

## NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION

### TOPIC 1: ECONOMY

The recovery has started. Third-quarter GDP should rise 18% or so at an annual rate. But a sustained rebound will depend on continued progress against the novel coronavirus. Fortunately, infection rates appear to be declining in states that had experienced a summer surge, and previous progress in Northeastern and Midwestern states appears to be holding for now. However, there is the uncertainty of whether and when Congress



*Reopening of businesses*

will pass another economic stimulus bill, plus the drag from reductions in extra unemployment benefits and from businesses using up their PPP loan funds. Finally, the fact that initial unemployment claims are holding stubbornly above 1 million each week is an indication that future consumer spending may suffer if the labor market doesn't improve.

It will likely be 2022 before the economy returns to its level at the end of 2019. Expect 2020 GDP to decline 4.9%, with a 3.8% rise in 2021.

GDP in the second quarter dropped 31.7% at an annual rate, slightly better than first reported. Consumer spending slumped by 34.1%, with the biggest declines in services, gasoline and clothing. However, spending on recreational goods and motor vehicles rose, as stimulus checks provided households with enough spare cash for fun items or a down payment on a car, SUV or pickup truck.

In fact, consumer disposable income rose 9.6% (non-annualized), even though total wages and salaries dropped 7.1%. Proprietor income was hit the hardest, falling 11.6%. Consumers hedged against the economic uncertainty by saving 26% of their income, a big leap from the 9.6% rate in the first quarter.

Business investment fell 28.9%, as businesses cut back their spending on equipment, buildings and inventories. The trade balance improved a small amount. Even though exports dropped 63.2% and imports fell "only" 54%, the overall trade balance improved because imports are so much bigger than exports.

Federal government spending supported the rest of the economy in the second quarter, rising 17.6%. State and local government spending declined 5.5%.

If gross domestic product is the broadest indicator of the economy, employment is the one most personally felt. Two distinct metrics make up the employment forecast. The more important one is the "payroll report," a summation by the Department of Labor of how many jobs the economy has created (or lost) each month. This data is broken out by sector, such as manufacturing, mining and health care. Note that simply to keep up with population growth, the economy needs to add more than 100,000 jobs every month; otherwise the unemployment rate will rise.

That rate is the other closely watched figure. It's a simple division of the number of people who have looked for work in the prior four weeks but who do not have a job by how many people are currently in the labor force. That simplicity belies some underlying concerns about the unemployment rate. One key one: Potential workers who aren't actively looking for work aren't included in the calculation.

The September jobs report showed worrisome signs that job growth is slowing. Employer's added 661,000 jobs, far fewer than August's 1.5 million. It appears that many of the businesses that had been recalling furloughed workers in large numbers as the economy reopened have finished doing so, removing a tailwind from the labor market. The unemployment rate fell to a still-painful 7.9%, and it could stay stubbornly high for a while. Some employers, particularly airlines, are starting to announce major layoffs. The sky isn't falling, but it seems clear that the jobs market has a long road back to good health.

Major recalls are still happening in a few industries, including retail, food service, social assistance, amusements and accommodations. These accounted for 515,000 of September's gains. They would have been higher except for a drop of 349,000 in school employment. 1.3 million fewer workers reported having to work part-time because of poor economic conditions. But initial unemployment claims were still high at 837,000 in the last week of September, and appear to be declining only slowly. Total unemployment is still 6.8 million higher than in February. Also, 4.5 million people, or what would be about 3% of the workforce, reported being unable to look for work because of the pandemic, and so were not reported as unemployed.

As more workers return, wage growth will likely be subdued. Hourly earnings rates are elevated right now because so many low-paid workers were laid off that it caused the average wage rate to jump for people who were still employed. As those low-paid jobs come back, the still-high unemployment rate is likely to lower wage growth from the 3%-3.5% trend seen before the coronavirus crisis. Lastly, Telecommuting will remain common for a while. 22.7% of workers were still telecommuting in September, down only a little from August's 24.3%.

