NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION

TOPIC 1: ECONOMY



Manufacturers are reopening, U.S. factory orders rise solidly

A powerful recovery in the U.S., primed by massive government spending and a rapid vaccine rollout, is already rippling around the world, brightening the economic prospects for countries closely tied to the American economy.

But economists say the coming U.S. boom could presage a two-speed recovery from the extraordinary economic downturn of the past year, a schism that threatens to open fissures in the global economy.

While lockdowns and Covid-19 restrictions hit many economies last year in roughly equal measure, early evidence shows that the exit from the pandemic could be greatly lopsided.

Rich countries and some export-driven economies are already enjoying the early fruits of successful vaccine campaigns and resurgent growth.

Instead, poor nations are seeing nascent signs of capital outflows being lured to rich countries. Meanwhile, those countries face a long wait for vaccines and some are suffering fresh Covid-19 waves that leave them cut off from the travel and tourism flows that have supported their economies in recent years.

The U.S. economy is expected to grow by around 6.5% this year, the fastest since 1984. That surge could leave the U.S. economy even larger at the end of this year than it was forecast to be before the pandemic, according to the Organization for Economic Cooperation and Development.

No other major economy, not even China, is likely to boast that. Economists expect the U.S. to be the main driver of global growth this year.

The U.S. vaccination program, which is faster than those in most of Europe and Asia, has allowed a more rapid return to normal economic activity. But the U.S. decision to pursue a far larger second round of relief and stimulus has been especially decisive. Very few other rich countries have spent as much as the U.S., and poor countries can't afford such largess.

A red-hot U.S. economy is in turn speeding recoveries elsewhere, particularly for export-oriented countries selling goods to American shoppers.

That is a boon to countries like Vietnam. The U.S. stimulus alone will add 1.4% to Vietnamese gross domestic product over the next two years, second only to the slightly larger impact on Mexico, according to estimates by financial services companies Allianz and Euler Hermes. That will help offset the large hit that Vietnam—which has largely contained Covid-19 cases—has suffered from a collapse in tourism.

In Thailand, exports are forecast to rise by 3%-5% this year, with 10%-11% growth in U.S. sales expected to balance out against minor declines in Europe and China, according to Supan Mongkolsuthree, president of the Federation of Thai Industries.

Thailand's automotive parts industry, the largest in Southeast Asia, may bounce back to around \$22 billion in overseas sales this year, returning to 2019 levels after a 14% fall last year, according to the Thai Auto-Parts Manufacturers Association, with U.S. demand for tires helping to sustain the recovery.

The strength of the U.S. recovery is piling more pressure on the already stretched, globe-spanning supply chains that deliver everything from smartphones to children's clothing.

Brompton Bicycle Ltd. is a London-based maker of folding bicycles that are popular with commuters in its home city. It has hired new workers and added a third production line during the pandemic.

But even though it is allocating a "preferential" share of its output to the U.S. as it plots a big expansion in key cities such as New York, Chicago and San Francisco, it can't keep up with demand. Finding parts from Asia has become a problem, as has shipping.

"Demand is growing ahead of supply," said Stephen Loftus, Brompton's chief commercial officer. "We face many frustrations on a day-to-day basis."

Those frustrations are likely to worsen in the immediate future, thanks to delays stemming from the grounded cargo ship that stopped traffic recently in the Suez Canal. "We don't yet know the knock-on effects of that, but it will have an effect on everyone," Mr. Loftus said.

While U.S. growth will lift many boats, it won't lift all of them. For instance, the boost is likely to be modest for Europe, with economists at the European Central Bank estimating that U.S. stimulus will raise eurozone economic growth to 4.1% from 4% this year, and to 4.3% from 4.1% in 2022.

The eurozone, where vaccinations are proceeding at a glacial pace, is expected to be mired in an economic downturn for months to come—a sharp divergence with the U.S. that could leave durable scars on the jobs market or on capital investments.

Meanwhile, the world's poorest countries aren't likely to vaccinate large portions of the population for months or even years to come. That will leave many cut off from the tourism industry that has created jobs and lifted economies in recent years.

Clayton Fletcher, who runs a luxury safari and hunting lodge in South Africa's North West province, made it through 2020 by killing animals, selling the meat and dropping rates for local hunters. He took out bank loans to keep paying his staff.

In February, the lodge hosted its first international tour groups since November 2019 but has had 16 cancellations for this year so far from the U.S., Canada and Europe.

"Our business is dependent on other countries," Mr. Clayton said. A more contagious variant first identified in South Africa has worsened the outlook for his business "With this new strain here, unfortunately, people are scared," he says.

