



U.S. Small Business
Administration

Advisory Committee on Veterans Business Affairs (ACVBA)

March 7, 2024 - Meeting Minutes

Members Present:

Robert Bailey, Chairman, ACVBA, President, Bailey Information Technology Consultants, LLC.

- James Baca, Executive Director, The American Legion
- Isaac Belden, CEO & Founder, Veteran Entrepreneur Alliance
- Dan Clare, Chief Communications & Outreach Officer, Disabled American Veterans
- Rebecca Gardiner, CEO & Co-Founder, Veterans in Business Network
- Glenett Hannah, CEO/President, Hannah Innovative Solutions
- Gregory Hill, Owner, G.B. Hill Medical Supply
- Scott Jensen, Executive Director, National Veteran Small Business Coalition
- Charles McCaffrey, Director, Veterans Career Program, Paralyzed Veterans of America
- Stuart Smith, Chief Executive Officer, Florida Association Veteran Owned Businesses
- Michael Thornton, Chief Operating Officer/Co-Owner, Visionary Consulting Partners, LLC.
- Melissa Washington, CEO & Founder, Women Veterans Alliance

Member(s) Not Present: Gregory Bier, Executive Director of Entrepreneurship Programs, Griggs Innovators Nexus.

1. **Call To Order** – The regular meeting of the ACVBA was called to order at 9:01 AM ET on December 7, 2023, by Stan Kurtz.
2. **Welcoming Remarks** – Timothy Green, Acting Associate Administrator, Office of Veterans Business Development (OVBD), and Designated Federal Official, welcomed committee members and the public.
 - i. **Comments by Rob Bailey, ACVBA Chairman** – Mr. Bailey thanked the committee members for their presence and others on the call.. He announced that his term as chairman and as a member on the ACVBA had ended. Mr. Bailey said that over the past year, it has been his desire to focus on procurement policy and strategy and ways to help/implement activities that support veteran owned businesses. He stated that the committee had turned a different chapter regarding those areas. He said that an important focus for the committee is subcontracting and access to capital. Bailey said that he was proud the profile of this committee was raised as a beacon for advocacy for veteran-owned small businesses. He thanked the committee for their support and thanked the Office of Veteran Business Development.. The chairman met with

Administrator Isabel Casillas Guzman and Deputy Administrator Dilawar Syed during small business week and describe them as being advocates for what the committee is doing. He knows that veterans are in good hands from SBA's leadership, helping vets to achieve their goals.

- ii. **Comments from Acting Associate Administrator Tim Green** – Tim Green personally thanked Mr. Bailey for his leadership and support of the committee.

3. Presentation #1 Tim Green, Acting Associate Administrator, Ray Milano, Director, Veteran Business Outreach Centers (VBOCs), and Mark Williams, Program Manager, Boots-to-Business, Office of Veteran Business Development (OVBD) Updates -

- i. **Tim Green: The House Committee on Small Business Oversight Hearing** - Announced that on March 20, 2024, Administrator Isabel Casillas Guzman will testify at the House Committee on Small Business Oversight Hearing, covering all the programs of SBA. Mr. Green provided information to her office on what the Office of Veteran Business Development has been doing for veterans.
- ii. **VetCert:** - Mr. Green referenced the VetCert Program and discussed the SBA's delivery of service. Mr. Green said that when we now do a project, whether it be disaster relief, a customer experience, advancing equity, we're looking at it as all of SBA programs focusing in on it. The same with veterans -- services to veterans and veteran-owned small businesses. The VetCert Program rolled out successfully. He stated that SBA has other certification programs such as HUBZone, WOSB, and 8(a) Program, which people are familiar with but there are four different systems; four different accesses to get to those systems, four different types of paperwork. Often when applying for VetCert, you might also may be applying for HUBZone and women-owned certifications at the same time. The SBA Administrator is taking this on along with government contracting and the vision of what they want this entire certification program to look like; where businesses can effectively apply in for these certifications easily, quickly, and with one unified system.
- iii. **New Contracting Goals** – This year, there are new contracting goals for prime contractors; five percent for prime contracting and five percent for subcontracting. Mr. Green stated last year, we were at about 4.6 percent, not far off from this goal.
- iv. **Veterans Loans** –Last year, 2800 loans were given to veteran-owned small businesses which Mr. Green states that it's about a third higher than previously.
- v. **OVBD Annual Report** – Mr. Green said that OVBD has completed their annual report and will share it once approved. He said, we'll share and highlight a report of OVBD activity, metrics, through all our programs.
- vi. **Women Veteran Entrepreneurship Training Program** – Mr. Green highlighted the Women Veteran Entrepreneurship Training Program citing that there is a grant opportunity for this program at www.grants.gov. He said that the grant opportunity closes on March 21, 2024. It is a small grant provided to different organizations that focus on women veterans and SBA tries to provide some extra funding to