*[Reported by Davy Leghorn]*

<b>HOUSEHOLD</b>		<b>DATA</b>				
<b>Table A-5. Employment status of the civilian population 18 years and over by veteran status, period of service, and sex, not seasonally adjusted</b>						
[Numbers in thousands]						
Employment status, veteran status, and period of service	Total		Men		Women	
	Sep 2019	Sep 2020	Sep 2019	Sep 2020	Sep 2019	Sep 2020
<b>Unemployed</b>	282	568	238	496	45	72
<b>Unemployment rate</b>	<b>3.1</b>	<b>6.4</b>	<b>2.9</b>	<b>6.4</b>	<b>4.0</b>	<b>6.5</b>

*The national unemployment rate is 7.9 percent (Sept 2020). Gulf War II veterans' unemployment rate is 7.5 percent.<sup>i</sup> Currently, the unemployment rate for Gulf War II women veterans is 5.7 percent (Down from 6.9 percent in September).*

In September 2020, the veteran unemployment rate is 6.4%, down from 6.6% last month and 7.9% two months ago. The comparable non-veteran unemployment rate was 7.9% in September and 8.4% in August

## **TOPIC 2: CONFERENCE CALLS**

*On Monday, October 19*, the National Veterans Employment and Education Division had discussions with Senate Veterans Affairs on final tweaks to HR. 4625, Protect the Gil Bill Act. Primary issues are spelling out further what a risk based survey is and making sure language reference the National Database is shareable and searchable by SAAs and VA.

*On Monday, October 19*, the National Veterans Employment and Education Division chaired meeting of the George W. Bush National Task Force on Higher Education policy working group. Working on a white paper which will include recommendations for the incoming administration on higher education and training.

*On Monday, October 19*, the National Veterans Employment and Education Division attended a meeting and addressed the National Association of State Approving Agencies Executive Board on Risk Based Surveys and pending legislation.

*On Monday, October 19*, the National Veterans Employment and Education Division discussed the work of the American Legion in the area of higher education and training and attended a meeting with GWB Task Force on Covid 19.

*On Monday, October 19*, the National Veterans Employment and Education Division held a meeting with NAVPA leadership to discuss VA's new requirements for 85/15 and their potential negative impact on veterans access to quality programs and continued enrollment.

*On Tuesday, October 20*, the National Veterans Employment and Education Division had discussions with Council on College and Military Educators President and leaders on new 85 / 15 requirements and their negative impact on tuition assistance program/military and veterans training.

*On Tuesday, October 20*, the National Veterans Employment and Education Division continued work on GWB Report and held conversations with VSOs on this same issue.

*On Tuesday, October 20*, the National Veterans Employment and Education Division attended a healthcare business policy conference hosted by The American Conservative. The Healthcare under Siege conference delves into how industry and government collusion during the response to COVID-19 pandemic has stifled competition and ultimately created a crisis for consumers. Without major changes in the healthcare market, the expansion of public option will likely fail to curb cronyism and make a bad situation worse.

*On Tuesday, October 20*, the National Veterans Employment and Education Division had conversations with NASAA leadership and risk based survey team.

***On Tuesday, October 20,*** the National Veterans Employment and Education Division held a conference call with Lumina Foundation and the communications firm "Friday". Lumina has contracted Friday to support external outreach and communication for our work with the Military Credentialing Advancement Initiative.

***On Wednesday, October 21,*** the National Veterans Employment and Education Division looked at GWB National Higher Education Task Force convening on Goals and Objectives and what survey will look like to gather more data. Operation College Promise will also share their survey results with us.

***On Wednesday, October 21,*** the National Veterans Employment and Education Division had conversations with Department of Defense Education personnel on 85/15 impact. Also discussions by NASAA leaders with Education Service Director and Deputy Director on 85/15 issue and the Risk Based survey Pilot.

***On Wednesday, October 21,*** the National Veterans Employment and Education Division had conversations with Hill Staffers on HR 4654. This bill is 95% complete and should soon be headed to the Senate Floor.

***On Thursday, October 22,*** the National Veterans Employment and Education Division met with RBS Project manager Woodall in Raleigh on pending issues and the pilot survey rollout.

***On Thursday, October 22,*** the National Veterans Employment and Education Division met with staff from Capital Bank regarding COVID-19 relief lending programs. The Federal Reserve's Main Street Lending Program was supposed to help small to mid-sized businesses, however stringent underwriting requirements resulted in underutilization and most businesses are referred to the SBA's EIDL program.