Even as the United Nations Conference on Trade and Development last month raised its U.S. growth forecast for this year, it lowered its projections for Africa. Indeed, Africa's economy is expected to grow more slowly than that of the U.S., a gap that will be wider on a per-person basis given that the continent's population is expanding at a more rapid rate.

"Covid-19 descended on the poor like wildfire," said David Malpass, president of the World Bank in a virtual speech to the London School of Economics. "In the pandemic of inequality, poorer countries are falling further behind."

The strength of the U.S. recovery could make those disparities even worse if the new wave of government spending pushes inflation sharply higher and forces the U.S. Federal Reserve to raise its key interest rate much earlier than it now expects to.

Because of the U.S. dollar's outsize role in global finance and trade, such a move by the Fed would also raise borrowing costs for many countries where recoveries are expected to be much slower.

"What the U.S. is doing in terms of massive fiscal stimulus combined with relatively loose monetary policy is on net beneficial for the world," said Adam Posen, president of the Peterson Institute for International Economics. "The big negative side is what happens if this is a boom-bust cycle—what happens if we're not only overheating but that we're forced to tighten faster and more than currently priced in markets?"

[Reported by Edwin Cruz]

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]

	Total		Men		Women	
Employment status, veteran status, and period of service	March 2020	March 2021	March 2020	March 2021	March 2020	March 2021
Unemployed	368	452	321	417	47	35
Unemployment rate	<mark>4.1</mark>	5.0	4.0	5.3	<mark>4.3</mark>	2.9

The national unemployment rate is 6.2 percent (February 2021). Gulf War II veterans' unemployment rate is 6.1 percent. Currently, Gulf War II women veterans' unemployment rate is 3.8 percent (no change from February).

In March 2021, the veteran unemployment rate was 4.6%. The comparable non-veteran unemployment rate was 6.0% in March.

TOPIC 2: VIRTUAL MEETINGS & CONFERENCE CALLS

On Monday, April 5, the National Veterans Employment & Education Division had a conversation with House Veterans Affairs Committee (HVAC) staff on needed technical fixes to H.R.7105 - Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020.

On Monday, April 5, the National Veterans Employment & Education Division met with Risk-Based Survey Model (RBS) coordinator M. Woodall on the RBS pilot, State Approving Agency (SAAs), responsible for approving school funding for GI Bill, and EdCounsel team to discuss the roll out of the RBS pilot and review of needed forms and procedures.

On Monday, April 5, the National Veterans Employment & Education Division met with National Association of State Approving Agencies (NASAA) senior leaders on Risk-Based Survey Model (RBS) project and national issues.

On Tuesday, April 6, the National Veterans Employment & Education Division met with the Executive Board of Association of State Approving Agencies (NASAA) and update on legislative initiatives and collaboration opportunities with The American Legion on jobs and education.

On Tuesday, April 6, the National Veterans Employment & Education Division had a discussion of VA implementation of the Roe-Isakson law and challenges in the area of 85/15 and contractual requirements for the State Approving Agencies (SAAs). Technical fixes for the Roe Isakson law will be attached to the Job Ready bill on the docket. The Senate will be holding a hearing next month as well. Also, Congress will address the VA rounding out issue and will look into the 85/15 issue further.

On Tuesday, April 6, the National Veterans Employment & Education Division met with the National Association of Veterans Program Administrators (NAVPA) President and Legislative Director on Roe-Isakson law and challenges in the area of 85/15 (This is the federal regulatory requirement that at least 15 percent of students must be private pay, not on the GI Bill) as well as discussion of 90/10.

On Tuesday, April 6, the National Veterans Employment & Education Division attended the 117th Congress 4 Corners and VSO teleconference (VSO representatives and majority and minority staffers from House Veterans Affairs Committee and Senate Veteran Affairs Committee). Also, discussed of next week's legislative hearing, including the 16 bills before the HVAC subcommittee on Economic Opportunity, some involve education matters.

On Wednesday, April 7, the National Veterans Employment & Education Division met with MiLSkills executives on how they could provide their technical training to veterans and requirements to be approved for the GI Bill.

On Wednesday, April 7, the National Veterans Employment & Education Division met with Council of College and Military Educators (CCME) President and Texas State Approving Agency (SAA) Director in preparation for first Risk-Based Survey Model (RBS) visit at American Intercontinental University in Houston. DOD may be in attendance and meetings planned with university presidents and Houston VA Regional Processing Office Director Worley.

On Wednesday, April 7, the National Veterans Employment & Education Division had a conversation with MiLSkills about a national institute of excellence that would encourage educators and trainers to better support veterans and ensure quality programs resulting in good paying jobs.

