

NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION

TOPIC 1: ECONOMY



Once upon a time, rising prices encouraged some home dwellers to sell their houses. More potential profit meant more homes are coming on the market. However, for 51 straight months dating to autumn 2014, the supply of existing homes in Ada County has fallen in comparison with the same month a year earlier. Despite a rocket-propelled rise in prices. For 2018, Ada County's overall median sales price was \$314,000, the Boise Regional Realtors reported Monday. In 2017, it was \$265,990. That's an 18 percent gain.

Would-be sellers are standing pat even though the Realtors keep saying it's a seller's market, particularly for the increasingly scarce homes at the low end of the price range. (The low end itself has been rising, too. Just try to find a traditional house for less than \$200,000.) A chart provided by Boise Regional Realtors shows that only one price category of used Ada County homes -- those \$1 million or more -- has an inventory that favors buyers. That category has a housing supply to last for more than 16 months.

New home sales rose 22.4 percent last year in Ada County. Used-home sales fell 4.1 percent. "That doesn't surprise me at all," said Rick Gehrke, an agent with RE/Max Executives in Nampa who sells in both Ada and Canyon counties. In December, there were 498 existing homes for sale, compared with 537 in December 2017, according to the Intermountain Multiple Listing Service. Overall, 7,933 used homes sold in 2018, compared with 8,269 a year earlier. The lack of used housing has led contractors to build more new homes and for buyers to consider buying new. In 2018, 3,148 new homes were sold, up from 2,571 in 2017. In 2017, new home sales were up 9.8 percent from 2016.

In December, the inventory of used homes wasn't enough to supply a single month's worth of sales, while the new home inventory had enough to last four months. Typically, a balanced market, one that doesn't favor buyers or sellers, has four to six months of supply, Realtors say. Existing homes priced between \$700,000 and \$999,000 have nearly a three-month inventory, but the seven categories below that all have less than a two-month inventory. Among new houses, those between \$250,000 and \$399,999 have an inventory of more than four months, a balanced market. The only segment that favors buyers is between \$700,000 and \$999,999, with an inventory of more than seven months. Agents cannot close sales if they lack homes to sell.

However, the more things change, the more they stay the same. Gehrke said he expects demand to remain high in 2019 and for sales prices to be similar to last year. "I don't see any of the conditions that brought those prices to change," he said. "People are continuing to move here from states like California where homes are worth more. Interest rates have fluctuated somewhat, but not enough to make a significant difference." In Canyon County, the median price for 2018 was \$216,900, up 20.5 percent from \$180,000 the year before. A total of 4,873 homes were sold during the year, up 302 from 2017.

In December, there were 282 used homes for sale, down 21 from December 2017. The number of available new homes was 326, down from 392 in 2017. The commute from Mtn Home? Affordable housing, small community. Some say it's worth it. Realtor Cristina Drake chose to move from Boise to Mountain Home. She'll show you what kind of home your money can buy there. 'You're kicking me out of my home that I've lived in for 12 years Michelle Eis, a Boise native, was served a 60-day notice to find a new home. Eis searched for weeks trying to find an apartment to move in to, worrying she would never find a place. 'By the grace of God,' she says, she finally found an apartment.

| 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 | | |
| | Dec 2017 | Dec 2018 | Dec 2017 | Dec 2018 | Dec 2017 | Dec 2018 | |
| Gulf War-era II veterans | | | | | | | |
| Unemployed | 113 | 124 | 97 | 110 | 16 | 15 | |
| Unemployment rate | 3.3 | 3.6 | 3.4 | 3.7 | 3.3 | 3.0 | |

National unemployment rate is 3.9 percent (December 2018). Gulf War II veterans unemployment rate is 3.6 percent.ⁱ Currently, the unemployment rate for Gulf War II women veterans is 3.0 percent (up from 2.7 percent in November).

TOPIC 2: MEETINGS

On Saturday & Sunday, January 11-13, the National Veterans Employment & Education Division participated in the 99th RSC's Yellow Ribbon Program. The event comprised of Soldiers and Spouses from Virginia, Washington State, North Carolina, and Florida. It was the first event that did not include the Soldier's entire family (children).

On Tuesday, January 15th, The Veterans Employment and Education Division hosted the VET-Force Veteran Small Business Forum to discuss veteran small business legislative priorities for the new Congress.

On Wednesday, January 16, the National Veterans Employment & Education Division attended the Department of Education Accreditation and Innovation Negotiated Rulemaking session.

