

NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION

TOPIC 1: ECONOMY

Mortgage rates tumbled for the second week in a row as long-term bond yields fell to their lowest level in a month. According to the latest data released Thursday, March 30, Freddie Mac, the 30-year fixed-rate slid to 4.14 percent with an average 0.5 point (points are fees paid to a lender equal to 1 percent of the loan amount). It was 4.23 percent a week ago and 3.71 percent a year ago. The 15-year fixed rate average dropped to 3.39 percent with an average of 0.4 points. It was 3.44 percent a week ago and 2.98 percent a year ago. The five-year adjustable rate average slipped to 3.18 percent with an average 0.4 point. It was 3.24 percent a week ago and 2.90 percent a year ago.

The failure by the House of Representatives to pass healthcare legislation last week fueled the move by investors from stocks to bonds, driving down yields. The yield on the 10-year Treasury fell to 2.38 percent Monday, its lowest level since late February. Because mortgage rates tend to follow the movement of long-term bonds, home loan rates also dropped. Rates aren't expected to move much in the coming week. According to Bankrate.com, which puts out a weekly mortgage rate trend index, nearly two-thirds of the experts it surveyed say rates will remain relatively stable, moving up and down less than two basis points (a basis point is 0.01 percentage point).

In addition to lower mortgage rates, which increase affordability, more good news arrived for the housing market this week. Pending home sales were up 5.5 percent in February, according to the National Association of Realtors. New-home sales also rose last month. Meanwhile, mortgage applications were essentially flat last week, according to the latest data from the Mortgage Bankers Association. The market composite index – a measure of total loan application volume – slipped 0.8 percent. The refinance index fell 3 percent, while the purchase index increased 1 percent. The refinance share of mortgage activity accounted for 44 percent of all applications, the lowest level in nearly nine years.

HOUSEHOLD		DATA					
Table A-5. Employment status of the civilian population 18 years and over by veteran status, period of service, and sex, not seasonally adjusted							
[Numbers in thousands]							
Employment status, veteran status, and period of service	Total		Men		Women		
	FEB 2016	FEB 2017	FEB 2016	FEB 2017	FEB 2016	FEB 2017	
Gulf War-era II veterans							
Unemployed	145	154	128	132	17	22	
Unemployment rate	4.7	4.6	4.9	4.6	3.6	5.0	

National unemployment rate is 4.7 percent (February 2017). Gulf War II veterans unemployment rate is 4.6 percent.¹ Currently, the unemployment rate for Gulf War II women veterans is 5.0 percent (down from 5.8 percent in January).

TOPIC 2: MEETINGS

On Monday, March 27, the National Veterans Employment & Education Division had a conference call with Coreena Conley, Director of the Veterans Business Outreach Center (VBOC), in Sacramento, California. Topics discussed included best practices in their local VBOC, what they could improve upon, and what they would do with increased funding. We also briefly touched on the National Convention that will be held in Reno this year, as this is Conley's area of responsibility with her VBOC.

On Monday, March 27, the National Veterans Employment & Education Division met with Jack Fanous, CEO & Co-Founder, JobPath, to discuss their platform that would assist veterans in resume creation, mentorship, job training and MOS translation. This service would be at "no cost" to veterans.

On Tuesday, March 28, the National Veterans Employment & Education Division met with U.S.VETS to discuss their outreach and housing concerns for homeless veterans and their families in the Washington, DC area. We also discussed their challenges with funding and employment issues.

On Tuesday, March 28, the National Veterans Employment & Education Division had a conference call with Marc Esposito, Program Manager for LINE 1, to discuss his platform that will allow veterans seeking employment a direct line to employers. This service would be at "no cost" to veterans.

On Wednesday, March 29, the National Veterans Employment & Education Division gave a presentation at the VA's Center for Women Veterans Conference called Honoring Trailblazing Women in Labor and Business. Topics covered included The American Legion's Small Business Task Force, our resource partners such as the Small Business Administration's (SBA) Veteran Business Outreach Centers and how we help the SBA facilitate their entrepreneurial programs, such as Boots to Business Reboot.

On Wednesday, March 29, the National Veterans Employment & Education Division met with the office of Representative Susan Brooks (IN) to discuss H.R. 1104, the *Veterans TEST Accessibility Act*. If enacted, H.R. 1104 would amend title 38, United States Code, to provide for pro-rated charges to entitlement to educational assistance under Department of Veterans' Affairs Post-9/11 GI Bill Educational Assistance Program for certain licensure and certification tests and national tests, and for other purposes. This is a cornerstone of our credentialing portfolio for 2017.