***On Thursday, October 22,*** the National Veterans Employment and Education Division had conversations with NASAA leadership and other VSOs on the still developing 85/15 controversy.

***On Thursday, October 22,*** the National Veterans Employment and Education Division held a conference call with the office of Representative Mark Levin to discuss updates to the 90-10 loophole on veterans education. Rep. Levin's office expressed strong support for closing the loophole.

***On Thursday, October 22,*** the National Veterans Employment and Education Division held a conference call with the office of Representative Kendra Horn to discuss updates to the 90-10 loophole on veterans education. Rep. Levin's office expressed strong support for closing the loophole.

***On Thursday, October 22,*** the National Veterans Employment and Education Division held a conference call with the office of Representative Joyce Beatty to discuss updates to the 90-10 loophole on veterans education. Rep. Beatty's office expressed strong support for closing the loophole.

***On Thursday, October 22,*** the National Veterans Employment and Education Division conducted a review of the first draft of the Military Credentialing Advancement Initiative Report with SOLID, LLC. SOLID has been contracted to write the report based on the discussions and findings from the years Credentialing Roundtable meetings. The first draft is well written, but requires more content related to the economic impact of COVID. Roughly 60% complete.

## TOPIC 3a: TRACKING LEGISLATION

**GI Bill Repair Act of 2020:** To extend to black veterans of World War II, their surviving spouses, and direct descendants eligibility for specific housing and educational assistance programs administered by the Secretary of Veterans Affairs

(Tracked by [John Kamin](#))

[Resolution No.: None on file](#)

**Status: Currently on hold, has not been introduced**

**Homeless Veteran Coronavirus Response Act:** The bill allows VA to use existing funds for a broader range of services; authorizes the Department to collaborate with outside organizations to facilitate shelters on its properties; loosens restrictions on Grant and Per Diem (GPD) payments, and requires VA to ensure veterans participating in VA homeless programs have access to VA telehealth services.

(Tracked by [Teresa Lewis](#))

[Resolution No. 326: Support Funding for Additional Housing for Homeless Veterans with Families](#)

**HR 6800, the Heroes Act:** Allows VA to provide transport and purchase food, shelter, phones, clothing, blankets and toiletry items for homeless veterans; Authorizes VA to set up temporary encampments on the grounds of VA Medical Centers to allow homeless veterans to shelter on VA parking lots temporarily; Allows VA to provide reimbursements to social service providers receiving grants for the costs of services for minor children.

(Tracked by [Davy Leghorn](#))

[Resolution No. 324: Support Funding for Homeless Veterans](#)

**HR 1615:** The American Legion supports legislation that would streamline and improve the verification process for veteran-owned small businesses and veteran-owned small businesses.

(Tracked by [Davy Leghorn](#))

[Resolution No. 155: Support Verification Improvements for Veterans' Business](#)

**Status: Passed at the 2016 National Convention.**

**HR 2224:** To direct the Secretary of Labor to prioritize services to homeless veterans with dependent children in carrying out homeless veterans' reintegration programs and for other purposes.

(Tracked by [Ariel De Jesus/John Kamin](#))

[Resolution No. 326: Support Funding for Additional Housing for Homeless Veterans with Families](#)

**HR 1196, Jobs for Veterans Act of 2019:** This bill allows an increased work opportunity tax credit for employers who hire veterans who have been certified as discharged or released from active duty in the Armed Forces after September 11, 2001, and who begin working for the employer after December 31, 2019, and before January 1, 2024. This increased credit is in addition to any work opportunity tax credit allowed to a veteran with a service-connected disability.

(Tracked by [Ariel De Jesus/John Kamin](#))

[Resolution No. 354: Work Opportunity Tax Credit Program](#)

**HR 7010, Paycheck Protection Program Flexibility Act of 2020:** This bill significantly changes the terms of the PPP loans to be more advantageous to small businesses. Including more flexibility in applying the loan to other expenses besides payroll and benefits and extending the time frame for expending the loan.

(Tracked by Davy Leghorn)

**HR 4625:** To require education programs to be approved by the VA to abide by the Principles of Excellence to include a ban on deceptive or misleading recruiting, clear information about total costs and program requirements, accommodation for deployments, ensuring a point of contact for veterans, and not being under a punitive action by an accreditor.