On Wednesday, January 16, the National Veterans Employment & Education Division gave a presentation on the communications tool “Slack” to The American Legion DC HQ staff over the all-hands meeting. Slack is a communications tool identified by VE&E and approved by the VGA Executive Director to help lower barriers for sharing information across staff operations.

On Wednesday, January 16, the National Veterans Employment & Education Division attended the HillVets LEADCON. It was a unique and timely forum on defense, veteran, and communications issues. Speakers included The Honorable Chuck Hagel, former Secretary of Defense; Retired Rear Admiral John Kirby as well as a whole host of speakers. Topics geared to issues that continue to plague our veterans.

On Thursday, January 17, the National Veterans Employment & Education Division met with Charmaine Bogue, the new Acting Director of Veterans Education Services at the Veterans Benefits Administration to discuss her goals for FY19. Lowering GI Bill wait times and meeting congressional deadlines for Colmery GI Bill Section 105/501 implementation were considered.

On Thursday, January 17, the National Veterans Employment & Education Division facilitated teleconference with AVUE Technologies to discuss the upcoming agenda for The American Legion Employment Innovated Taskforce.

On Friday, January 17, the National Veterans Employment & Education Division attended the monthly Veterans Education Service meeting. Veterans Education service staff shared their updates on the 2018 housing rate status update, VET TEC program, and initial plans for a 75th Anniversary of the GI Bill commemoration.

On Friday, January 18, the National Veterans Employment & Education Division spoke with Brigadier General Rosende - Chief of Staff, U.S. Army Reserve Command. We discussed opportunities for collaboration with The American Legion. Reiterated the importance of having Veterans Service Organizations as a viable resource to the Soldiers and their families.

On Saturday, January 19th, The Veterans Employment and Education Division will attend the AUSV Board of Governor’s nominee reception ahead of the 4th annual Veteran Awards.

TOPIC 3: EMPLOYMENT



The American Legion feels that more needs to be done, therefore partnered with other organizations to help reduce the veteran unemployment rate. Eight years ago, in the wake of the Great Recession, unemployment rates for the latest generation of veterans had spiked to crisis levels. Leaders across federal and state governments, some of America’s most well-known companies and veterans service organizations like The American

Legion sprang into action. They formed veteran hiring coalitions, marshaled resources to help post-9/11 veterans, conducted academic research, passed new rules and legislation, and instituted vet recruiting quotas and goals. Eight years later, unemployment among post-9/11 veterans is the lowest it’s ever been. For the first time, the unemployment rate for the latest generation of veterans dropped below 4 percent in 2018, according to data from the Bureau of Labor Statistics.

The 3.8-percent annual unemployment rate for 2018 continues a seven-year trend of declines since 2011 when post-9/11 veteran unemployment peaked at 12.1 percent – more than triple the 2018 rate. For veterans of all generations, the unemployment rate was similarly low, dropping to 3.5 percent from 3.7 percent last year. These figures are below what economists have traditionally considered “full employment,” and some would say it’s worth celebrating — especially since the 3.8-percent rate was on par with nonveterans in 2018. Moreover, nationally, the economy is looking up, with the U.S. hitting three consecutive months of a 3.7 percent unemployment rate last year, a low the country hadn’t seen since the 1960s. “Right now, I would say it’s a massively good time to look and find something,” said Robert Lerman, a labor economist at the Urban Institute. The declining veteran unemployment rate, in particular, “calls for a big celebration.” “It’s also something that we want to try to sustain, which is the harder part, but you know, for now, jobs are plentiful, and that’s a lot better than jobs not being plentiful,” he said.

However, what the data doesn’t show, Lerman and others point out, is whether those jobs represent meaningful, gainful employment — and whether they fully utilize veterans’ skill sets. That, advocates say, is where we should focus next. “The conversations and focuses of employers, as well as those who serve veterans in this space, are shifting from, ‘Let’s make sure you get a job’ to ‘Let’s make sure the job is a good fit,’” said Nick Armstrong, senior director of research and policy at the Institute for Veterans and Military Families at Syracuse University. Armstrong said he looks at the federal unemployment rate as a good “high-level indicator.” However, it doesn’t tell the full story. “I’d be hesitant to call victory by any stretch of the imagination,” he said. The unemployment rate captured by the Bureau of Labor Statistics based on responses to the Current Population Survey. Veterans and others who are considered “employed” by the government include those working part-time, as well as full-time. The data also don’t capture those who have given up on finding work. Among post-9/11 veterans, in particular, women outshined men with a 3.5 percent unemployment rate, compared to 3.9. It’s just a small piece of the puzzle, said Eric Eversole, president of the U.S. Chamber of Commerce Foundation’s Hiring Our Heroes initiative and a Navy reservist. His organization is currently working on a survey intended to give more insight into veterans’ job outcomes, such as salaries and other measures of success. It will also measure how well companies are retaining their veteran employees. A 2016 Hiring Our Heroes study found that 44 percent of veterans leave their first post-military job within the first year. Part of the explanation there could be underemployment or settling for a job below your skill level to keep a paycheck coming in. Armstrong said underemployment is a common complaint among veterans who transition into the civilian workforce.