- organizations that already have a program serving women veterans.
- vii. **National Veterans Small Business Week** –Last year OVBD held one of the best National Veterans Small Business Weeks. OVBD received a lot of support from the Administrator, the field offices, the VBOCs, and all our resources. There were approximately 265 events with nearly 11,000 participants and stakeholders. This year's National Veterans Small Business Week Event is scheduled for November 11 - 15, 2024.
 - viii. **Ray Milano: Fiscal Year 23 VBOC Expansion** - Mr. Milano talked about the upcoming one-year anniversary of the expansion of the VBOC's in Fiscal Year 23 and noted that six new VBOC's were added this grant year.
 - a) **VBOC's Priorities** - Mr. Milano highlighted some of the priorities and the mission of the VBOC's. He stated that the VBOC's are the operational lead for Boots-to-Business program, and courses have been conducted at 170 installations across the country. The program is close to conducting one thousand Boots to Business and Reboot classes a year. Another priority for the VBOC's is being a community navigator for veterans, transitioning service members, and anybody in the military affiliated or the military community, serving as a gateway to all of SBA's programs and resources. Mr. Milano explained that the VBOC can connect you, whether you are stakeholders, small business owners, partners, with all of SBA programs and resources. He stated whether it's access to capital, government contracting and certifications, surety bonding, or basic business planning, anywhere in the business life cycle, we want that VBOC to be the gateway to all of SBA's programs and services.
 - b) **Veteran Readiness and Employment (VR&E)** – Mr. Milano said that they are working with VR&E team at the Department of Veterans Affairs (VA). He explained that the VA has a Chapter 31 Program and that it's going through some new regulations. He stated that the VA have expanded the self-employment aspect of the Chapter 31 program where more service-disabled veterans will be able to have access to self-employment options through the VA. Mr. Milano said they are working with the VR&E team to ensure that their local VR&E and the regional VR&E staff relate to the local SBA district offices and Veteran Business Outreach Centers. He said once a self-employment plan is approved, they're going to be directly connected with the district offices, Veteran Business Outreach Centers, and to other SBA programs and services, such as the Small Business Development Centers, the SCORE advisors, and the Women Business Centers. Mr. Milano further stated that they will have the support they need as a self-employment participant, but also the VR&E counselors will have the support they need to make decisions and approve those self-employment plans.
 - ix. **Mark Williams: Boots-to-Business** - Mr. Williams said that along with the VBOC's, Boots-to-Business works with SBA District Office staff, SCORE, Small Business Development Center, Women Business Centers, Institute for Veterans and Military Families (IVMF) overseas. He said since inception, **over** 200,000 participants' have

completed the Boots to Business courses. Mr. Williams also stated that the curriculum has been refreshed and more interactive, with better graphics, and visually appealing. It also incorporates the business model canvas to give the people something to work on. Mr. Williams stated that its “dovetails” well with the follow-on course “Boots-to-Business Revenue Readiness”, a six week course that can be taken by those who have attended Boots to Business.

- x. **Military Spouse Pathway to Business Course** – The Military Spouse Pathway to Business Course is a result of a White House Executive Order. Mr. Williams said that military spouses are a big part of the military community and to serve this community, the Biden Harris Administration developed a Boots to Business like class that is tailored for their needs. Mr. Williams said what they’ve tried to do with Boots to Business, Pathway to Business, and Reboot, and all the programs they have, is meet those entrepreneurs, the future entrepreneurs, where they are; give them the things that they need to succeed.