On Thursday, March 30, the National Veterans Employment & Education Division attended a joint House and Senate Veterans' Affairs Committees Majority meeting to discuss the future of the GI Bill. The discussion centered on how to make the Post-9/11 GI Bill permanent, regardless of dates of conflict. In wake of the evidence produced by Student Veterans of America (SVA) in their National Veterans Education Success Tracker (NVEST) that student-veterans surpass their

¹ U.S. Department of Labor. *Economic News Release: Employment Situation Summary, November 2015.*

civilian counterparts, a case is being made that continuing these benefits beyond conflict dates is a sound investment for America.

On Thursday, March 30, the National Veterans Employment & Education Division addressed the audience on the Tri-Administrative VA call. The American Legion discussed its commitment to aiding veterans in starting their own business, and the resources we provide in doing so. Specific topics discussed included the Small Business Task Force, SBA's Boots to Business Reboot program and how we partner with the SBA to facilitate the program, and our legislative advocacy efforts that are in support of veteran-owned small business.

On Friday, March 31, the National Veterans Employment & Education Division participated in a Veteran Service Officers' (VSO) roundtable to discuss the veteran unemployment rate. There is a huge concern with Puerto Rico. Currently, the Bureau of Labor Statistic (BLS) does not track the veteran unemployment rate for Puerto Rico, due to the fact that Puerto Rico does not have unemployment insurance.

TOPIC 3: EMPLOYMENT

USERRA prohibits employers from discriminating against employees or applicants for employment on the basis of their military status or military obligations. It also protects the reemployment rights of individuals who leave their civilian jobs (whether voluntarily or involuntarily) to serve in the uniformed services, including the U.S. Reserve forces and state, District of Columbia, and territory (e.g., Guam) National Guards. Under USERRA, employers must make "reasonable efforts" to help a veteran who is returning to employment to become qualified to perform the duties of the position he or she would have held but for military service whether or not the veteran has a service-connected disability. If the veteran has a disability incurred in or aggravated during his or her service, the employer must make reasonable efforts to accommodate the disability and return the veteran to the position in which he or she would have been employed if the veteran had not performed military service. If the veteran is not qualified for that position due to the disability, USERRA requires the employer to make reasonable efforts to help qualify the veteran for a job of equivalent seniority, status, and pay, the duties of which the person is qualified to perform or could become qualified to perform. This could include providing training or retraining for the position at no cost to the veteran. *See* Title 38, United States Code, Chapter 43 - Employment and Reemployment Rights of Members of the Uniformed Services, 38 U.S.C. § 4313; 20 C.F.R. §§ 1002.198, 1002.225 -.226. USERRA applies to all veterans, not just those with service-connected disabilities, and to all employers regardless of size.

There has been a steady uptick in USERRA claims. During the month of March, The American Legion has received 5 USERRA complaints.

TOPIC 4: VETERAN HOMELESSNESS

No veteran should be without a place to call home: The Department of Veterans' Affairs (VA) maintains its commitment to ending homelessness among veterans. The focus is threefold:

- Conducting coordinated outreach to proactively seek out veterans in need of assistance,
- Connecting homeless and at-risk veterans with housing solutions, healthcare, community employment services and other required supports,
- Collaborating with federal, state and local agencies; employers; housing providers, faith-based and community nonprofits; and others to expand employment and affordable housing options for veterans exiting homelessness.

According to VA, "we need to remember that most homeless veterans do not read the paper or listen to television so let's do our part as veterans and active military to end the homelessness of veterans. There is a saying among Vietnam veterans that 'Never again shall one generation of veterans abandon another' and all veterans and active military need to help all veterans."

Volunteers constructed an entire community to house homeless veterans: Many veterans sacrifice comfortable, lucrative lives to protect the liberties of their home country -- only to find nothing left of those former lives when they return. In the face of rising veteran homelessness rates, due in part to inadequate medical and psychological resources, Missouri volunteers pooled their creativity, time and money to create a community of tiny homes that welcomes veterans, completely free of charge. There is an organization in Oklahoma that has started creating homeless villages for homeless veterans and building tiny homes for homeless veterans.

TOPIC 5: CAREER FAIR

This week, work continued on The American Legion's upcoming hiring events to be staged in Camden (NJ), Chicago, Detroit, Farmingdale (NY), Fort Irwin (CA), Joint Base Andrews (MD), Lake Charles (LA), Lexington Park (MD), Little Rock (AR), Marine Corps Base Quantico (VA), and Patrick Air Force Base (FL).

The National Veterans Employment & Education Division participated in the Philadelphia Hiring EXPO hosted by the U.S. Chamber of Commerce Foundation. There were 85 employers, 209 Job seekers with 74 potential Job offers extended (2 Customer Engineering Services; 7 Holt Logistics; 18 Helmets to Hardhats; 9 Allentown Police; 15 Abilities Solutions; 5 TMC Transportation; 10 PCI; 8 Medici Pizza).

