



U.S. Small Business  
Administration

## **Advisory Committee on Veterans Business Affairs (ACVBA)**

**June 6, 2024 – Meeting Minutes**

### **Members Present:**

#### **Charles McCaffrey, Chairman, ACVBA, Director, Paralyzed Veterans of America**

- Rebecca Aguilera-Gardiner, CEO/Cofounder, Veterans in Business Network
- Dan Clare, Chief Communications & Outreach Officer, Disabled American Veterans
- Glenett Hannah, CEO/President, Hannah Innovative Solutions
- Scott Jensen, Executive Director, National Veteran Small Business Coalition
- Paul Smiley, President/Founder, Sonoran Technology and Professional Services, LLC.
- Michael Thornton, Chief Operating Officer/Co-Owner, Visionary Consulting Partners, LLC.

- 1. Call to Order** – The regular meeting of the ACVBA was called to order at 9:01 a.m. ET by Stan Kurtz.
- 2. Welcoming Remarks and Introduction** – Robert Yannuzzi, Assistant Administrator, Office of Veterans Business Development (OVBD), and Designated Federal Official, welcomed committee members and the public and introduced SBA Administrator Isabel Casillas Guzman.
- 3. Comments by Administrator Guzman** – The SBA has really doubled down on its commitment in the Biden/Harris Administration to ensure that we provide services for our veterans and that the opportunities presented as we invest in America are great and need to be taken advantage of by our veteran community. There were 17.5 million new business applications, and they are converting into establishments, and finally, the economists are saying that we have business dynamism again in this country, which means our births are outpacing our deaths. It was a decline, and people were worried about entrepreneurship before the pandemic. Veterans make these incredible entrepreneurs because they have the requisite grit and determination, ability to build teams, lead teams effectively, navigate challenging situations, and most importantly, quickly adapt and change. And I think we have seen that in the marketplace with so many challenges presented to our small businesses over the last few years from the pandemic disruptions, supply chain disruptions, inflation, and high interest environment. SBA's role in all of this is to ensure that businesses can continue to start, grow, and become resilient businesses and that our communities can be resilient.
- 4. OVBD Updates and Events: Robert Yannuzzi – Veteran Business Outreach Center (VBOC)** – The expansion has grown from 22 locations to 28 locations. OVBD is going to open up three in the future and the Notice of Funding Opportunities (NOFO) for additional Veteran Business Outreach Centers

have gone out, and OVBD plans to have our new centers selected and operational in September 2024.

- a. **May 9, 2024** – OVBD hosted a Military Spouse Entrepreneur Summit called Pathway to Success: Connecting the Dots with SBA.
- b. **May 10, 2024 – National Military Spouse Appreciation Day** – The purpose of the event was to increase awareness of SBA programs and services for the military community, highlighting opportunities for military spouses as both entrepreneurs and community connectors.
- c. **May 20–23, 2024 – National Veterans Small Business Coalition Vets 24** – OVBD attended the National Veterans Small Business Coalition Vets 24. This conference is a 14-year tradition dedicated to leading Veteran Service Organizations (VSOs) and veterans. The sponsored veterans' small business conference provided a business-focused environment to deliver on the three core components of the NVSBC mission: training, network, and advocacy.
- d. **Scott Jensen: National Veterans Small Business Coalition Vets 24** – 1,700 participants from throughout the entire ecosystem and large prime companies as well as the federal agencies were represented. If we are not creating the opportunity to work with one another and work with the folks who have the opportunities and have access to the contracting dollars and understand how to get access to that, it is ineffective. I think we were as effective as we could have been this year because of the multiple agencies—more than 20 agencies—represented, 218 participants, procurement professionals, and contracting officers, representing the largest contract vehicles that the government has, and just access to multiple opportunities. Mr. Jensen stated that he appreciates all of the support from the SBA.

5. **Remarks by Charles McCaffrey, ACVBA Chairman** – Gave recognition to his predecessor, Robert Bailey, and the committee for putting together the Annual Report. He is thankful for the members of the committee and the diversity. He also recognized the newest member of the committee, Mr. Paul Smiley.

