

NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION

TOPIC 1: ECONOMY

The Federal Reserve cut its short-term benchmark rate, dropping a quarter-percentage point to a range between 1.75% and 2%. This follows a landmark rate cut in July, the first since 2008. Tensions in trade policy and fears of a slowing global economy likely spurred the Fed to cut rates at today's policy-setting meeting. Last week, President Trump again called for Fed officials to lower interest rates to "ZERO, or less" on Twitter.

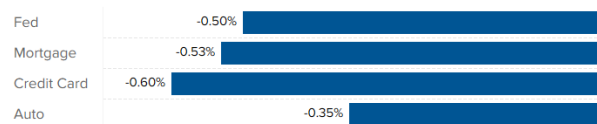
However, what does the Fed's decision mean for your own financial life? Interest rates affect the cost of borrowing so that a rate change can mean different things for your mortgage, your student loans and more. Below, we outline a few things to watch.

Mortgages

Ahead of the September Fed meeting, mortgage rates reached a three-year low. The average rate on a 30-year fixed mortgage rate is 3.56%, according to Freddie Mac. The yield on the 10-year Treasury note—currently around 1.75%—is used as a benchmark for different types of loans, including mortgages.

The impact of a Fed rate cut

Average change in rates, 90 days before Fed cut to 90 days after



SOURCE: LendingTree.com



For those who are considering refinancing, falling rates could mean it is a good time to do so. Since the Fed's last rate cut in July, mortgage refinancing has ticked up. Applications were up 169% in the first week of September from a year ago, according to the Mortgage Bankers Association.

Credit Cards

The average annual percentage rate for a new card is currently 19.24%, according to WalletHub's September survey of more than 1,000 credit-card offers. A decrease in interest rates can affect the average credit-card APR, which pegged to the prime rate. That is influenced more by what the Fed does with short-term rates than longer-term yields. When interest rates are high, those carrying a hefty credit-card balance pay more.

Student Loans

For those with federal loans, interest rates are set every May based on the 10-year Treasury note auction and are fixed for the life of the loan. The rate for direct subsidized and unsubsidized undergraduate loans disbursed between now and June 30, 2020, is 4.53%.

While this rate cut won't affect federal student loans, if low yields continue, it could have an impact on investments for the 2020-2021 academic year. If you have private education loans, however, you could pay less interest because those rates are tied to the London interbank offered rate.

High-Yield Savings Accounts and CDs

Get ready for that email from your bank that is probably going to land and tell you interest rates have changed.

The interest rates offered on savings accounts and many certificates of deposit move with the federal-funds rate set by the Fed. Firms started cutting rates on high-yield offerings over the summer. Now, Goldman Sachs Group Inc.'s Marcus account has decreased to 2.00% and Ally Financial Inc.'s account remains at 1.9%. Robo advisers Betterment and Wealthfront have their saving products at 2.44% and 2.32%, respectively.

According to the Federal Deposit Insurance Corp., the average APY on a one-year CD is 0.54%, but better offers are still around, including Barclay's at 2.40% and Marcus's at 2.25%.

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	
	AUG 2018	AUG 2019	AUG 2018	AUG 2019	AUG 2018	AUG 2019
Unemployed	130	140	106	123	24	17
Unemployment rate	3.9	4.0	3.8	4.1	4.4	3.4

The national unemployment rate is 3.7 percent (August 2019). Gulf War II veterans unemployment rate is 4.0 percent.ⁱ Currently, the unemployment rate for Gulf War II women veterans is 3.4 percent (up from 3.2 percent in Aug).

TOPIC 2: MEETINGS

On September 16th – 20th, the National Veterans Employment & Education Division will have a teleconference with TransUnion to discuss their veteran outreach initiatives and credit considerations that affect veterans. We will also continue to conduct outreach and support to veteran families needing housing and resources.

On Tuesday, September 17th, the National Veterans Employment & Education Division will meet with the Directors of ‘Veterans on the Rise’ and the ‘DC Homeless Male Leadership Focus Group’ to discuss grassroots outreach, and VA claims services needed for veterans living in homeless shelters.

On Tuesday, September 17th, the National Veterans Employment & Education Division will meet with Nick Managan, CEO Cabot Cheese. They have a farm family in their Co-op, Liberty Hill Farm, whom they are working with to participate in the B&B’s for Vets program – a free night’s stay for Veteran’s or active duty military on November 10th into Veteran’s Day. They would like to offer this opportunity to the Legion.