Army veteran and military spouse Maureen Elias knows about this all too well. At face value, the low unemployment rate “looks and sounds like America is taking care of her veterans,” she said in an email. However, her own experiences finding employment in the civilian workforce haven’t been easy. Before getting out of the military, she said, “I was told over and over, ‘They will be knocking on your door to give you a job. You served your country and employers want to give back to their country by hiring veterans’ and that as a former counterintelligence agent, I would be able to make a good wage, and my skills were highly in demand. That was so not what happened.” For a year, she struggled to find a job and was told her military skills best suited her to work as a secretary. Eventually, she ended up working part-time as a gift wrapper at a department store. “What a change, going from a highspeed counterintelligence agent, who spoke fluent Korean, to a gift wrapper,” she said. “And what an underutilization of my skills.”

Elias eventually used her Post-9/11 GI Bill benefits to attend college and now works as an advocate in the mental health field. However, she’s still shocked at how little the Army prepared her for finding employment as a civilian, she said. Bridging that gap by boosting military and civilian partnerships could be the key to getting veterans into meaningful jobs, said Eversole, whose organization has helped drive many companies’ efforts to recruit veteran employees over the last several years. “There’s no doubt that we have helped the country, especially the business community, understand the tremendous skillset that service members bring to their business,” he said. As part of the Defense Department’s SkillBridge Program, Hiring Our Heroes runs the Corporate Fellowship Program, which has placed hundreds of transitioning service members in partner companies to get on-the-job training for 12 weeks before they leave the military. IVMF also runs a technology training program on 18 installations. “I think the real next step is fine-tuning how we help create economic pathways for young men and women before joining the military and making sure they have the skillsets throughout their military service to achieve their long-term economic dreams,” Eversole said.

Ideally, this would mean integrating information about future employment prospects into the recruitment process, he said. “I still think we have a ways to go to help underscore that military service is not only about serving your country — and that’s certainly a noble pursuit — but we also have to think about military service as a long-term pathway to economic stability for you and your family,” Eversole said. Armstrong said it’s good to see veteran unemployment is not the “dire situation” that it once was. However, he hopes people won’t stop being concerned about it. You never know when the economy could take a turn for the worse, he said, so it’s important to keep up the support for veterans and the successful employment partnerships that have come out of the last decade. Now, he said, the focus should be more on keeping the unemployment rate low “and what can we do to ... advance the long-term employment situation,” he said.

TOPIC 4: VETERAN HOMELESSNESS



You think it can never happen to you, but anyone can experience homelessness. On any given night in Memphis, more than 1,200 people are sleeping in emergency shelters or on the street. It can even happen to someone with a college degree or someone who has served in our military. Just ask Marcellina James, a veteran of the U.S. Navy. Marcellina moved to Memphis from Minneapolis several years ago. She planned to start a new life, leaving behind some difficult circumstances in her hometown, which were not of her own making. It takes much courage to start over in a new place. I have always lived here in the Mid-South, and I would hate the thought of starting over. So, the first thing to know about Marcellina is that she is brave, which makes sense because she also is a veteran of the U.S. Navy who served in the Gulf War.

When Marcellina arrived in Memphis, she had savings in the bank and a plan. However, when that housing plan fell through, she soon found herself without a roof over her head. Imagine how frightening it must have been to be alone in a strange town with no one to turn to. She said she thought about getting in her car and driving the 13 hours back to Minnesota, but the home wasn't there anymore. She had heard about the Veterans Services program of Catholic Charities, which works with veterans who are homeless or at risk of homelessness.

Moreover, then she did something else brave. She asked for help. With assistance from her Catholic Charities caseworker, Marcellina secured an apartment in Midtown within days. We were able to provide a move-in kit and a visit to the food pantry for her as part of the move-in plan.