The mission of The American Legion's National Veterans Employment & Education Commission is to take actions that affect the economic well-being of veterans, including issues relating to veterans' education, employment, home loans, vocational rehabilitation, homelessness and small business.

TOPIC 6: EDUCATION

This week, the National Veterans Employment & Education Division worked closely with House and Senate Veterans' Affairs Committees leadership to determine achievable goals for 2017. To that end, all suggestions to changes to the Post-9/11 GI Bill were mapped out in full:

- 1. New IT Money to Improve Chapter 33 Processing** - Will line item \$30 million in IT improvements for education benefits in order to allow for greater access to benefits online.
- 2. Require School Certifying Access to Entitlement** - Gives school certifying officials access to student records in order to protect student-veterans against potential VA overpayments.
- 3. Mandatory School Certifying Official Training** - Requires VA to create mandatory training for school certifying officials on how to process GI Bill benefits.
- 4. Limitation on Reporting Fees for General Fund** - Ensures reporting fees collected by schools from the VA are used for veteran services, not general administration.
- 5. Codification of Veterans Success on Campus Program** - Would make permanent the Veterans Success on Campus Program, which provides vocational rehabilitation counselors on campuses with large veteran populations.

6. **Priority Class Enrollment for Student Veterans** - Requires that if a school offers priority class enrollment to some students (examples: upper classmen or athletes) they must offer it to veterans.
7. **Yellow Ribbon availability for Fry Scholarships** - Provides eligibility for the Yellow Ribbon program for Fry Scholarship recipients. The Fry Scholarship provides Post-9/11 GI Bill benefits to the children and surviving spouses of servicemembers who died in the line of duty while on active-duty after September 10, 2001.
8. **Credit for Chapter 33 for 12301(h) and 12304b orders** - Provides Post-9/11 GI Bill entitlement to the healthcare orders and new deployment orders that the Reserve and National Guard components will be using.
9. **Expanded Work-Study program** - Expands work study benefits for student-veterans.
10. **Licensing and Credentialing Test Entitlement Changes** – Pro-rates entitlement charge for licensing and credentialing test to the true cost of the test and not one month of entitlement.
11. **Relief for ITT Student Veterans** - Restores entitlement for veterans for the course they were enrolled in when the school closed.
12. **Pilot Program for Accelerated Learning Programs** – 5-year Pilot Program for microdegrees, IT bootcamps, coding courses, etc. not currently authorized for GI Bill funding. Would be separate from Montgomery GI Bill Benefits, seeking \$25 million a year.
13. **Greater funds for State Approving Agencies (SAAs)** - Provides \$2 million more a year in mandatory funds and authorizes hybrid funding model with VA.
14. **Increase Chapter 35 payments by \$200 a month** - Similar to the Fry Scholarship, Chapter 35 offers education and training opportunities to eligible dependents of veterans who are permanently and totally disabled due to a service-related condition or of veterans who died while on active-duty or as a result of a service-related condition.
15. **Restore Reporting fees for school** - Schools receive reporting fees for every veteran benefit they certify. This change would increase that number from \$8 to \$16 dollars.
16. **Provide 100 percent Chapter 33 for Purple Heart recipients** - Provides 100 percent Chapter 33 eligibility to a Purple Heart recipient even if they do not have the amount of active-duty time needed to receive 100 percent.
17. **Allow veterans to transfer entitlement to another dependent following death of dependent** - Would allow transfer to another dependent if the original recipient of the education benefit died.
18. **Greater funds into Chapter 33 tiers** - Would increase funding for GI Bill payments for veterans eligible for 50 percent and 60 percent of the GI Bill. This affects a significant amount of Reservists who have deployed downrange but do not have 36 months of active-duty.
19. **Expand GI Bill to CTE School independent study** - Expands Chapter 33 benefits for accredited independent study courses – a certificate showing completion of study at an area career and technical school or a postsecondary vocational school providing postsecondary level education.
20. **Additional Months of Entitlement for STEM** - Would allow for veterans enrolled in STEM degrees to receive an additional 9 months of eligibility towards that degree.
21. **Establish Student Veteran Center Grant Program** - This would establish a \$25 million dollar grant program for schools to establish veteran education centers to help student-veterans maximize their benefits, receive academic aid, and connect with their peers on campus.
22. **Prorate BAH for months during which a reservist is mobilized** - Would require that if a Reservist is called up to active-duty while they are in school, that they do not lose the entire month of BAH due to active-duty under their Post-9/11 GI Bill benefits.