On Wednesday, September 18th, the National Veterans Employment & Education Division spoke with Chris Montoya, Founder of a non-profit organization dedicated to assisting veterans with employment opportunities. Mr. Montoya would like to invite The American Legion to attend a Gala, November 15th, 2019, Dallas, Texas.

On Wednesday, September 18th, the National Veterans Employment & Education Division met with the House Veterans Affairs Committee Subcommittee on Oversight and Investigations regarding the implementation of the Veterans First program after the judgment passed down from the case *PDS Consultants Inc. v. the United States*.

On Thursday, September 19th, the National Veterans Employment & Education Division attended VA's GI Bill Monthly Stakeholder Meeting. The topics discussed will be the contracting situation with California's SAAs, reports we have received that student veteran work-study's have not paid on time, and updates to Forever GI Bill implementation.

On Thursday, September 19th, the National Veterans Employment & Education Division met with VFW and the Enlisted Association of the National Guard (EAGUS) to discuss compromises on the 90-10 rule. EAGUS is interested in proposing a special rule under title 38 closing the loophole instead of amending it through the Higher Education Act reauthorization.

On Thursday, September 19th, the National Veterans Employment & Education Division met with the AbilityOne Commission regarding the future of their employment programing for the severely disabled, as it pertains to WIOA, FSLA, ADA and ADAAA compliance as well as their interest in adding more veterans in the AbilityOne workforce as a mainstay of their Central Nonprofit Associations' programing.

On Thursday, September 19th, the National Veterans Employment & Education Division met with Nathan Williamson, Deputy Director, Office of Transition, Economic Development (OTED). Discussed their upcoming Career Fair, November 6th, 2019, in Puerto Rico, and to see how The American Legion can assist.

On Friday, September 20th, the National Veterans Employment & Education Division met with the Lumina Foundation to hold a kickoff meeting for its Credentialing Roundtable grant. Topics discussed included timeline deliverables, communications firm brainstorming, and roundtable invitees.

TOPIC 3: EMPLOYMENT

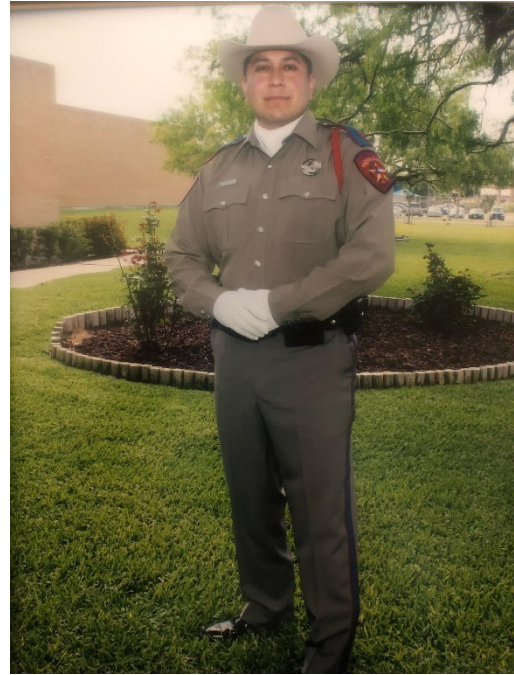
Texas Supreme Court Weighs in on USERRA

The Texas Supreme Court has accepted a case which could have significant implications for military reservists whose employment rights are violated by the state. Congress enacted the Uniformed Services Employment and Reemployment Rights Act (USERRA) in 1994 to prevent discrimination against service members who leave their civilian jobs temporarily to perform military service. It tries to ensure their jobs will be waiting for them when they come back.

A lawsuit filed in 2017 in Nueces County accuses the Texas Department of Public Safety of violating that law as it pertains to an Army reservist. However, there are questions about whether Texas can be held liable in USERRA cases filed in state court. The petitioner, Le Roy Torres, enlisted in the U.S. Army Reserve in 1989. For 18 years, he served as a reservist while employed as a State Trooper for DPS. He was called to active duty and deployed to Iraq from 2007 to 2008.

While overseas, he developed severe breathing problems that he attributes to burn pit exposure. Torres was honorably discharged from the Reserves in 2008 and told DPS that he intended to return to work. However, he alleges that the department failed to accommodate his reemployment after he returned. “I was back home for about two weeks when I ended up in the ER with a terrible respiratory infection,” Torres said.