Not long after that, Marcellina got a job at the University of Memphis as the Veterans and Military Services Coordinator, where she spends her days helping others who have served or are serving in the military. I might have made the challenges she faced every day sound easy, but I'm sure the fear and insecurity she suffered during that brief period of homelessness are apparent. In addition to her professional position, Marcellina also gives back as a regular volunteer at Alpha Omega Veterans Services, Inc., a nonprofit that helps veterans reintegrate into society. I am proud to know Marcellina and even happier that Catholic Charities was blessed to help when she hit a rough spot in life. Her strength and resilience are incredibly inspiring, which is why Catholic Charities has chosen her to receive our first Person of the Year Award, presented Thursday, in collaboration with the office of Memphis Mayor Jim Strickland. This award recognizes a client who has moved beyond self-sufficiency to give back to the community in a meaningful way through personal or professional efforts. It would be safe to say that Marcellina does both.

It is so humbling to hear Marcellina describe her experience and to know that we were a small part of making her feel at home in a new city - enough at home to help her put down roots and make a positive difference in Memphis. I join Mayor Strickland in saluting Marcellina on her accomplishments and thank her for her service to our country, with a special thank you to her for allowing us to be blessed when we, too, are allowed to serve those in need. Richard C. "Dick" Hackett is executive director of Catholic Charities of West Tennessee and former mayor of Memphis.

TOPIC 5: CAREER FAIRS & YELLOW RIBBON EVENTS

This week, work continued on The American Legion's upcoming hiring events to be staged in Carlisle (PA), Fredericksburg (VA), Herndon (VA), Joint Base Anacostia-Bolling (DC), Joint Base Andrews (MD), Lexington Park (MD).



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

TOPIC 6: SMALL BUSINESS

On Dec. 17, 2018, President Trump signed the Small Business Runway Extension Act of 2018 into law. It amends § 3(a)(2)(C)(i)(II) of the Small Business Act “by striking ‘3 years’ and inserting ‘5 years,’” so a contractor’s size will be measured by the annual average of its previous five years’ revenue, instead of the annual average of its previous three years’ revenue. Notably, the amendment does not alter employee-based size standards, or the definition of a small business concern using a headcount rather than average revenue.

Implementation Timeline

In a recently issued SBA information notice, the Small Business Administration (SBA) indicated its position that the new five-year average is not effective until SBA issues a formal rule implementing the statute. While this legal theory may be open to challenge, it is important to note that SBA’s position would require that current contracts and solicitations continue to use the old three-year average until completion of the formal rulemaking process.

Background

According to a House Committee on Small Business report on the bill before its Dec. 17 signing, the purpose of the amendment is to “help advanced-small contractors successfully navigate the middle market as they reach the upper limits of their small size standard.” Since many small businesses have initially lean operating years, this change may allow overgrown businesses (i.e., other than small business concerns) to potentially qualify as small businesses when their earlier revenue is considered.

At the same time, if a qualified small business concern had higher revenues in, e.g., 2013 and 2014, it may no longer qualify as a small business concern when the two additional years’ revenue is added and measured against the applicable size standard(s) for the applicable revenue-based NAICS code(s). Pursuant to the Federal Acquisition Regulation (FAR), a change in size status “does not change the terms and conditions of the contract,” but the contracting officer “may require a subcontracting plan for a contract containing 52.219-9, Small Business Subcontracting Plan, if a prime contractor’s size status changes from small to other than small as a result of a size representation.”

The statutory amendment is intriguing, given SBA’s opposition to the change. On April 27, 2018, the SBA responded to a comment proposing a change in calculating average annual receipts using a five-year period rather than a three-year period. The commenter claimed that the change “would allow small businesses to plan and increase capacity before entering full and open competition and provide longer transition time from small business status to other than small business status.” SBA rejected that comment in the following response:

SBA does not adopt this comment. SBA believes that calculating average annual receipts over three years ameliorates fluctuations in receipts due to variations in economic conditions. SBA maintains that three years should reasonably balance the problems of fluctuating receipts with the overall capabilities of firms that are about to exceed the size standard.

Notwithstanding SBA’s stated opposition to the change, the bill passed in the House on Sept. 25 and in the Senate on Dec. 6. The bill went to President Trump’s desk on Dec. 11 and went into immediate effect on Dec. 17 when he signed it.

Ultimately, the Small Business Administration will need to update its size regulations — particularly, 13 C.F.R. § 124.104 — to resolve the inconsistency and clarify that the measurement period is five years, not three. There is no forecast as to when SBA will implement this change to its regulations, nor any indication of whether a similar revision will be made to FAR provisions, including FAR Part 19, on the subject of small businesses. (FAR 19.101(1)-(2) defines “Annual receipts” in terms of the concern’s “annual average gross revenue of the concern taken for the last 3 fiscal years.”)