On Wednesday, April 7, the National Veterans Employment & Education Division met with Lauren Runco of COOL and discussed of Risk-Based Survey Model (RBS) project and how COOL can help with DOD engagement and eventual adoption.

On Wednesday, April 7, the National Veterans Employment & Education Division attended the first Consumer Financial Protection Bureau veternas roundtable discussion of 2021. CFPB shared that they would be releasing a new report on consumer complaints received from veterans, and financials scams they should be aware of.

On Thursday, April 8, the National Veterans Employment & Education Division worked on State Approving Agency (SAA) issue for Senator Tester's Staff on Montana's SAA.

On Thursday, April 8, the National Veterans Employment & Education Division had conversations with Hill staff on the Senator Grassley call for investigation of VA Education Service.

On Thursday, April 8, the National Veterans Employment & Education Division met with the state lead for the Ohio Troops to Teachers (TTT) program. VE&E staff reached out to conduct research on TTT outcomes, and any prior communications TTT state directors received prior to the announcement of program termination.

On Thursday, April 8, the National Veterans Employment & Education Division had a conversation with North Carolina legislators on Senate Bill 612 moving the State Approving Agency (SAA).

On Thursday, April 8, the National Veterans Employment & Education Division prepared for a trip to Houston for meetings and observation of first on site Risk-Based Survey Model (RBS) visit in the nation.

On Friday, April 9, the National Veterans Employment and Education Division attended weekly meeting with EdCounsel and Lumina Risk Based Survey Executive Team to discuss Risk Based Survey in Texas. Also, reviewed legislation and RBS forms and procedures.

GLOSSARY OF FREQUENTLY USED ABBREVIATIONS

ACE: American Council on Education

ACP: American Corporate Partners, a veteran's support organization

ATLAS: Accessing Telehealth through Local Area Stations, a V.A. telehealth initiative

BLS: Labor Department's Bureau of Labor Statistics

C&P: V.A.'s Compensation and Pension exam

CAVC: Court of Appeals for Veterans Claims

CCME: Council of College and Military Educators

COLA: Cost-of-living adjustment

CSAAVE: California State Approving Agency for Veterans Education

DIMO: Defense Security Cooperation Agency/Defense Institute for Medical Operations

DOD: Department of Defense

DOL-VETS: Department of Labor, Veterans Employment and Training Services

EdCounsel: Higher education consulting firm

EIDL program. SBA's Economic Injury Disaster Loans

EIDL: Economic Injury Disaster Loan

GAO: Government Accountability Office

GPD: V.A.'s Grant and Per Diem Program for homeless veterans

GWB: George W. Bush Higher Education Policy Work Group

HEROES ACT of 2003: Higher Education Relief Opportunities for Students Act of 2003. Grants the Secretary of Education the authority to waive requirements that impede military borrowers' access to critical repayment protection during the war, military operation, or national emergency.

HVAC: House Veterans Affairs Committee

MCAI: American Legion's Military Credentialing Advancement Initiative

MSLP: The Federal Reserve's Main Street Lending Program

MSO: Military Support Organization

NAICU: National Association of Independent Colleges & Universities

NASAA: National Association of State Approving Agencies. Responsible for approving school funding for GI Bill

NAVPA: National Association of Veterans Program Administrators

NCA: V.A.'s National Cemetery Administration

NDAA: National Defense Authorization Act

NLD: American Legion's National Legislative Division

OPM: Office of Personnel Management

PPP: Paycheck Protection Program

RBS: Risk-Based Survey Model

RPIC: Rural Placemaking Innovation Challenge

S2S: Service to School, a veteran's organization

SAA: State Approving Agency, responsible for approving school funding for GI Bill

SBA: Small Business Administration

STEM: Science, Technology, Engineering, Medical

SVA: Student Veterans of America, a veteran's organization

SVAC Senate Veterans Affairs Committee

TAPS: Transition Assistance Program for Survivors, a nonprofit for Gold Star Families

TEAM Act: Senate Bill 4393, to improve the provision of health care for veterans who were exposed to toxic substances from burn pits

TFA: American Legion's Temporary Financial Assistance program

USAID: United States Agency for International Development

USDA: United States Department of Agriculture

USERRA: Uniformed Services Employment and Reemployment Rights Act VA&R: American Legion's Veterans Affairs and Rehabilitation Division

VACO: Veterans Affairs Central Office

VBA: V.A.'s Veterans Benefits Administration

VE&E: Veterans Employment and Education Division VES: Veterans Education Success, a veteran's organization

VSO: Veterans Service Organization

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

Resolution No.: None on file

Status: Currently on hold, has not been introduced

Homeless Veteran Coronavirus Response Act: The bill allows V.A. 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 V.A. to ensure veterans participating in V.A. homeless programs have access to V.A. telehealth services.