(Tracked by John Kamin)

[Resolution No. 318: Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education](#)

**HR 6957:** To direct the Secretaries of Defense and Veterans Affairs to treat a period of full-time National Guard duty, performed in response to the national emergency declared on March 13, 2020, by the President concerning COVID-19, as not shorter than 90 days.

(Tracked by John Kamin)

[Resolution No.: Currently studying for appropriate resolution.](#)

**HR 4920 Department of Veterans Affairs Contracting Preference Consistency Act of 2020:** is a bill that would allow AbilityOne companies to keep their preferential treatment at the Department of Veteran Affairs after 2016 with some compromises. The Senate initially sent it back to the House after it was passed for changes. Those changes have been reconciled and the bill cleared its last hurdle before it is sent to the White House.

**S. 2594:** To amend title 5, United States Code, to modify specific requirements concerning service and retirement for veterans' Preference for federal hiring.

(Tracked by Ariel De Jesus)

[Resolution No. 317: Enforcing Veterans' Preference Hiring Practices in Federal Civil Service](#)

**S. 3745, Coronavirus Emergency Borrower Defense (E-BD) Act:** to require the Department of Education to grant full student loan discharges to three specific emergency categories of defrauded borrowers—specifically borrowers covered by:

- (1) Department of Education findings against Corinthian.
- (2) Department of Education findings against ITT Tech; and
- (3) State attorneys general group discharge applications made before the date of enactment.

(Tracked by John Kamin)

[Resolution No. 82: Preserve Veteran and Servicemember Rights to Gainful Employment and Borrower Defense Protections](#)

### TOPIC 3b: ACTION TAKEN ON LEGISLATION

**Building Credit Access for Veterans Act:** A bill to require the Secretary of Veterans Affairs to carry out a pilot program to establish an automated process for obtaining alternative credit rating information and other purposes.

(Tracked by Ariel)

**Status: Draft Bill / Letter of Support submitted on October 13**

**HR 8426: Protecting Apprenticeship Training for Veterans Act:** Currently, veterans must meet a minimum number of apprenticeship hours to receive their Housing Allowance. Due to pandemic work shortages, veterans in those programs now face a reduction or suspension in their stipend.

This would allow veteran apprentices who were laid off to roll over excess hours from a previous month to meet the hourly requirement.

(Tracked by John Kamin)

[Resolution: Resolution No. 25: Support and Expand Apprenticeship Opportunities for Servicemembers](#)

**Status: Letter of Support drafted**

**HR 4941: Veteran Employment Transition Act” or the “VET Act”** was sponsored by Representative Andy Kim. The last action on the bill was in the House on 12/02/2019; it was referred to the Subcommittee on Economic Opportunity. The bill's goal is to improve the Transition Assistance Program. The bill would allow certain veterans' service organizations to contact veterans regarding benefits and to better inform veterans of employment opportunities. The Service groups would inform veterans of the benefits and employment opportunities with the Federal, State, and local governments. The groups inform veterans of events for in the area.

(Tracked by Ariel De Jesus)

[Resolution No. 70: Improve Transition Assistance Program](#)

**Status: Letter of Support submitted**

**HR 7003:** is a bill sponsored by Rep. Takano, Mark D-CA-41 and was introduced 05/22/2020. The bill would authorize a pilot program in the Department of Defense to enhance efforts to provide job placement assistance and related employment services directly to members of the National Guard, Reserves, and veterans of the Armed Forces. The last action on the bill was 05/22/2020 and referred to the Committee on Armed Services.

(Tracked by Ariel/Raymond)

[Resolution No. 81: Transition Assistance Program Employment Workshops for National Guard and Reserve Members](#)

**Status: Pending Letter of Support**

**Draft Bill:** Veterans Educational Assistance Transparency and Accountability Improvement Act, improve the GI. Bill Comparison Tool and ensures veterans, servicemembers, and their families are better informed when choosing what educational institution is best for them.