Mr. McCaffrey briefed the committee on his background on how he got started. He is approaching 20 years of a second career after the military. He spent his military career in information warfare and cybersecurity, obtained a job in defense contracting, and was a business partner at Italian deli in central Pennsylvania. He led an incubator, worked as a Small Business Development Center (SBDC) Director, launched a Veterans Business Outreach Center (VBOC), was a Boots to Business Instructor, and a Main Street Director during the pandemic. Especially during the pandemic, he saw just how important small businesses were to the economy. He explained the synergy between veterans starting businesses and then hiring veterans, keeping the unemployment rate for veterans, veteran spouses, and military spouses down, especially for veterans with disabilities who may find it harder to find employment.

**6. Remarks by Larry Stubblefield, Acting Associate Administrator, Office of Government**

**Contracting and Business Development (GCBG)** – In regard to the National Veterans Small Business Coalition Vets24 Program, Mr. Stubblefield stated that his office needs to continue to engage with the veteran small business community; we need to know what is going on there, what is top of mind for them, and also to let veterans know that we brought over the Center for Verification and Evaluation (CVE) from the Department of Veterans Affairs (VA), and now we are taking the next step harmonizing all of the programs.

- a. Unified Certification Platform** – GCBG is working on a project called the Unified Certification Platform, which brings four different IT systems – 8(a), women-owned, veteran-owned, and HUBZone, together. He explains that a lot of veterans have multiple certifications, so you have to come to SBA today, go through multiple platforms, multiple wait times, and upload your documents multiple times. The Associate Administrator for GCBG was brought on board to get this project done where veterans will go to a central platform – one platform for all the programs. He said that you will upload your documents one time, and then you are able to get every certification for which you are eligible. Mr. Stubblefield said when you think about recertification, you will have to come back every three years for each program; you come back one time and get recertified for all your programs.

**7. Presentation #1 – Sam Le, Director, Office of Policy Planning and Liaison, Office of Government Contracting and Business Development (GCBG) –**

- a. SBA Scorecard Data: Fiscal Year 23** – Mr. Le stated that he did notice when examining this report that there is a recommendation in it to keep tabs of how the government is performing on some of the memos that have come out from OMB, Memo M-22-03 and that there are others in prioritizing socioeconomic contracting. He explained that every quarter, his office meets with the White House to go over how they are doing mid-year in that quarter on the various categories and to push agencies to reach their goals.
- b. SBA Federal Procurement Scorecard** – The government-wide scorecard was issued at the end of April 2024 for 2023, in time for Small Business Week, and focusing on service-disabled veteran-owned contracting, SBA set new records. Mr. Le stated that his office exceeded the 5 percent goal, which is now the new goal for fiscal year 24 and that it went up over half of a percentage point from the previous year. He explained that each percentage point is \$6 billion, which is a \$3 billion increase – \$31.9 billion to service-disabled veteran-owned businesses compared to \$28 billion the previous year. Also, some other categories saw record highs. He stated that they reached 28 percent in small business for the very first time; the government-wide goal is 23 percent. So far, SBA has surpassed that goal and there are talks in Congress of increasing the goal from 23 percent because SBA has met the goal for 11 years in a row. Also, the SBA has met the White House's enhanced Small Disadvantaged Business Goal. After the inauguration, the President set a new small-disadvantaged business goal that will increase to 15 percent by next year. Last

year for 2023, it was 12 percent, and the government surpassed that goal by 12.1 percent for small, disadvantaged business and reached a new dollar high as well of \$78 billion.