- 23. Make Chapter 33 First payer** - Would make VA pay entire portion of Chapter 33 eligibility first then any loans, scholarships would cover rest. Under current law loans and scholarships are paid first.
- 24. Allow schools to use standard term dates if first class meeting is within 12 days to term start** - If dates of class date and term date are split between two months, with this fix veterans would not have to wait the whole month before receiving the benefit just because their class started on the 1st of the month.
- 25. Allow student to cancel benefits for a term in order to conserve entitlement** - If a student-veteran receives a full scholarship, they would have the ability to cancel their GI Bill payments and get their months of eligibility back.
- 26. Change on BAH entitlement for true residents** - This would change how an individual's monthly BAH is calculated so that it is based on the campus where an individual physically participates in a majority of classes, as opposed to it being based on the institution of higher learning at which the individual is enrolled.

In order to fund these changes and establish the Post-9/11 GI Bill as a permanent program, Student Veterans of America (SVA) proposed sun setting the Montgomery GI Bill and converting its \$100/month for 2-year buy into the Post-9/11 GI Bill. There is historical precedence for this in seeking to establish a permanent GI Bill. The original GI Bill, Korea GI Bill, and Vietnam era GI Bill all had delimiting dates associated with the conflict periods. In 1984, the Montgomery GI Bill was passed as a modest "peacetime" GI Bill providing an education stipend that servicemembers could buy into for \$100 a month on active-duty. Although the Montgomery GI Bill still exists, the Post-9/11 GI Bill is a much more generous benefit covering both tuition and a living allowance.

As long as the Montgomery GI Bill exists as the "de facto" GI Bill, the Post-9/11 GI Bill exists as an era-specific GI Bill subject to eventual cuts or roll back. SVA has argued that through their extensive research into student-veteran outcomes, investing in the Post-9/11 GI Bill for all veterans moving forward is a sound investment for our country. By eliminating the Montgomery GI Bill and establishing the Post-9/11 GI Bill as the singular education benefit with the added protections described, the future of veterans' education would be protected for generations to come.

The National Veterans Employment & Education Division is currently studying the issue.

TOPIC 7: SMALL BUSINESS

The Veterans Business Outreach Centers, or VBOC's, are designed to provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business. The SBA has 20 organizations participating in this cooperative agreement throughout the country, but the veteran community's demand for entrepreneurial resources is outpacing the services available from the 20 VBOCs SBA currently funds. The American Legion believes that if the VBOCs were funded to the maximum capacity or were juggling less number of states within their region, they would be able to meet the veteran entrepreneurial demand for services. Furthermore, this would allow them to expand their role in outreach to government entities to advocate for veteran-owned small businesses. Thus, The American Legion recommends an additional funding of \$18 million for the Office of Veterans Business Development within the SBA.

This \$18 million would go towards an additional 31 VBOCs - one in each state and Puerto Rico, increase funding for Boots to Business and Boots to Business Reboot, and the development of a

more diverse training program for established business owners to sustain, improve financial performance, and expand their businesses. The additional funds could also aid in expanding a training program to include training in legal and government regulations, Service-Disabled Veteran-owned Small Business (SDVOSB) contracting opportunities, access to affordable technology resources, and training on cybersecurity and protection of intellectual property. Since 2013, some of the performance metrics of the VBOC concluded that over 98,742 veterans received small business counseling, 114,085 veterans received business related training, 3,130 jobs created, 400 new business start-ups and 703 Boots to Business training classes have been held for transitioning servicemembers.

TOPIC 8: TESTIMONY

The American Legion testified before the House Small Business Subcommittee on Contracting and Workforce on Thursday, March 30, to represent the views of entrepreneurial veterans and press for additional assistance for veterans who want to start small businesses. Joe Sharpe, Director of the Legion's National Veterans Employment & Education Division, urged members of Congress to give veterans the resources they need to start businesses in order to further stimulate the nation's economic recovery. Sharpe said, "Veterans, when compared to their civilian counterparts, are more likely to start a business and are generally more successful at creating a lasting small business."

One of the top impediments facing entrepreneurial veterans is access to capital to develop a minimally viable product or service, create a market, and scale their businesses. "One of the leading barriers to small business financing is requiring that debt be secured by the equity in fixed assets," said Sharpe. Most veterans leaving military service lack the equity necessary for traditional bank loans. Sharpe said, "One solution is to re-introduce legislation such as S.1870 - The Veterans Entrepreneurial Transition (VET) Act of 2016," that The American Legion spearheaded in the previous Congress.

U.S. Senators Jerry Moran (KS), and Jon Tester (MT), sponsored the bill and successfully navigated it through the Senate Committee on Small Business and Entrepreneurship last year, but was canceled with the end of the 114th Congress last November. The 2016 VET Act would have created a pilot program to enable veterans who did not desire to go to college to use money from their GI Bill benefit to start a small business. Committee Chairman Representative Steve Knight (CA) expressed interest in the Legion's VET Act legislation and requested more information. "It's ideas like this that drive our economy forward," Sharpe said. "It is veterans who will lead the way."

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