[Resolution No. 327: Support Further Assessment and Evaluation of Institutions of Higher Learning to Enable Veterans to Make Informed Education Choices](#)

**Status: Letter of Support submitted**

**Draft Bill:** JSF - To amend title 38, United States Code, to clarify the scope of procedural rights of members of the uniformed services concerning their employment and reemployment rights, and for other purposes.

(Tracked by Davy Leghorn)

**Status: We submitted written testimony for the July 23, 2020 hearing.**

**Draft Bill:** USERRA Protections for State Active Duty - To amend title 38, United States Code, to extend particular employment and reemployment rights to members of the National Guard who perform State active duty. Submitted written testimony to the Legislative Division.

(Tracked by Ariel De Jesus)

[Resolution No. 315: Support Employment and Reemployment Rights of National Guard and Reservists Returning from Deployment](#)

**Status: We submitted written testimony for the July 23, 2020 hearing.**

**HR 7111: Veterans Economic Recovery Act of 2020:** Require the Secretary of VA to carry out a rapid retraining program that provides eligible veterans up to 12 months of retraining assistance

for in-demand occupations. These 12 months of benefits would be equivalent to payments made to students and schools through the Post 9/11 GI Bill.

(Tracked by John Kamin)

[Resolution No. 316: Support Employment of Veterans in the Public and Private Workforce](#)

**Status: This bill was submitted for the July 23, 2020 testimony.**

**HR 7445:** To expand eligibility for home loans from the Secretary of Veterans Affairs to certain members of the reserve components of the Armed Forces.

[Resolution No. 329: Support Home Loan Guaranty Program](#)

**Status: This bill was submitted for the July 23, 2020 testimony.**

## TOPIC 4: EMPLOYMENT

The American Legion continues to track the anomalous veteran unemployment trends amidst the state-governments' response to the COVID-19 pandemic. As President Trump often says "the cure cannot be worse than the problem itself" in reference to the necessity of reopening the economy and several states' executive-authority overreach in their pandemic response. Veterans unemployment rate is becoming a casualty of the prolonged economic shutdown.

As the economy continued its rebound from the shock of COVID-19, the unemployment rate for all veterans showed slight improvement in September. The veteran jobless rate dropped to 6.4% from the 6.6% adjusted rate for August. However, the jobless rate for post-9/11 veterans rose to 7.5% in September from 7% the month before, the Labor Department reported Friday.

The overall veteran unemployment rate continued to outperform the national rate, which was 7.9% in September, down from 8.4% in August, the Labor Department's Bureau of Labor Statistics announced. The 7.9% national figure marked the fifth consecutive month of decline since unemployment peaked at 14.7% in April, when the first effects of COVID-19 forced business closures and layoffs. "These improvements in the labor market reflect the continued resumption of economic activity that had been curtailed due to the coronavirus pandemic," BLS said of the September report.

The unemployment rate for post-9/11 veterans, classified as Gulf War II-era veterans by BLS, is still nearly double what it was a year ago, 4.5%, when the economy was booming. The group is considered the most vulnerable to downturns in the economy. The rate for male post-9/11 veterans in September was 7.8%; for female post-9/11 veterans, it was 5.7%.

Gulf War I-era veterans of the 1990s had an unemployment rate of 6.1% in September. World War II, Korea and Vietnam veterans overall had an unemployment rate of 4.4%, BLS said.

"Employment continued to increase in several industries, with the largest gains in leisure and hospitality, in retail trade, in health care and social assistance, and in professional and business services," BLS Commissioner William Beach said in a statement on the September report.

The initial BLS report for August put the unemployment rate for all veterans at 6.4%, but it was later adjusted to 6.6%. "The veteran unemployment rate is still well below the general unemployment rate, but it fell only slightly from August to September, from 6.6% to 6.4%," said Robert Frick, the corporate economist at the Navy Federal Credit Union, in a statement. "Compared to one year ago, there are about 700,000 more veterans unemployed."



*[Reported by Davy Leghorn]*

## TOPIC 5: VETERAN HOUSING AND HOMELESSNESS

The American Legion is often the conduit that brings together state and federal government with private sector to assist veterans. Public/private partnerships are necessary to find new and innovative solutions to solve complex issues like homelessness. Headquartered in Phoenix Arizona,

American Affordable Housing is dedicated to improving and sustaining the viability of Phoenix through the development of job training and personal empowerment programs.