Post-deployment, Torres sought specialized medical care to address his worsening health issues, which included chronic cough, extreme fatigue, headaches, and memory problems. Torres’ condition made it impossible for him to return to the job of DPS trooper — a law enforcement position that requires intermittent, vigorous physical activity. DPS reinstated Torres to the payroll, placing him in a temporary administrative position in a drivers license office. However, his health problems persisted without apparent remedy, and he often missed work. In August of 2010, Torres’ supervisor told him that he couldn’t return until he got some medical answers. “Based on the unknowns, they sent me home,” Torres said.



A lung biopsy in late 2010 revealed constrictive bronchiolitis, a small airway disease that causes shortness of breath. During that same period, the Torres family was battling to get the Department of Veterans Affairs to acknowledge that the lung injury was service-connected. Torres remained on leave from DPS without pay for about a year, during which he nearly lost his home and had to take out personal loans to stay afloat. “It’s been a challenging time,” he explained. “I’m still trying to catch up.” He submitted a request for job modification to his chain of command at DPS in October 2011 but never heard back.

“They never gave me an answer,” Torres said. “No definitives. Nothing. All they could tell me was, ‘It’s probably best if you just take care of yourself.’ In other words, ‘You need to resign.’” Torres submitted his resignation to DPS in August 2012, after he was told that doing so was a necessary precursor to his medical retirement application being sent to the state. That application was later denied.

Torres’ position is that DPS constructively discharged him — because he couldn’t work without the disability accommodations required by USERRA. He is seeking declaratory and monetary relief under the law and maintains that DPS had an obligation to employ him in a more appropriate position at a level of seniority, pay, and benefits commensurate with the time he spent employed by the department. A representative from DPS said in an email that the department does not provide comment on pending litigation against it.

The merits of the case have yet to be weighed in court, as the case has been embroiled in debates over jurisdiction. The 11th Amendment to the Constitution prohibits federal courts from hearing certain lawsuits against states. According to the National Constitution Center, the amendment has also “been interpreted to mean that state courts do not have to hear certain suits against the state if those suits are based on federal law.” In recent years, there has been disagreement over whether Congress can abrogate the sovereign immunity of states – or, more specifically, state government employees – in individual USERRA cases.

After Torres' suit was initially filed in Nueces County, DPS filed a motion to dismiss it, claiming that Texas was immune from such lawsuits in Texas State Court. When a judge denied that motion, DPS successfully appealed. In a filing from March 2018, attorneys for the state argued the following:

“Texas retains its sovereign immunity from private suits for damages under the Uniform Services Employment and Reemployment Rights Act (“USERRA”) because Congress has no authority under its War Powers to abrogate state sovereign immunity to private suits for damages in state court, and Appellee’s assertions to the contrary are mistaken.”

They also indicated that Torres' suit did not cover the facts upon which he based his USERRA claim, and said Texas' sovereign immunity could only be challenged after essential requirements were met.

“Invoking that limited waiver of sovereign immunity requires exhaustion of an administrative process, which Appellee failed to do. Because the State of Texas has not waived its sovereign immunity to private USERRA suits, it may only be sued by the United States on behalf of a USERRA claimant and not by the claimant himself.”

Brian Lawler, lead counsel on behalf of Torres, has a different take. He said in an interview that USERRA's wording is precise, and specifies that private suits for damages against states should be filed in state court.

He added that USERRA was not intended to leave servicemembers without legal recourse.

"The state of Texas wants the courts to believe that a person like LeRoy Torres doesn't have the right to bring a USERRA lawsuit against the state of Texas — in either Texas state court or federal court," Lawler said. "So if you have a USERRA violation by a state entity – in this case, DPS – they're claiming that they can't be sued in state or federal court. So, of course, you throw your hands up and go, 'Well okay, where does the case go?' Of course, the absurdity of that position should not be lost on anybody."

Lawler added that individual other states had already established legal precedents for handling private USERRA suits brought against them — but that Texas had yet to do so.

TOPIC 4: VETERAN HOUSING AND HOMELESSNESS

President Donald Trump's advisers say in a new report that California could cut San Francisco's homeless population in half by making the city's building codes more like the ones in development-friendly Arizona.

The report, called the State of Homelessness in America, urges California and other Democratic-majority states to deregulate their housing industries in the interest of building more affordable homes.