4. **Presentation #2 John Perkins, Director of VetCert Program, Office of Government Contracting and Business Development (GCBD) -**

- i. **Veteran Small Business Certification Program History & 2024 Updates** - Mr. Perkins said that January 1st, 2023, the National Defense Authorization Act (NDAA) directed the move from Department of Veterans Affairs (VA) Center for Veterans Enterprise (CVE) to the SBA beginning VetCert. Mr. Perkins said that they had their first application go across the goal line as of January 9th. He stated, since that date, over 12,400 applications have been approved. You can see where the VetCert link is at www.certify.sba.gov. Mr. Perkins said the Federal Register, the actual regulation that governs our process, was instituted November 29, 2022. He said that since then, they recently kicked off a risk program. He said that they started to do program examinations, which are desk audits, and they started a site visit program. He went on to say, that he and his team are excited to recreate the risk process that they had over at the Center for Veterans Enterprise (CVE) at the Department of Veterans Affairs (VA).
- ii. **VetCert 2024 Legislative Updates** – Mr. Perkins reported that the 2024 NDAA states the grace period for self-certification for subcontracting and goaling purposes would still be allowed until December 22, 2024. Firms that apply before that grace period ends will continue to have eligibility until VetCert decides. Mr. Perkins explained that self-certification for goaling and subcontracting allowed through SAM.gov will end December 22, 2024. Mr. Perkins added that subcontracting and goaling purposes will have to go through VetCert and get completely VetCert qualified.
- iii. **Friendly Aspects of Prior Veteran Certification Programs** – Mr. Perkins said that one of the things SBA retained from the CVE was the ability to correct business documents within the process. He said if an applicant comes in and there is a problem with their business documentation and they don’t get denied, that they can

change business documents within the process. There is a direct contact with case processors that could help them with that.

- iv. **Frequently Asked Questions Library** – GCBD now has a Frequently Asked Questions library that has received a lot of hits. Also, a call center and email box that had over 42,525 contacts the first year.
- v. **The VetCert Material Change Process** – Mr. Perkins said that the VetCert Material Change Process is now up and running. The recertification module started up around September 2023, and then in the fall of 2023, webinars started. These webinars usually have between 200 to 250 applicants come in and learn how to become certified and get the overall process.
- vi. **VetCert Partnership Training** – GCBD started a VetCert Partnership Training for SBA VBOC's and Apex Accelerators. Mr. Perkins explained that the purpose is to give a deeper dive for those applicants that have problems, that they will have a resource to go to for help. Mr. Perkins stated that in January 2024, they had over 240 attendees and that they expect to do the resource partnership training yearly and will have updates quarterly. For more information, please visit the website at www.sba.gov/vetcert or email at vetcert@sba.gov or call the Dedicated Call center: 800-862-8088, Monday -Friday, 8 a.m. – 6 p.m. EST (Excluding federal holidays)

5. Presentation #3 Legislative Updates by the Madison Services Group Elizabeth and Ann Sullivan, Madison Services Group, Inc. & Women Veterans Business Coalition.

- i. **What's Happening in Washington:**
 - a) **FY2024 Funding – Elizabeth Sullivan** reported that Senate Majority Leader Chuck Schumer, Senate Minority Leader Mitch McConnell, Speaker of the House, Mike Johnson, and Chip Roy, who is one of the leaders in the House Freedom Caucus, have been impacting and negotiating FY-2024 funding. She explained that right now, there is a Continuing Resolution and that last week there was an extension of the previous Continuing Resolution. She said that there are two Continuing Resolutions that fund different parts of the government. She stated that there was one deadline of a r Continuing Resolution, through March 1, and then March 8 was the other package of bills. She stated the House passed their six-package bill yesterday for the six bills that were under the March 8th deadline. The Senate is now expected to pass it by tomorrow and get it signed into law by the President. The other funding deadline is March 22, which is a continuing resolution, that includes the financial services and general government bill, which funds all the SBA programs Ms. Sullivan stated that the Department of Defense, and Homeland Security, are usually the bills that the Appropriations Committee takes longer to get through since they can have a lot more political drive in them. In addition, Ms. Sullivan said that to pass through the House, the Republicans need the Democrats to vote because there is a fraction of the party that doesn't want to vote on those bills. Both Ann and Elizabeth suggested to go to <http://appropriations.house.gov>, click on subcommittees, then click on a bill, and then jurisdiction to see the bills that passed and the bills that did not pass.