American Real Estate Investment Club LLC. (AREICLLC.COM) has created a new branch

company called “American Affordable Housing” to develop permanent housing for Homeless Veterans in the central neighborhood of Phoenix, Arizona. The company plans to flagship their Homeless Veteran's program nationwide.



According to legend, the phoenix is a mythical bird that represents a symbol of hope, renewal, rebirth, immortality, resurrection, solitude, and grace. Just as the phoenix emerges from the ashes, so can homeless veterans after enduring hardships, problems, and or decline, rise from the ashes with renewed ambitious, meaningful and productive life in society. In collaboration with local communities: organizations, Private Sector, VA and other various agencies, we will offer a comprehensive smart home residence with on-site services in a 6-story community. The site will be conveniently located within walking distance to supermarkets, recreation center and the local VA Clinic.

The residential apartments will average 475 square feet, including: personal kitchens, bathrooms and living spaces. Supportive services will be provided by Safe Haven, LLC. whose expertise includes: providing services for the special needs and the mentally challenged. The project will expand the supply of the greatly needed permanent housing solution for Homeless Veterans including Mental health and substance abuse programs. All this requires a collaborative approach.

“This long over-due flagship project will provide the much needed shelter providing essential services for homeless Veterans beginning in Phoenix Arizona and developing throughout the U.S.,” says Doug Evans who is the Project Manager and Vice President of AREIC and American Affordable Housing. “Not only will American Affordable Housing offer help to our Veterans but in truth, when we help veterans, we are helping ourselves: becoming the change we want to see.”

*[Reported by Davy Leghorn]*

## TOPIC 6: CAREER FAIRS

ALL IN-PERSON CAREER FAIRS SCHEDULED THROUGH NOVEMBER HAVE BEEN CANCELLED, SUSPENDED, OR POSTPONED.

**The American Legion is working on future virtual workshops and career fairs.**

**The National staff is currently working with the Department of North Carolina to host its next virtual career fair.**

Newly discharged veterans claiming benefits totaled 13,264, a decrease of 494 from the prior week.

*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.*



### THE AMERICAN LEGION NORTH CAROLINA

## VIRTUAL CAREER FAIR

Employment Opportunities are Waiting for You. Register Now and Connect with Local and Nationwide Employers Looking to Hire.

Tuesday, November 17, 2020 ★ 10:00am-2:00pm (Eastern Time)



*[Reported by Ariel De Jesus]*

## TOPIC 7a: SMALL BUSINESS

The American Legion continues to track negotiations for a second COVID-19 stimulus package. The Economic Injury Disaster Loan (EIDL) and Paycheck Protection Program (PPP) was vital to veteran small businesses and nonprofit organizations. However, often overlooked is the Federal Reserve's Main Street Lending Program (MSLP). The American Legion's Department and Posts are also eligible for MSLP loans as long as they meet the eligibility criteria.

The Main Street Lending Program was established with the approval of the Treasury Secretary and with \$75 billion in equity provided by the Treasury Department from the CARES Act. The Federal Reserve Board expanded its Main Street Lending Program to allow more small and medium-sized businesses to be able to receive support. The Board lowered the minimum loan amount, raised the maximum loan limit, adjusted the principal repayment schedule to begin after two years, and extended the term to five years, providing borrowers with greater flexibility in repaying the loans. The Board expects the Main Street program to be open for lender registration soon and to be actively buying loans shortly afterwards.

Small and medium-sized businesses are a vital part of the economy and because their needs vary widely, the Board sought feedback and revised the Main Street program accordingly. These changes include:

- Lowering the minimum loan size for certain loans to \$250,000 from \$500,000;
- Increasing the maximum loan size for all facilities;
- Increasing the term of each loan option to five years, from four years;
- Extending the repayment period for all loans by delaying principal payments for two years, rather than one; and
- Raising the Reserve Bank's participation to 95% for all loans.

Once they have successfully registered for the program, lenders are encouraged to begin making Main Street loans immediately. MSLP intends to purchase 95% of each eligible loan that is submitted to the program, provided that the required documentation is complete and the transactions are consistent with the relevant Main Street facility's requirements. The Main Street Lending Program will also accept loans that were originated under the previously announced terms, if funded before June 10, 2020.