- c. **Women-Owned Small Business Goals** – SBA did not quite reach the goal for women-owned small businesses. The goal is 5 percent and SBA just barely missed that one at 4.9 percent.
- d. **HUBZone** – HUBZone continues to increase; got to its highest dollar amount and second highest percentage ever at 2.78 percent. The government-wide goal is 3 percentage points. We did not quite get to the HUBZone goal, but we see an increased performance on that. All-in-all on the percentages, on the dollars, the government went up, set new highs, dollar amounts, on all of the categories.
  - e. **Dollars Awarded to Small Businesses** – To find information on the dollar amount awarded to small businesses by fiscal year for Small Disadvantaged Businesses (SDB), Women-Owned Small Businesses (WOSB), Service-Disabled Veteran-Owned Small Businesses (SDVOSB), and HUBZone small businesses, go to [datahub.certify.sba.gov](https://datahub.certify.sba.gov).

## 8. **Presentation #2 – Melleny Cotton, Special Assistant to the Director, Office of Small Business Programs (OSBP), U.S. Department of Defense (DoD)**

- a. **OSBP Programs & Operations** – Are focused on five programs:
  - i. **Mentor Protégé** – DoD offers payment to our mentors, and now has started a pilot where we can offer payment for our protégés as well. It's been a pilot program status for about 20 years, and we just made it permanent and nested it up under the Office of Small Business Programs.
  - ii. **Apex Accelerators** – DoD has about 100 APEX Accelerators around the country, and they are largely co-located with the SBDCs. Ms. Cotton said that they work very closely with their SBDCs but like to encourage all businesses to go through their APEX Accelerators to get that one-on-one assistance to get procurement opportunities with the DoD.
  - iii. **Indian Incentive Program** – Is one of DoD's congressionally mandated programs where we incentivize primes to do business with our native-owned companies and small businesses, and we incentivize them through groupings through that program.
  - iv. **Industrial Cybersecurity Program** – Ms. Cotton said that the Industrial Cybersecurity Program, which we have nested Project Spectrum to give small business owners assistance with their cyber readiness. It is a no-cost tool out there for everyone to assess their level of cyber-readiness and increase that level of cyber-readiness wherever they find some gaps.
  - v. **RISE Program** – This program was formerly known as the Rapid Innovation Fund (RIF) and now has been rebranded as the "Rapid Integration and Scaling Enterprise." It is to help our businesses go from the prototype stage into the procurement process, DoD, and carry them over the value of debt.
- b. **Small Business Strategy** – The Small Business Strategy was implemented in January 2023. There are three main objectives:

- i. To coordinate a unified approach to the DoD for small businesses to reach our programs and our activities.
  - ii. To align with our national security priorities; to ensure that we are undergirding the types of opportunities that will secure our national security.
  - iii. To really increase our engagement with our small businesses through our outreach efforts, through our online efforts, and directly through our programs.
    - 1. Each of these have subcomponents. It has been a year and a half since they were implemented. There is no veteran-specific implementation. Ms. Cotton said that the things that DoD has implemented bolster their connectivity with veteran-owned small businesses and service-disabled veteran-owned small businesses.
- c. **APEX Accelerators** – Ms. Cotton explained the four ways that they have made it easier for veteran-owned companies and all companies to do business with the DoD since the implementation of their strategy is through their APEX Accelerators. She said that they have opened a new APEX Accelerator in Dearborn, Michigan, to serve the underserved community there and increased their market research for veteran-owned small businesses through their APEX Accelerators so that they can target those companies surrounding them in a very targeted and proactive way.
- d. **Mentor Protégé Program** – When this program was made permanent, DoD focused on how to support veteran-owned businesses by bringing them on as protégés. The data shows that protégés win billions of dollars of defense industry work after they have completed the mentor protégé program. DoD recently started a pilot initiative in which they can pay their protégés 25 percent, and 25 percent of that mentor-protégé agreement. DoD wants to encourage their veteran-owned small businesses to get involved.
- e. **Comprehensive Subcontracting Plan** – This is a test program in which DoD involved eight prime vendors in that program and negotiated the subcontracting goals for each of those companies. For example, these companies are large like Raytheon and Northrop-Grumman. Ms. Cotton said that once they negotiated subcontracting goals, they see hundreds of millions of dollars, and each of those companies set aside opportunities for service-disabled veteran-owned small businesses.
- f. **Rule of Two** – Ms. Cotton stated that the last effort that we are really pressing during this implementation of the strategy is largely connected with the rule of two. She explained that after doing a lot of marketing and research, making sure that any time two or more small businesses qualify for doing work on a contract, we have to allow those opportunities to go to small businesses. She explains that what they have done throughout the department was reemphasized on multiple-award contracts that they have to be mandated. She says that they have mandated their small business professionals to be involved in the early stages of the acquisition process and to understand that if they are not selecting small businesses on those multiple-award contract opportunities, they have to document and justify the reason why.

