances by Oklahoma and Nebraska.
* $3.9 M toward CVSO offices & enhanced statewide vet services
* $4.1 M toward the ODVA home loan program
* $1.5 M toward ending vet homelessness
* $1.2 M establishing a grant fund supporting vet success on campus
* Other: non-profit and community partnerships; vet crisis/suicide hotline; vet volunteer program; and $2.3 M to establish a reserve for vet services.