For now, small businesses and overgrown, other than small business concerns operating in the federal contracting arena should consider recalculating their revenue over the past five years, and determine whether they meet the requirements to properly self-certify as small under any revenue-based NAICS Code they work under, and any SBA-administered program (e.g., 8(a), HUBZone and Economically-Disadvantaged Women-Owned Small Business). However, contractors should not be surprised to see contracting officers and SBA representatives continue to apply the old three-year average until a new SBA rule is implemented.

Given the harsh penalties for contractors who knowingly misrepresent their size for purposes of a procurement, it is crucial for all potentially affected businesses to understand the risks involved with aggressively applying the new five-year rule. (See FAR 19.301-1(d), which states: “The SBA’s regulations on penalties for misrepresentations and false statements are contained in 13 CFR 121.108 for small business, 13 CFR 124.501 for 8(a) small business, 13 CFR 124.1004 for small disadvantaged business, 13 CFR 125.29 for veteran or service-disabled veteran-owned small business, 13 CFR 126.900 for HUBZone small business, and 13 CFR 127.700 for economically disadvantaged women-owned small business concerns and women-owned small business (WOSB) concerns eligible under the WOSB Program.”)

As always, if a business determines that it no longer qualifies as small for certain NAICS code(s), or now qualifies as small under applicable NAICS code(s), the business must promptly update its certifications and representations on the System for Award Management and other federal procurement databases that rely upon self-reporting of small business status.

TOPIC 7: EDUCATION



Veterans using GI Bill benefits overrepresented at private, for-profit colleges and underrepresented in public, four-year and high-graduation rate institutions, a recent report from Ithaka S+R found. Only 10% of veterans using their education benefits attend high-graduation rate institutions, compared to 21% of the general student population. At the same time, about two-thirds (65%) of veterans were enrolled in colleges with graduation rates under 50%, while only about half (51%) of all students were. About one-third of student veterans attend a for-profit institution, which tends to have lower graduation rates. Moreover, although veterans made up about 5% of all college enrollment at IPEDS institutions during the 2015-16 academic year, they represented 13% of students enrolled in for-profits.

Although the report notes student veterans tend to perform better and graduate at higher rates than some other student populations, several barriers exist to their enrollment at high-graduation rate institutions. For one, veterans may think these colleges aren't for them due to their selectivity, high sticker price or campus culture. Further, some veterans may not know these colleges exist because their advisors could push them toward less selective institutions. Top institutions have historically enrolled few veterans. At the nation's most selective colleges, veterans represent less than 1% of the undergraduate population, The Washington Post reported. Moreover, these colleges often don't have the same infrastructure in place that some state universities and community colleges do to help them transition from military life into college life.

Some elite institutions have been trying to increase their outreach and set up more support for veterans, with varying levels of success. Columbia University, for example, enrolled roughly 800 veterans in the spring of 2018, according to the report. That's due in large part to its School of General Studies, which makes it easier for veterans to transfer credits earned while in the military. The report recommends other colleges follow suit by simplifying the process for transferring credits, which many veterans do not want to forfeit by enrolling as a new student. Possible solutions include increasing the allotted number of transfer students or allowing veterans who enroll as first-year students to still apply their earned credits to some courses. Other colleges have also been stepping up campus supports for veterans in recent years, including the University of Southern California, which opened a military family mental health clinic, and the University of Georgia, which has devoted a resource center to provide student veterans with academic support and career advice.

The report also suggests colleges consider the value of veterans' military training during the application process. VetLink, a nonprofit that assists veterans with college admissions, helps applicants show how the credentials and skills they learned in the military have prepared them for college. So far, the organization has partnered with 19 colleges, including Cornell University, Yale University and the University of Notre Dame, to enroll veterans. Several other organizations have emerged to help veterans succeed at high-performing institutions. The Warrior-Scholar Project, for example, aims to maximize veterans' college choices by helping them become informed consumers. Moreover, the Posse Veterans Program helps those pursuing bachelor's degrees at top institutions by providing them with training before they enroll and with mentoring once they start attending.

However, the report notes, these strategies have not yet been realized at scale, and colleges could be doing a better job recruiting and advising veterans. Recent policy changes may also increase higher education access to veterans. The Forever GI Bill signed in 2017 ended a 15-year limit on veterans' ability to use their education benefits. It also restored benefits for students whose colleges shut down during a semester. That could be critical for the many veterans who are attending or have attended for-profit institutions, which have seen some high-profile closures recently.

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ⁱ <https://www.bls.gov/news.release/empsit.t05.htm>