The Main Street Lending Program is also eligible for nonprofit organizations such as educational institutions, hospitals, and social service organizations. The Board approved two new loan options to provide support to a broad set of nonprofit organizations that were in sound financial condition prior to the pandemic.

Based on public feedback to proposals released for comment on June 15, the minimum employment threshold for nonprofits was lowered from 50 employees to 10, the limit on donation-based funding was eased, and several financial eligibility criteria were adjusted to accommodate a wider range of nonprofit operating models. Additionally, like the proposed terms, each organization must be a tax-exempt organization as described in section 501(c)(3) or 501(c)(19) of the Internal Revenue Code.

The Main Street nonprofit loan terms mirror those for MSLP business loans, including the interest rate, principal and interest payment deferral, five-year term, and minimum and maximum loan sizes.

*[Reported by Davy Leghorn]*

## TOPIC 7b: SMALL BUSINESS

On Tuesday, October 20, Senator Marco Rubio (R-FL), Chair, Senate Committee on Small Business and Entrepreneurship, addressed the Senate on the need for additional funding for the Paycheck Protection Program (PPP).

<https://www.sbc.senate.gov/public/index.cfm/pressreleases?id=D16328BA-58CA-49FB-B72B-51D31D8B5A49>

Senators Marco Rubio (R-FL) and Jim Risch (R-ID), Chairman and former Chairman of the Senate Committee on Small Business and Entrepreneurship, along with Senators Susan Collins (R-ME) and Josh Hawley (R-MO), introduced the Small Business Access to Recovery Capital Act. The legislation would provide expanded relief measures to the 7(a) loan program for one year to help businesses cope with challenges posed by the COVID-19 pandemic.

“Until Congress can pass comprehensive COVID-19 relief, small businesses need access to capital to keep their doors open and their employees compensated,” said Senator Risch.



*Marco Rubio Unveils the Small Business Access to Recovery Capital Act*

The Small Business Access to Recovery Capital Act would expand small business’ access to the 7(a) Loan Guaranty program for one year by:

- Waiving borrower and lender fees;
- Increasing the government guarantee to 95%;
- Increasing the maximum loan value from \$5 million to \$10 million; and
- Waiving debt repayment of principal, interest, and fees for any new loans made under the 7(a) program for one year.

<https://www.sbc.senate.gov/public/index.cfm/pressreleases?id=B954DEEA-4D90-4F92-B6E0-4A897F8D99DA>

Rocket Mortgage Detroit Demo Day is awarding over \$1M of funding to 11-14 companies through grants and interest-free loans.

- Grants for companies introducing their product or service to market or who pivoted to meet the needs of the new marketplace.
- Grants for pillars of the community that need support to persevere through the pandemic.
- Interest-free loans or convertible notes for established businesses that have continued to grow during this time and are looking to expand.
- Plus \$60,000 in additional prizes to be announced!

<https://detroitdemoday.com/>

According to the Bob Woodward Foundation, “the most immediate indirect needs for veterans in the midst of the COVID-19 pandemic are likely to be economic needs related to job loss.” Our projections suggest that large numbers of veterans are likely to become unemployed, at rates that could surpass the highest level of veteran unemployment in the post-9/11 era.

According to an economic analysis published by Moody’s Analytics in March 2020, the five industries most likely to witness immediate layoffs as a result of COVID-19 are:

- Mining, oil, and gas extraction (establishments that extract naturally occurring mineral solids);
- Transportation and warehousing (establishments that transport goods or passengers, warehouse goods, or provide scenic and sightseeing transportation);
- Employment services (establishments that list employment vacancies or refer/place people in employment);
- Travel arrangements (establishments that provide travel arrangement and reservation services, excluding travel agencies or tour operators); and
- Leisure and hospitality (establishments that meet cultural, entertainment, and recreational interests of their patrons, like museums or spectator sports, or that provide customers with lodging, like hotels, or prepared food/beverages for immediate consumption, like restaurants or bars).