“The president’s very concerned with the homelessness crisis in California,” said Council of Economic Advisers acting chairman Tom Philipson. “The Trump administration is working to reverse the failed policies of the past.” The council released the report a day before Trump is scheduled to visit California. It also says Los Angeles' unsheltered homeless population would fall by 40 percent if the city follows its recommendations. The report offered broad criticisms of California housing policies but did not offer a specific pathway to fixing what it considers “heavy regulation.” Democratic leaders expressed skepticism about the White House report and its timing. They’ve been working to free up money for shelters and affordable housing in addition to nudging cities to allow more construction.

“I’m suspicious of their findings, and even more suspicious of their motives,” said Sacramento Mayor Darrell Steinberg, who is chairman of Gov.

Gavin Newsom’s council on homelessness. “It’s easy to pop in from thousands of miles away and point fingers, but there are many reasons why housing is expensive in California. Yes, we know we need to make it easier for affordable housing developers to be able to build, but there’s a lot more to it.”

The White House notes four of the five U.S. cities with the highest rates of homelessness are in California, and nearly half of all unsheltered homeless people are found in the Golden State.

California was home to about 130,000 homeless people in January 2018, according to the U.S. Interagency Council on Homelessness. The report contends that other warm-weather states, such as Florida and Arizona, have “low” homelessness rates in contrast to California.

The Trump administration blames California’s crisis partly on police tolerance of people “sleeping on the street.”

Trump’s solution to the problem: undoing regulations of the housing market that are driving up home prices and encouraging local law enforcement to crack down on “street activities.”

The document describes problematic housing regulations as rent control, “excessive energy and water-efficiency mandates,” maximum-density allowances, historic preservation codes and “cumbersome” permitting processes. Relaxing those restrictions, the council argues, would ease burdens to construction and lead to lower housing costs.



“Deregulating housing markets with excessive regulations would result in major reductions in homelessness in a number of key metropolitan areas,” Philipson said. “Homelessness would fall by 54 percent in San Francisco. It would fall by 40 percent in Los Angeles.” The president’s team has teased a policy rollout addressing homelessness over the last week. Aides to the president have held high-level meetings on the issue, and a fact-finding team has been on the ground to examine the problem firsthand. Elizabeth Benson Forer, CEO of the Venice Family Clinic, said she met with one of the administration officials who was touring Los Angeles last week to learn more about the homelessness crisis there.

The network of health clinics and “street medicine teams” that Forer runs serves more than 27,000 low-income people, about 4,500 of whom are people experiencing homelessness. Successfully combating homelessness in California “will depend not only on funding for homeless programs but on all programs that serve those in need – from affordable housing to the continuation and extension of Medi-Cal coverage,” Forer said in a statement.

California Sen. Kamala Harris, one of Trump’s potential 2020 Democratic opponents, echoed the need for a more holistic approach in a statement Tuesday. The former California attorney general said the White House’s suggestion to enlist the help of law enforcement “is counterproductive and ignores the fact that long-term solutions are required to successfully reduce homelessness.”

“If the administration is serious about addressing this issue, they would not be pushing for \$9.6 billion in cuts to critical Federal housing programs while rolling back Obama-era policies designed to increase shelter and housing for vulnerable communities, including our veterans,” Harris continued.

The glossy 41-page White House report also clashes with policies proposed by the state’s Democratic leaders. The Legislature last week passed a proposed law that would cap rent increases, for instance, and Newsom has indicated he would sign it. The governor called on Trump to provide more federal aid and housing vouchers on Monday.

In a letter, Newsom urged the president to provide 50,000 vouchers for low-income Californians and to increase the value of those subsidies to account for high rental costs in big cities. He also asked Trump to launch a program that would reward landlords who work with voucher holders. “I hope he’ll take very seriously our call for 50,000 housing vouchers and consider the most important part of that request, and that is to do rent modifications based upon cost of living, which is the biggest challenge the state faces as it relates to the existing allocation of vouchers,” Newsom said at a news conference on Monday.

Newsom added that Trump could eliminate veteran homelessness and chronic homelessness in California and substantially reduce family homelessness by approving the vouchers. “That’s a pretty remarkable opportunity if they’re sincere in their desires,” Newsom said. “If they’re insincere, and this is, god forbid, about something else — politics not good policy — then they’ll reject it outright.”

Meanwhile, the Trump administration boasts in its report that the Department of Housing and Urban Development has “improved federal homeless assistance programs by providing flexibility for communities to utilize service participation requirements and more strongly encouraging self-sufficiency.”