Resolution No. 326: Support Funding for Additional Housing for Homeless Veterans with Families

H.R.492 - To amend title 38, United States Code, make permanent the Secretary of Veterans Affairs's authority to provide financial assistance for supportive services for very low-income veteran families in permanent housing.

Resolution No. 340: Support Permanent Authorization for the Supportive Services for Veteran Families (SSVF) Program

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.

Status: Passed House Vote, received in the Senate, and referred to the Committee on Veterans Affairs. It did not pass by the end of the $116^{\rm th}$ Session, will need to be reintroduced.

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.

Status: Did not pass by the end of the 116th Session.

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.

Resolution No. 354: Work Opportunity Tax Credit Program

HR 7010, Paycheck Protection Program Flexibility Act of 2020: This bill significantly changes the PPP loans' terms 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.

Status: Became Public Law No: 116-142.

HR 4625: To require education programs to be approved by the V.A. 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.

Resolution No. 318: Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education

Status: Became Public Law No: 116-315

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.

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.
- **S. 3745**, **Coronavirus Emergency Borrower Defense** (**E-BD**) **Act:** to require the Department of Education to grant total 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.

Resolution No. 82: Preserve Veteran and Servicemember Rights to Gainful Employment and Borrower Defense Protections

Status: Did not pass 116th Session.

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.

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.

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 bill's last action 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 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 in the area.

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 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.

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 G.I. Bill Comparison Tool ensures veterans, servicemembers, and their families are better informed when choosing what educational institution is best for them.

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 employment and reemployment rights and other purposes.

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, extend particular employment and reemployment rights to members of the National Guard who perform State active duty. Submitted written testimony to the Legislative Division.

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

HR 7111: Veterans Economic Recovery Act of 2020: Require the Secretary of V.A. 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 students' and schools' payments through the Post 9/11 GI Bill.

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 individual members of the Armed Forces reserve components.

Resolution No. 329: Support Home Loan Guaranty Program

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

TOPIC 4: EMPLOYMENT



Students at American Diesel Training performing a 21-point inspection on a semi-truck.

Credit...Brian Kaiser for The New York Times

Bill Barber saw an ad on Facebook last year for American Diesel Training Centers, a school in Ohio that prepares people for careers as diesel mechanics. It came with an unusual pitch: He would pay for the schooling only if it landed him a job, thanks to a nonprofit called Social Finance.

After making sure it wasn't a scam, he signed up. After going through the immersive five-week program, he got a job with starting pay of \$39,000 a year — about \$10,000 more than he made before as a cable TV installer.

"I figured this was my best opportunity to succeed," Mr. Barber, 23, said.

<u>American Diesel Training</u> is part of a new model of work force training — one that bases pay for training programs partly on whether students get hired. Early results are promising, and experts say the approach makes far more economic sense than the traditional method, in which programs are paid based on how many people enroll.

Right now, there are only a relative handful of these pay-for-success programs that train low-income Americans for better-paying careers. The challenge has been to align funding and incentives so that students, training programs and employers all benefit.

But <u>Social Finance</u>, founded a decade ago to develop new ways to finance results-focused social programs, is showing how the idea could grow quickly just as the pandemic made job-training programs more important than ever. The coronavirus put millions of people out of work, upended industries and accelerated automation.

State and federal officials are now looking for new ways to improve work force development. President Biden's \$2 trillion infrastructure and jobs plan, announced last week, includes <u>billions</u> <u>for work force development</u> with an emphasis on "next-generation training programs" that embrace "evidence-based approaches."

The Social Finance effort is powered by a fund of more than \$40 million raised from philanthropic investors. The money goes toward paying for low-income students, as well as minority candidates and veterans, to enter the training programs. The group is not related to the online lender SoFi.

It has supported four job training programs, including American Diesel Training, in the past year. It has plans to have double that number a year from now.

Social Finance is advising Ohio on pay-for-success programs and is in talks with several other states. The financing arranged by Social Finance from investors is called a career impact bond, while the state-backed initiatives are called pay-it-forward funds — since payments from job-holding graduates help pay for new students.

Social Finance is also preparing a proposal for the new labor secretary, Martin J. Walsh, recommending that the federal government provide matching funds to accelerate state programs.

A few nonprofits have a track record of lifting low-income Americans into higher-paying jobs, including <u>Year Up</u>, <u>Per Scholas</u> and <u>Project Quest</u>. Their training is tightly focused on specific skills and occupations, they work closely with employers, and they teach soft skills like communication and teamwork. But there are too few of them, and they struggle for sustainable financing.