- g. FAR Rule** – The OSBP is also working to put in the FAR rule that small business set-asides must be prioritized on multiple-award contracts.

**9. Presentation #3 – Elizabeth Sullivan, President, The Madison Services Group, Inc. & Women Veterans Business Coalition Legislative Updates**

**a. What's Happening in Washington:**

- i. Elections, Departures, and Vacancies** – The House is filled up; 435 seats, the Presidency, and a third of the Senate are all up for reelection this year.
- ii. Senate** – There are 100 Senators, and it switches between 34 and 33 seats, and this year it is 34 Senators that are up for reelection. Ms. Sullivan said that it is very close on both sides, the House and the Senate. She said currently, there are 48 Democrats, 49 Republicans, and three Independents in the Senate. Those three independents caucus with the Democrats; it is a 51-seat majority. You need 51 to rule in the Senate, so it is 51 to 49.
- iii. House** – There are currently 218 Republicans and 213 Democrats, with four vacancies. To have the majority, 218 votes are needed. She states that the Republicans are operating on the slimmest margin that's existed in a long time. Also, there has been a lot of departures this year. There have been 52 members of Congress, eight of the Senate and 44 of the House, announcing they are not seeking reelection. Since the House is up for reelection, they are looking to go home and campaign. Ms. Sullivan said this is all important because the dynamics in Congress affect how policies can be passed that affect veteran-owned businesses. The Senate and House, if they were to both flip, and the Presidency, she said that it would look very different than if there is a divided Congress, as we have now, if the Presidency stayed Democratic.

- b. FY2025 Government Funding** – Ms. Sullivan stated that the House is trying to do business with the appropriations bills, and mark them up, get them passed, and then go to the Senate to have some action. She said that there is likely going to be a continuing resolution that we are already looking at until after the November election. Also, with the Congress calendar of trying to be home during this season, she does not believe that there will be any FY 2025 coming in and fully funded by October 1st. After the November election, based on how the House and Senate make out, where in the Presidency, if all of them flip or not, or some flip, either you will see likely another short-term continuing resolution until about Christmas, when they all want to go home, and then are able to fund the government. Ms. Sullivan pointed out that Speaker of the House Mike Johnson did a laddered continuing resolution for FY 2024. Some agencies were funded until one date; some the other, but everything was fully funded by the end of March. She said that could also be another approach, with maybe some of the less partisan, less usual-contentious bills and agencies getting funded while others stay on the continuing resolution.

- i. National Defense Authorization Act (NDAA) House** – Provides the authorization for funding known as the appropriations for the DoD, and establishes a lot of

policies for them, but also for small business contractors. It was signed into law for the 63<sup>rd</sup> consecutive year last year. Ms. Sullivan highlighted some of the small business provisions that are in the base bill of the NDAA in the House. The reason it is important that they are in the base bill is because they are harder to take out in the future. She said that a lot of the time the small business matters are through amendments, and definitely there will be amendments this year, in both the House and Senate, that are going to be important policy changes that they are trying to enact. There is going to be a markup of this bill on June 12<sup>th</sup>—very soon.