As of February 2020, in the United States, these industries employed 27 million people, representing 17.7 percent of the entire American employed workforce. Using recent data from the Current Population Survey, [the Foundation] estimates that 1.2 million veterans are employed in these industries. This represents approximately 14 percent of veterans employed in civilian jobs. Of the veterans employed in these vulnerable industries, 39 percent (nearly 500,000) served after September 11, 2001; 15 percent of the working post-9/11 veteran population is employed in these industries. Report: “Veterans and COVID-19: Projecting the Economic, Social, and Mental Health Needs of America’s Veterans”

[https://bobwoodruffoundation.org/wp-content/uploads/2020/04/BWF\\_WhitePaper-COVID19-5.0-Final.pdf](https://bobwoodruffoundation.org/wp-content/uploads/2020/04/BWF_WhitePaper-COVID19-5.0-Final.pdf)

*[Reported by Teresa Lewis]*

## **TOPIC 8: EDUCATION**

The owner of a California trucking school was sentenced to four years in prison on Tuesday for a GI Bill scam which drew more than \$4 million in fraudulent payments from the Department of Veterans Affairs over four years.

Emmit Marshall, 53, pled guilty to the charges in July 2019 but was not sentenced until last week. During his sentencing hearing, the judge blasted Marshall’s actions as “very serious fraud” and “calculated, criminal acts that cannot be condoned.”

Court officials said he used the Alliance School of Trucking to recruit veterans for truck driving classes but provided no actual education benefits. Instead, he collected the tuition money and some

veterans received housing stipends under the post-9/11 GI Bill program, even though none attended classes.

In some cases, Marshall used veterans' personal information to sign them up for the fake courses without permission and forged signatures.

The scheme ran from July 2011 to April 2015. When VA officials began investigating the suspicious activity, school officials encouraged the “students” to lie to department staff and worked to destroy records of the fraud.'

Prosecutors said the scheme netted about \$1 million for Marshall personally, money he used “for jewelry, a cruise, a trip to Hawaii, property taxes on his [California] residence, purchase of a Ford F-150 and purchase of semi-tractor trailers for a new business.”

Marshall’s co-defendant in the case, trucking school vice president Robert Waggoner, pled guilty to similar charges in February and is expected to be sentenced next March.

Department of Justice officials did not say whether any of the veterans who participated in the scheme will face potential criminal charges.

The fraud case comes just a few weeks after an Oregon businessman was sentenced to three and a half years in prison for soliciting more than \$4 million in illegal kickbacks as part of a scheme involving contracting work focused on wounded veterans and troops.

In that case, court records showed that Brodie Shaw Thomson created fake business plans and hid side payments on numerous contracts for his own personal gain.

American Legion Resolution No. 304: *Support Accountability for Institutions of Higher Learning* expresses strong support for legislation and federal agency action ensuring educational success and civilian workforce success of GI Bill users and military student program participants. The depth of the fraud committed by the Alliance School of Trucking demonstrates the vigilance that must be maintained to ensure veterans success.

The owner of a California trucking school was sentenced to four years in prison on Tuesday for a GI Bill scam which drew more than \$4 million in fraudulent payments from the Department of Veterans Affairs over four years.



Emmit Marshall, 53, pled guilty to the charges in July 2019 but was not sentenced until last week. During his sentencing hearing, the judge blasted Marshall’s actions as “very serious fraud” and “calculated, criminal acts that cannot be condoned.”

Court officials said he used the Alliance School of Trucking to recruit veterans for truck driving classes but provided no actual education benefits. Instead, he collected the tuition money and some veterans received housing stipends under the post-9/11 GI Bill program, even though none attended classes.

In some cases, Marshall used veterans' personal information to sign them up for the fake courses without permission and forged signatures.

The scheme ran from July 2011 to April 2015. When VA officials began investigating the suspicious activity, school officials encouraged the “students” to lie to department staff and worked to destroy records of the fraud.'

Prosecutors said the scheme netted about \$1 million for Marshall personally, money he used “for jewelry, a cruise, a trip to Hawaii, property taxes on his [California] residence, purchase of a Ford F-150 and purchase of semi-tractor trailers for a new business.”

Marshall's co-defendant in the case, trucking school vice president Robert Waggoner, pled guilty to similar charges in February and is expected to be sentenced next March.

Department of Justice officials did not say whether any of the veterans who participated in the scheme will face potential criminal charges.

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*[Reported by John Kamin]*

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