The Trump administration’s efforts to examine homelessness are likely to form the basis for a new line of attack from the president targeting California, a state with which he has repeatedly feuded over immigration policy, environmental regulations and issues of federal power. The report differentiates between sheltered and unsheltered homeless individuals and then compares the rates of unsheltered homelessness in warm-weather states.

According to their findings, rates are higher on the West Coast than in more conservative states, such as Arizona and Florida; and four of the five American cities with the highest rates of homelessness – San Francisco, Los Angeles, Santa Rosa, and San Jose – are in California.

Philipson declined to comment on reports that the administration had sent aides to California to look at federal facilities as potential housing units for the homeless. He also declined to respond to Newsom’s statement to the president on Monday.

TOPIC 5: CAREER FAIRS

This week, work continued on The American Legion’s upcoming hiring events to be staged in Fort Carson (CO), Aurora (CO), JBLM (WA), King George (VA), Fort Meade (MD), Lexington Park (MD),

PNCs weigh in on employment and education

In Denise Rohan's estimation, the work of The American Legion's Veterans Employment and Education Commission is just as critical to lowering the suicide rate among veterans as the Veterans Affairs & Rehabilitation Commission.

"You are helping to lower the suicide rate of our veterans every single day, as you're making sure when they get out of the military and take that uniform off, that they have someplace to go," Rohan told the VE&E Commission Aug. 24 at the Legion's 101st National Convention in Indianapolis.

Rohan and fellow Past National Commanders Dale Barnett, Dan Dellinger, James Koutz, and Fang Wong spoke to the commission. All but Wong have previously served as chairmen of the commission.

"When they're in the military, you get up every morning, you put your uniform on, you have a job to do, and you know exactly what you're going to do day to day," Rohan said. "But when you get out, if you don't have a job lined up, if you're not going to go to school, or whatever it is, you lose that structure you have when you're in the military, things start snowballing and going downhill fast.



"Part of the structure of getting someone settled economically in their communities, in their homes, in their jobs, in school, starting a business, that, what you do, is lowering the suicide rate across this nation too."

The PNCs talked about the importance of reaching out on a local level to emphasize what the Legion can do to help veterans find employment and education. "We talk among ourselves, but we don't get it out to the people that need it, and that's all the people in our communities back home," Koutz said.

Wong said timing is just as critical as communication in getting the word out about events like job fairs. "In the past, we always seemed to wait until the last minute (to get the word out to job-seekers and volunteers to work the event)," he said.

He added, "We're doing a great job having many job fairs, but we need to prepare the outstanding young men and women coming out of the service (for the civilian world)."

Barnett and Dellinger agreed that raising awareness is vital for economic development efforts.

"Local job fairs was something we were very active in, and it gives an opportunity to the post, whatever fashion, whether it's just opening up your building ... I think that raises awareness. You are going out to the local National Guard units. Those are things that make people aware of all the wonderful things that you do, and The American Legion does on behalf of our veterans," Barnett said.

Moreover, Rohan encouraged developing and honing local relationships with legislators, governors' offices and adjutants general to get the word out about employment opportunities.

"America's made on small business," Dellinger said. "I was a small business owner, I served on the national task force under President Obama, and we worked hard to get the numbers up of the veterans that worked with the government. That's who we are, that's America, and who better serves America than The American Legion? So it's up to us, every opportunity we can that our veterans get that boost, that jumpstart because our country needs us now more than ever."

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

Data from the Q3 MetLife & U.S. Chamber of Commerce Small Business Index indicates that employers are experiencing high levels of confidence about the state of their local economies and their financial future.



The index overall score increased yet again this quarter to 70.7, up two percentage points from Q2, marking the highest number since its inception.

This indicates that nearly 71 percent of U.S. small business owners currently have a positive outlook on their companies' financial future and business environment.

Results from the survey of 1,000 small business owners showed an upward trend in confidence across the board, and more than a five point uptick from Q1 2019. Not only are small business owners confident about the national economy, they are also optimistic about their local economic outlook. More than half of small business owners (56 percent) report their local economy is in good health, the largest percentage since Q4 2018. This quarter's index casts a spotlight on veteran-owned businesses and the employment of veterans by small businesses. Veteran-owned businesses share the optimism of their peers in the strength of the economy.