- b) **2024 Elections – Elizabeth Sullivan** - Stated that according to the Cook Political Report, which is known as a non-partisan prediction type website and polling, suggest that the House and Senate are very close and are expected again to have a very slim margin of control for either party. She said in the House, you need 218 members to have a majority, and in the Senate, you need 50. Ann Sullivan explained that it depends on the month because the closer you get to November, the numbers change.
- ii. **Congressional Action:**
 - a) **National Defense Authorization Act (NDAA) - Elizabeth Sullivan** – Ms. Sullivan stated that Congress will be trying to get everything done before they leave for the August recess. She explained that it steams things up the timeline for trying to negotiate the NDAA again, get through the appropriations process, get through small business bills, which is our focus because as each month that goes by, the members of Congress that are up for reelection, which is the entire House and a third of the Senate, will want to be at home campaigning and not in Washington trying to get things done.
 - b) **Small Business Committees** - One of the bills that has passed the House Small Business Committee is HR 7103, the Agency Accountability Act of 2024. It requires the agencies to testify before Congress to explain why they didn't receive an A on SBA's annual procurement scorecard and why they failed to meet their small business goals. Ms. Sullivan stated that Congress is poking at SBA's procurement scorecard. She explains that there's an effort to eliminate double counting by agencies when counting awards toward goals. If you are both a WOSB and an SDVOSB, an agency can count an award to your business towards both goals in the Senate. Also, there is a bill in the House that they feel should go towards one goal, whatever it was set-aside for. She said this bill kind of builds on that agency accountability for not meeting goals.
 - c) **Small Business Legislation Actions: House** – Ms. Sullivan said that on the House side, there was a big package of small business bills that had passed out of the House Small Business Committee, went to the House floor, and made it through the voting process. One of the bills that passed was HR 3511, which is the Service-Disabled Veteran Opportunities and Small Business Act. She said that it requires agencies that don't meet the SDVOSB contracting goal to provide agency employees with training to increase contracts to SDVOSBs. There's been a couple of bills in the past that have gone through; one of the bills was on training around category management and how it impacts small businesses.
 - d) **Small Business Legislation Actions: Senate** – A bill that was introduced to the Senate was the Simplifying Subcontracting Act S.3772. This bill requires prime contractors to use plain understandable language when offering subcontracting opportunities and solicitations. Ms. Sullivan said this bill builds on subcontracting transparency and accountability efforts by Sen. Joni Ernst.. The House also has some bills that are trying to do the same. She mentioned that she heard SBA talk a lot about new entrants and how important subcontracting is in getting

opportunities to small businesses.

- e) **FY-2024 Appropriations Process**— Ms. Sullivan reports that there is an ongoing effort in the FY-24 appropriations process to get more funding for PCRs and CMRs at the SBA.
 - f) **House** - The House Small Business Committee in the past two months has been actively on talking about small business participation on big contract vehicles. The House sent a letter to NASA and to the VA regarding their SEWP 6 which is NASA big vehicle, questioning NASA's decision around assigning the primary NAICS code on that contract. The letter that was sent to VA regarding the T4NG2, which is the VA's \$60.7 billion vehicle. In the letter, the House asked the VA to explain why they decided to only have 30 awards on a 10-year, \$60 billion vehicle, and specifically only have 15 slots dedicated to small business; why aren't there more businesses slots. Ms. Sullivan goes on to say that when a letter is sent, it puts the agency on notice. It gets people paying attention because they know Congress is paying attention. Also, the House had two hearings in February on contracting; a full committee hearing on size standards at the SBA and what the SBA defines as "small."
 - g) **Senate** – The committee asked the GAO for a review of the small SBA veteran lending programs. A letter was sent by the committee asking for the review of the role that SBA and other agencies play in helping veterans with financial literacy and access to capital; on challenges veterans and transitioning service members face in building credit and access to capital, examination of gaps in credit availability for veteran-owned small businesses, and if deployment and other military responsibilities affect the credit history of active duty service members, veterans, and reservists. Ms. Sullivan explained that the reason this is important, is that the GAO often comes up with recommendations for changes and then Congress will take those and turn it into legislation.
- iii. **Agency Action:**
- a) **Guidance to Increase Federal Contracting Opportunities to Small Businesses** – Ms. Sullivan stated that the Guidance that the Administration released on January 25th required federal agencies to take a multitude of things to increasing small business participation on multiple-award contracts. Ms. Sullivan said that there is a large focus on small business opportunities and engagement on big contracts, and the guidance says that the Rule of Two now applies to orders on new and existing multiple-award contracts. She said that the task orders should be set aside for small businesses; if an agency has cleared a company to do every possible order under that contract, they have a slot, the order should be set aside if there are two or more small businesses that can do the work.
 - b) **Rule of Two** – Ms. Sullivan explained that the Rule of Two requires contracting officers to set aside contracting opportunities exclusively for small businesses when certain conditions are met; with dollar value above the micro-purchase threshold, which is \$10,000, and below the simplified acquisition threshold, which is \$250,000, the opportunities shall be set aside for small businesses, unless