Social Finance is seeking, designing and supporting new programs — for-profit or nonprofit — that follow that training formula but then apply a different funding model.

"There is emerging evidence that these kinds of programs are a very effective and exciting part of work force development," said Lawrence Katz, a labor economist at Harvard. "Social Finance is targeting and nurturing new programs, and it brings a financing mechanism that allows them to expand."

The social venture's more than \$40 million fund is seed money for demonstration projects that show its model could be widely used, whether backed by government or by investors in social programs, across a range of occupations including skilled trades.

"The goal is to create a tool for impact, to get more people on the economic escalator," said Tracy Palandjian, co-founder and chief executive of Social Finance.

Philanthropies built with technology fortunes are prominent among the fund's supporters. A large investor is <u>Blue Meridian Partners</u>, whose donor partners include the Bill and Melinda Gates Foundation, the Ballmer Group and the Sergey Brin Family Foundation.

Others contributing to the fund are the Michael and Susan Dell Foundation and Schmidt Futures, led by Eric Schmidt, former chief executive of Google.

For Social Finance and its backers, the career impact bonds are not traditional investments. For them, breaking even or a small return would be winning — proof the concept is working, which should attract more public and private money.

"We need to move toward evidence-based funding," said Jim Shelton, chief investment and impact officer for Blue Meridian Partners and a deputy secretary of education in the Obama administration. "And Social Finance is supporting programs that show it can be done."

The Social Finance income-share agreement with students ranges from about 5 percent to 9 percent depending on their earnings — less from \$30,000 to \$40,000, and generally more above \$40,000. The monthly payments last four years. If you lose your job, the payment obligation stops.

"Our investors aren't after high returns. They're primarily after social impact," Ms. Palandjian said.

When screening programs, Social Finance looks for those that offer training for specific skills linked to local demand, and have data to show that its students graduate and get good-paying jobs. In selecting a skilled-trade school, Social Finance, working with Burning Glass Technologies, which analyzes job-market data, sought a program for an occupation in demand with potential for the worker to move up the career ladder.

American Diesel Training, based in Columbus, Ohio, met the requirements. The for-profit company's program is designed as a short, intensive course to train entry-level diesel technicians, mostly for trucking companies and dealerships.

Demand for diesel technicians is robust as more goods are shipped by truck, often delivering products ordered online, and baby-boom mechanics are retiring. There is an accessible career path to become a senior mechanic or into administration as a service, distribution or shop manager.

American Diesel Training, founded in 2017, succeeded in placing students in jobs in its first few years, but remained small.

Before Social Finance arrived, Tim Spurlock, co-founder and chief executive of American Diesel Training, looked into financing through income-share agreements offered by venture-backed startups. The terms, he said, were far less favorable for students.

"Social Finance comes at it from a completely different angle," he said.

The first group of Social Finance-funded students started the five-week course last September. There are now about 70 students in each course. That is about four times as many as a year ago.

Social Finance pays American Diesel Training just over 60 percent of its fee initially. The rest comes later, after a student lands and keeps a job.

"I'm fine with that," Mr. Spurlock said. "We've completely proven our educational model. The problem was the funding mechanism."

A total of 229 students supported by Social Finance have been enrolled. The graduation rate is nearly 100 percent, and 89 percent have jobs. Their average annual income is \$36,500, and the average gain from income before the program is \$12,400.

Today, Mr. Barber, who saw an ad for the program on Facebook, works in Ohio for U.S. Xpress, a national freight-hauling trucker. As an entry-level diesel technician, he is mostly doing preventive maintenance on trucks. With diesel mechanics in demand, the company paid him a \$2,000 signing bonus and a relocation fee.

Jordan Battle earns about \$43,000 a year as a diesel mechanic for a large trucking company in Atlanta, far more than she did as a contractor for a civic education organization.

That job ended with the pandemic, so she decided to go for "something essential and to have a real skill others don't." She was accepted in the American Diesel Training program, and she was offered a job after three weeks, before she graduated. Practice interviews, résumé building and introductions to employers were part of the curriculum.

"That's where the program really stands out," she said. "They fight for you."

The American Legion supports the development and implementation of on-the-job (OJT) training programs for eligible veterans in the public and private sectors and development of joint projects to enhance OJT opportunities for eligible veterans through any GI Bill benefit. **Resolution No. 305: Support the Development of Veterans On-The-Job Training Opportunities**

[Reported by Edwin Cruz]

TOPIC 5: SMALL BUSINESS



RRF grant applications won't require a DUNS number

With the Small Business Administration's (SBA) <u>announcement</u> late last week in a Senate hearing that it plans on rolling out the Restaurant Revitalization Grant (RRG) Program, under the American Rescue Plan Act of 2021 (Act), as soon as early April, potential applicants should begin preparing for the application process.