Almost a third of these businesses (31 percent) plan to increase investment in the next year, five percentage points higher than the national average (26 percent). One in three of these businesses reported that securing financing or accessing capital was the largest hurdle in starting their business.

"Small businesses are the backbone of the American economy," Tom Sullivan, vice president of small business policy at the U.S. Chamber of Commerce, said. "It's important that we provide them with a sense of certainty and work towards finding solutions that enable business growth and create an environment where Main Street businesses can continue to thrive." Both veteran-owned and non-veteran owned businesses agree that it is important to focus more on hiring veterans.

While approximately 80 percent of small businesses support hiring veterans, about half (46 percent) report that they have ever hired a veteran. When it comes to intentionally recruiting veterans, 23 percent of veteran-owned small businesses report doing so, versus 10 percent of other small businesses. Veteran-owned businesses are more likely to report that they have hired veterans, with 59 percent of veteran-owned small businesses saying they have hired military veterans, compared to 46 percent of non-veteran-owned small businesses who say the same.

The Index results show that 88 percent of small business owners assert that there should be more formal workplace programs to support re-entrance into the civilian workforce. From a regional and industry standpoint, leaders in hiring veterans are businesses in the American South (51 percent have hired veterans) and manufacturing (63 percent have done so).

TOPIC 7: EDUCATION

Army leadership gathered Tuesday to announce that they surpassed their recruiting goal for 2019, signing up more than 68,000 active duty soldiers before the end of the fiscal year, and that the GI Bill is a major part of it.

Maj. Gen. Frank Muth, head of Army Recruiting Command, told reporters at the Pentagon earlier this week that based on his experience visiting 30 to 40 recruiting stations this year, the eventual outcomes of wars abroad are “not really part of the discussion” between potential soldiers and their recruiters.

“One of the national crises right now is student loans, so \$31,000 is [about] the average,” Muth said. “You can get out [of the Army] after four years, 100 percent paid for state college anywhere in the United States.”

A significant part of the recruiting push has been showing that the Army serves as a pathway to America’s middle class, with several service leaders noting that their children used GI Bill benefits and ROTC scholarships.

“I have three kids serving. A lot of us have kids serving,” Army Chief of Staff Gen. James McConville said. “And the reason is because we see it as a pathway to success.”



As it stands, Army leaders anticipate exceeding this year’s desired active duty end-strength of 478,000 troops, landing in the range of 481,000 to 483,000 soldiers thanks to solid retention rates. But new soldiers make up the bulk of the gains.

Educational benefits, trade skill credentialing, adventure and a way out of a small town are still the big reasons young people want to enlist, Muth said.

But Sergeant Major of the Army Michael Grinston cautioned not to fall for the self-centered caricature often depicted of today’s youth.

“This generation, as opposed to other generations, it’s a shift. They want to serve something bigger than themselves,” Grinston said. “It may surprise you a little bit.”

Last year, the service set its sights on enlisting 80,000 soldiers, but adjusted its goal in the middle of the year to about 76,500, only to fall short at roughly 70,000 in the end. This fiscal year's recruitment push was much more modest.

"We made our recruiting mission, so we made 68,000," McConville said. "Our retention mission ... we've retained a lot more than we thought and our attrition has gone down."

The service had a retention goal of about 50,000 and managed to retain 51,000 soldiers, Grinston said. "Once soldiers join the Army, they want to stay in, even when there is a very healthy economy," he added.

The low unemployment rate and booming economy make recruiting difficult, especially when compared to past recruiting pushes during the Iraq and Afghanistan wars that lined up closer to a major global recession.

Also unlike the surge years, the Army didn't rely on increases in waivers. In fact, this year, the Army issued 3.4 percent fewer waivers, the bulk of which are "moral" waivers that deal with issues like marijuana possession, Muth said.

"In terms of quality, we're better than we have been in the last ten years," he added.

Better quality recruits ensures that a higher number of them will actually make it through training and complete their first enlistment.

The successful recruitment effort relied in part on the Army's top civilian and uniformed leaders flying out to 22 American cities to pitch to locals what the service could offer young people — from college financing to the soft skills that employers crave.

The Army did better recruiting in cities outside the southern United States, like Boston, Chicago, Los Angeles and New York, than it has in past years, according to Acting Secretary of the Army Ryan McCarthy.

"By readdressing the 22 cities in America, we had a double-digit lift with females and minorities," McCarthy said. "We are getting a much more comprehensive cohort of men and women to join the force that are a reflection of the country."

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