there's reasonable expectation that can't be found. For contracts that are above the \$250,000 threshold, the contracting officer is supposed to set aside an acquisition if there is a reasonable expectation that offers will be obtained for two or more small businesses. Ms. Sullivan explained that SBA's continuing advocacy ended up getting the guidance that has OMB directing agencies to stop treating the Rule of Two as optional when it comes to task and delivery order competitions. If you are already on SEWP 5, for example, this would now apply to that vehicle. Ms. Sullivan stated that the SBA and the FAR Council right now are working on rulemaking for this because guidance came out. This was part of an executive order, but now there needs to be guidance and this change needs to be put into FAR. Ms. Sullivan also stated that the Rule of Two, other than at the VA and for under the micro-purchase threshold language, is not in the statute, meaning it's not in the law and that there are efforts in both the House and Senate by ranking member Nydia Velasquez of the Small Business Committee, and ranking member Senator Ernst in the Senate, to put this Rule of Two change into law.

6. Presentation # 4 Robert Blocker, Supervisory Financial and Loan Specialist, Disaster Loan Division, Office of Financial Assistant (OFA) -

- i. **SBA Disaster Assistance Loan Program** – Mr. Blocker gave an overview of SBA's Disaster Assistance Loan Program and give information about what the Office of Capital Access Disaster Loan Program and how they help communities rebuild in the wake of disasters. Mr. Blocker states that the SBA Disaster Loan Program declares 300 disaster a year. He said that most people are familiar with the larger Presidential disaster declarations such as hurricanes, earthquakes, large wildfires, and he said that in the background his office is also declaring disaster on a local level such as for droughts, for agricultural communities and in that type of assistance. He said whether it's Presidential or agency types of declarations, we provide assistance to homeowners, renters, businesses, and non-profits. Businesses of all sizes are eligible to apply for this program.
- ii. **Economic Injury Loan Program** – The purpose of this loan is, if a business was involved in a disaster that they did not suffer any physical damages, but their business area was impacted by the disaster, and they see a decrease in the business activity due to the disaster.
- iii. **Military Reservist Economic Injury Loan Program** – Mr. Blocker explained that this loan program is targeted to military reservists who are called to active duty, and as a result of them being called to active duty their business may suffer while those key employees are actually serving in an active capacity and they're pulled away from their business, and if they see that length of service, the time they're being called to duty, is going to adversely impact the business. Mr. Blocker also said that they can apply for to provide working capital to help them weather that storm with their operating needs until things return to normal, they're released from duty.