I. Recap of the RRG Program

This \$28.6 billion RRG program will provide much-needed economic relief to restaurateurs who have been heavily impacted by government shutdown orders, social distancing requirements, and limitations on operations and hours due to the COVID-19 pandemic. To recap: "eligible entities" may seek a **grant** for their "pandemic-related revenue loss," up to a total of \$10 million (including a cap of \$5 million per physical location for entities with more than one location). The grant amount is equal to the applicant's 2019 gross receipts less (a) the applicant's 2020 gross receipts and (b) the amounts, if any, received under both first and second draw Paycheck Protection Program (PPP) loans.

For example, assume a restaurant's 2019 gross receipts were \$12 million. The 2020 gross receipts were \$3 million, and the two PPP loans were for \$2 million and \$2.5 million. The applicant would be eligible for a grant of \$4.5 million (12 - 3 - 2 - 2.5 = 4.5).

Most restaurants, food trucks, brewpubs, caterers, and bars will qualify as "eligible entities" so long as they (and their affiliates) don't have more than 20 locations, are not publicly traded, and haven't received a Shuttered Venue Operators Grant.

Also of note, unlike the PPP Loan Program, RRG grants **do not currently contain any restrictions on how the funds must be spent—meaning there is no 60% payroll requirement.** This is a huge benefit to many restaurants which struggled to pay rent and other costs under the PPP loan due to the payroll spend requirement. SBA may change this once rulemaking begins, as they did with PPP, but since the aims of the programs are different, one would hope they do not.

II. Allocation of Funds

There has been some confusion on how the money from the program will be allocated.

First, in accordance with the Act, there is \$5 billion set aside for small applicants (those with revenues in 2019 of less than \$500,000) for 60 days from the date the law was signed (which takes us to May 10, 2021), or until a later time the SBA sets in its rulemaking. We anticipate that the SBA will also impose a 60-day limitation on this pool of funds from the date it opens up applications. In other words, if the SBA opens applications on April 15, 2021, we anticipate that these funds will be set aside until June 14, 2021. If there is any money from this \$5 billion pool left after May 10, 2021 (or the later date set by the SBA), it will get added to the general pool for use by other applicants.

Second, under the Act, the remaining \$23.6 billion will be available to all applicants immediately once the program opens. Any applicant above \$500,000 in 2019 revenue will be competing in this pool.

Furthermore, the Act provided for a "preference period" for woman-owned, veteran-owned, and disadvantaged small businesses for the first 21 days the application pool is open. It is currently

unknown if this will exclude any other applicants from receiving funds during this 21-day period, but the legislation does not seem to indicate that it will.

III. Preparing for the Application

There were concerns among industry contacts that applying for a grant would require registration in SAM.gov, which is a time consuming process. However, on March 30, 2021, the SBA <u>tweeted</u> it would be waiving that normal process. This is great news, as it will save hours of time for restaurateurs already in need of a break.

Prior to the application being launched, you can start gathering the documents which prove your revenue differential (i.e., tax returns, financial statements, etc.), as well as any loan documentation on PPP loans you have received. Additionally, you will likely need corporate organizational documents (articles of organization/incorporation, operating agreements, etc.) to prove when you began business. Having these documents on hand may make an application easier.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

The American Legion supports increased funding for the efforts of the Small Business Administration's (SBA) Office of Veterans Business Development to enter into contracts, grants, and cooperative agreements to further its outreach goals and develop a nationwide community based service delivery system specifically for veterans. **Resolution No. 26: Support Effort of the Small Business Administration's Office of Veterans Business Development and Veterans Business Outreach Centers**

[Reported by Edwin Cruz]

TOPIC 6: EDUCATION

This month, the <u>Department of Veterans Affairs</u> made a major change to education benefits, expanding opportunities for some veterans by allowing them to apply their benefits toward multiple degrees.

"Effective April 1, 2021 VA will not count veteran entitlement used in the Veteran Readiness and Employment (VR&E) program against the 48-month rule for education programs like the post-9/11 GI Bill," a VA spokesperson said in a statement.

<u>VR&E</u>, sometimes referred to as Chapter 31, allows veterans with a service-connected disability and at least a 10% rating to access various resources to find employment.

The benefit, previously known as Vocational Rehabilitation, includes a range of tools for veterans, including VA-funded job training. Employers hiring a veteran who used the benefit are also eligible to receive a federal tax credit or be reimbursed for up to half of the veteran's salary, according to VA.

Until last week, VR&E could not be used in conjunction with the <u>Post-9/11 GI Bill</u>, which covers four years of college for veterans. Veterans who used the full 48 months of benefits included with VR&E would be ineligible for the GI Bill. The switch in policy could be the most significant change



to education benefits since the "Forever GI Bill," which erased the benefit's expiration date, was signed into law in 2017.

"My understanding is that students who have not previously used an education benefit, like the Montgomery or Post 9/11 GI Bill, will be able to use Chapter 31 'VR&E' without it affecting their eligibility under other chapters of the GI Bill," Patrick Forystek, who oversees student veterans at Michigan State University, told Military.com.

However, to maximize education benefits, a veteran would need to use VR&E first, because while the change means VR&E does not count against total GI Bill benefits, that is not true the other way around. Use of the GI Bill still will count against VR&E.

"The use of GI Bill education benefits will continue to count against the 48-month limit on VR&E benefits," a memo that the department sent to veteran students Wednesday said. "VA has started to process impacted claims and enrollments with this update."

The new rule could open up opportunities for veterans who were trained in a job they are no longer able to perform and need to go back to school to start a new career.

"This decision by VA is excellent news as it will allow student veterans who, due to a service-related disability, are not able to work in the field they originally received training for the opportunity to gain the knowledge and training necessary to find employment that is conducive to their current circumstances," said Tanya Ang, vice president of the advocacy group Veterans Education Success.

It is unclear what prompted VA to make what could be an expensive change in education policy. Now that VR&E doesn't count against other GI Bill benefits, a veteran hypothetically could earn a

CDL license, accounting certificate or traditional college degree, and then go back to school with the Post-9/11 GI Bill to earn another degree. Since 2009, 773,000 beneficiaries have used the Post-9/11 GI Bill, amounting to more than \$20 billion in benefits, according to VA. An FAQ VA sent out to students on the changes to benefits can be found here.

The American Legion supports an increase in funding that would allow the Department of Veterans Affairs Vocational Rehabilitation and Employment Program to hire more vocational rehabilitation counselors and employment coordinators, to minimize the caseload so veterans have more individualized counseling as well as ensure them of ample employment opportunities once they complete the program. Resolution No. 345: Support for Vocational Rehabilitation and Employment Program Hiring More Counselors and Employment Coordinators

[Reported by John Kamin]

TOPIC 7: VETERAN HOUSING AND HOMELESSNESS



The Annual Homeless Assessment Report released by the Department of Housing and Urban Development (HUD) revealed that Veteran Homeless-ness has increased in 19 states from 2019 to 2020. There was a total of 37,252 veterans experiencing homelessness in January 2020, even before the coronavirus pandemic started.

Veterans make up 6% of the population of the United States, but 8% of the country's homeless population. A new assessment, focusing on a point in time of January 2021, will be released later this year. The 2019-20 figures, according to The Military Times newspaper, "were scheduled to be unveiled last fall, but were kept hidden for months by President Donald Trump's administration for unspecified reasons."

In a released statement, the new Secretary of Housing and Urban Development Marcia Fudge called the results "very troubling, even before you consider what COVID-19 has done to make the homelessness crisis worse."

The new Department of Veterans Affairs (VA) Secretary Denis McDonough stated that "more needs to be done to help veterans facing crisis that would lead to homelessness." According to Secretary McDonough, there is going to be a new recommitment to Housing First — "a proven strategy and dignified way to help veterans and others achieve stable, permanent housing — will help accelerate progress in preventing and eliminating veteran homelessness."

The HUD Assessment indicated that 90% of the veterans experiencing homelessness were men. Seventy (70%) percent of the homeless veterans are located in four states: (California [11,401]; Florida [2,436]; Texas [1,948]; and Washington [1,607]).

The State of Ohio had 730 homeless veterans followed by Indiana with 530 homeless veterans and Kentucky with 399 homeless veterans. The Report indicated that for every 10,000 veterans in the United States, 21 were experiencing homelessness at the start of 2020.

On March 5, 2021, Senator Rob Portman, joined with three other Senators, (Sen. Dick Durbin; Sen. Elizabeth Warren and Sen. Chris Van Hollen) and

introduced the Improving Housing Outcomes for Veterans Act. This bill will ensure the VA is providing needed care for veterans experiencing homelessness. This proposed legislation is in direct response to a recent Government Accountability Office (GAO) Report.

In May of 2020, the GAO released a Report (#20-428) which found several shortcomings in the VA's Veteran Health Administration (VHA). The VHA's Homeless Program Office programs for veterans were experiencing several problems in terms of collaboration with local partners and other federal agencies.