- iv. **Types of Disaster Loan Programs** – Mr. Blocker describes the several types of loan programs they have where they can help different types of businesses, homeowners, renters, et cetera.
 - a) **Business Physical Loan Program** - Is designed to help borrowers who have suffered damages from a declared disaster. We can repair and replace all their damaged equipment, business contents, the real property, the structures of the building. Currently the maximum loan amount is up to \$2 million.
 - b) **Economic Injury Loan Program** - If your business was in a declared disaster area, you did not suffer any physical losses, but the business area's been so adversely impacted that you require working capital assistance, we can also provide that up to a maximum of \$2 million.
 - c) **Homeowners** – Mr. Blocker stated that some people don't realize that the Small Business Administration, offer loans to homeowners and renters. He said that last summer, they have recently increased their administrative lending limits for homeowners from \$200,000 up to \$500,000 for the repair, replacement, of your damaged home. In addition, for our homeowners and renters, where maybe you just have an apartment, you're renting your home, we now have eligible loan amounts up to \$100,000 to replace your personal property.
 - d) **Mitigation Program** – Mr. Blocker said that this is Administrator Isabella Guzman's top priority for the Disaster Lending Program. He said our Mitigation Program is designed to help businesses, homeowners, not-for-profits, borrow additional funds over and above what they're borrowing; may borrow to replace their damaged properties. We can increase their eligible loan amounts by up to 20 percent of their total verified losses to help with projects that a homeowner or business may want to put in that would mitigate from future damages. He said that the Disaster Loan Program is a direct loan from the federal government; we are the lender.
- v. **Eligibility and Criteria** – Mr. Blocker states that a statutory requirement that we must have a reasonable ability that our borrowers, our applicants, can repay these loans. Part of our eligibility criteria starts with your damaged property, must be in a declared disaster area; you had to have suffered damages from a declared disaster event to meet the first eligibility criteria.
- vi. **Collateral Requirements** – Currently, the collateral requirements for the loans, the maximum unsecured amount that you can borrow, the Presidential declaration, is \$25,000, and in an agency declaration, it is \$14,000. According to Mr. Blocker, as far as collateral requirements for our business loans, home loans, real estate, is our preferred form of collateral. SBA is not a collateral lender.
- vii. **Loan Data for Veteran Applicants 2022 to Present** - Mr. Blocker said the demographic data that they collect, is information on veterans, spouses of veterans, and service-disabled veterans. In the past two years, approximately 7,000 home loans were made, and that total is about \$440 million. Since 2002, on our veterans' businesses we've, approved just for veterans about 258 loans for \$31 million; spouses

of veterans, about 86 loans for \$7.1 million; and our service-disabled veterans, about 387 loans for \$3.8 million.

- viii. **EIDL Loan Program** - Is the working capital loans that we offer where a business did not have any physical damages related to a disaster. We also have many loan types that are economic injury loans only. For example, if the mid-west is going through a drought or maybe somewhere there are large fires, that affects the local agricultural community and then those businesses that are located within those communities that aren't agricultural -related but would depend on those farmers, ranchers, agricultural businesses, to conduct business, such as buy shoes, buy groceries, buy additional farm equipment, that type of thing. If they're adversely impacted, then we declare a disaster in those areas; you must have a physical presence in the area to be eligible for that economic injury loan program.
- ix. **Overall Loan Portfolio** – Mr. Blocker indicated that 80 to 90 percent of all their loans are made to homeowners and renters and looking at our veterans over the last few years, it's about 90 percent of the veterans that we've had, spouses and disabled veterans. He said it's about 90 percent of our loans have been made for home loans to veterans, and not quite 9 percent for business EIDLs, and then just a small fraction of a percentage is the economic injury loan program. He stated that this is no unusual because historically, their loan portfolio and the loans approved, and their applicants received, is about 80 percent homeowners and about 20 percent business.
- x. **Reason for Decline** – Mr. Blocker said that the veterans' reason for decline to the overall portfolio of loans of non-veteran applications that they receive, he finds no difference in those things. The reason loans are denied –
- Lack of repayment ability
 - ✓ Unsatisfactory credit
 - ✓ Unsatisfactory history on existing or previous SBA loan
 - ✓ Unsatisfactory history on federal obligation
 - ✓ Damages are not disaster related.
 - ✓ Economic Injury not substantiated.
 - ✓ Not a qualified business
 - ✓ Not a qualified business
- Contact SBA's customer service center at 1-800-659-2955 / relay services 7-1-1 disastercustomerservice@sba.gov. Visit sba.gov/disaster for more info.

Next meeting: June 6, 2024, at 9:00 A.M. ET.

Adjournment: The meeting was adjourned at 2:06 P.M. EST by Stan Kurtz.

All SBA programs and services are extended to the public on a nondiscriminatory basis.