The GAO Report identified: (1) VA Case Manager shortages, (2) housing costs/limited housing stock and (3) transportation issues as the main VA shortcomings.

The VA agreed with resolving the shortcomings discovered in the GAO Report and stated that it would make the necessary changes by May of 2021. However, there is no indication that the VA has done anything to make these changes occur. Now it is up to Congress to force the VA to make the necessary changes recommended by the GAO Report.

Senator Portman said, "I am proud to introduce this bipartisan legislation (Improving Housing Outcomes for Veterans Act) to ensure the VA acts on the recommendations of the May 2020 GAO Report to improve communications within the network of care for our homeless veterans and urge my colleagues to support it."

On September 11, 2020, during the 116th Congressional Session, Ohio Congressman Anthony Gonzalez, joined with Representative Kathleen Rice, to introduce H.R. 8219 the House companion legislation for the Improving Housing Outcomes for Veterans Act.

Because H.R. 8219 was not voted upon during the 116th Session, it must be re-introduced for the 117th Session. Other cosponsors of H.R. 8219 were Ohio Representatives David Joyce; Troy Balderson; Bill Johnson and Michael Turner.

"As a nation, we owe it to the men and women who have defended this country to provide the best services and assistance possible when they return to civilian life," Congressman Gonzales said. "Even one homeless veteran is too many. We must do better to protect and care for those who took up the mantle to protect and defend us."

In the House of Representatives, Representative Julia Brownley introduced H.R. 240 the Homeless Veterans with Children Reintegration Act on January 11, 2021. This proposed bipartisan legislation has 20 cosponsors and would simply amend Title 38, United States Code (USC).

It would direct the Secretary of Labor to prioritize the provision of services to homeless veterans with children in carrying out homeless veterans' reintegration programs. The Department of Labor's Homeless Veterans' Program provides money to nonprofit and government organizations that help employ veterans.

On March 8, 2021, Senator Portman replied (to my February 25, 2021 correspondence to him) concerning veteran issues. He cited that "on March 21, 2020, former President Donald Trump signed the Coronavirus Aid, Relief and Economic Security (CARES) Act. The VA received \$19.6 billion dollars for supporting increased demands for homecare services at VA facilities and health care in the community."

Of the \$19.6 billion dollars allocated by the CARES Act, \$2.2 billion was directed to support the increased demand for care in the community. The VA had over one year to employ a sufficient number of VA Case Managers and develop a viable plan to address the housing and transportation issues for our homeless veterans.

Yet the GAO Report indicated that the VHA's Homeless Program Office, which has primary responsibility for addressing veterans' homelessness, had significant shortcomings.

Congress is aware of these shortcomings and the plight of our homeless veterans. Senator Dick Durbin said, "Our nation's veterans swore to protect and defend us and now it is the time for us to do the same for them."

[Reported by Edwin Cruz]

TOPIC 8: CAREER FAIRS

Lexington Park, MD

April 20, 2021, 3pm - 7pm

Bay District Volunteer Fire Department Social Hall 46900 S. Shangri-La Drive Lexington Park, MD 20653

PATUXENT RIVER JOB FAIR

3-5pm: Reserved for military, family and/or candidates who have an active security clearance 5-7pm: Open to all job seekers.

Presented by JobZone

More information

Virtual Job Fair

April 22, 2021, 1pm - 3pm

VIRTUAL HIRING EVENT: REMOTE & PART-TIME WORK

Presented by Hiring Our Heroes

More information

Joint Base Andrews, MD

April 22, 2021, 10am - 2pm

The Club at Andrews 1889 Arnold Avenue Joint Base Andrews, MD 20762

JOINT BASE ANDREWS JOB FAIR

10am-2pm: Hiring fair, including resume seminars.

Presented by JobZone

More information

Atlantic City, NJ

April 22, 2021, 10am - 1pm

Casino Control Commission 1325 Boardwalk Atlantic City, NJ 08401

VETERANS CASINO CAREER FAIR

Active duty, National Guard, reservists, veterans, and military spouses are encouraged to pre-register, but walk-ins are also welcome.

Presented by <u>New Jersey Casino Control Commission</u> and <u>The American Legion Department of New Jersey</u>

More information

Hurlburt Field, FL

April 29, 2021, 8am - 4pm

The Soundside Club 107 Kissam Street Hurlburt Field, FL 32544

HURLBURT FIELD CAREER SUMMIT

Presented by Hiring Our Heroes

More information

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

[Reported by Edwin Cruz]

Joseph C. Sharpe, Jr., Director Veterans Employment & Education Division 202.861.2700 ext. 2989 Week Ending: 4/9/2021