**ii. National Defense Authorization Act (NDAA) House:** Subtitle F – Small Business Matters:

- 1. Sect. 861.** – Directs the Secretary of Defense to establish a VOSB goal of 5% at DoD; gives sole source authority for VOSBs at DoD and allows for set-asides of contracts for VOSBs at DoD, in addition to the SDVOSB program. She states that there are not any set-asides or goals for VOSBs specifically.
- 2. Sect. 862.** – Adds military research and educational institutions to the Small Business Technology Transfer program (STTR).
- 3. Sect. 863.** – Directs if DoD fails to meet its SDVOSB goal, it requires acquisition staff training on how to increase awards to SDVOSBs.
- 4. Sect. 864.** – The House Small Business Committee marked up this bill that is also a provision in the NDAA. This means accessibility and clarity in covered notices for small business concerns.
- 5. Sect. 865.** – Expands a current DoD pilot program to allow more access to classified facilities and classified information to small business contractors.
- 6. Sect. 866.** – Requires an MOU between the SBA and DoD to share resources to increase DoD small business IT contracts in critical technology areas. According to Ms. Sullivan, you will notice it as the NDAA process moves forward in both the House and Senate in terms of amendments. Subcontracting and sole-source contracting could be included. Also, there has been a lot of pushback from large companies like accountability piece on using subcontractors, meeting subcontracting goals, and meeting your subcontracting plans. She says that has been very much echoed by SBA and by industry. Congress has definitely heard that, and so there are a couple of different proposals potentially floating around. Be aware if something makes it into this bill as it is being negotiated.

**c. Appropriation Process: How It's "Supposed" to Work –**

**i. House:**

- 1. February** – President's budget request is submitted.
- 2. March** – Budget committee drafts resolutions. "Views & Estimate" from all committees.
- 3. April** – Budget resolutions deadline.



4. **May and June** – The appropriations bills are drafted. All revenue measures begin in the House. As of this date, the Senate has not drafted anything.
  5. **September** – The House and Senate then negotiate the differences. Final bills are passed, and the results are a funded government.
- d. **Military Construction Veterans Affairs and Related Agencies Bill** – This bill was passed on June 5, 2024, and these bills are looking to be marked up in the House Appropriations Committee. The entire federal government is funded through 12 bills, and each bill has a subcommittee that it is assigned to. For more information, go to [appropriations.house.gov](https://appropriations.house.gov).
  - e. **The House Small Business Committee** – Passed seven bipartisan bills in April.
  - f. **The House and Senate** – Administrator Isabel Guzman testified before both the House and the Senate committees on the same day, regarding what SBA's budget request is and answering questions regarding veteran-owned certification and talked about the women-owned program. To find her testimony and watch her hearings, go to [sbc.senate.gov](https://sbc.senate.gov) for the Senate and [smallbusiness.house.gov](https://smallbusiness.house.gov) for the House.
  - g. **Small Business Committee's Legislative Actions:**
    - i. **H.R. 7988 – Small Business Procurement and Utilization Reform (SPUR) Act of 2024** – Modifies the SBA's scorecard to include the number of new entrants into the federal market, and it defines new entrants: a new entrant into government contracting.
    - ii. **H.R. 8014 – Transparency and Predictability in Small Business Opportunities Act** – It requires a federal agency when they cancel a contract solicitation to provide assistance to the small business that is affected by helping them identify similar contracts to bid on.
    - iii. **H.R. 7985 – Entrepreneurs with Disabilities Reporting Act of 2024** – Requires the SBA to submit a report to Congress on the challenges individuals with disabilities face when starting a business, and to also look at resources across the federal government to help individuals with disabilities.
    - iv. **H.R. 7103 – Agency Accountability Act of 2024** – Requires the OSDDBU of agencies that get below an A on their scorecard for small business spend to testify before the House and Senate Small Business Committees.
    - v. **H.R. 7984 – Rural Small Business Resilience Act** – It requires the SBA to provide rural communities located in disaster zones to have the benefit of the full resources of the SBA.
    - vi. **S.4417** – Requires training on increasing contract awards to SDVOSBs.
    - vii. **S.3772 – Subcontracting Simplification Act** – Amends the Small Business Act to require that plain writing statements regarding the solicitation of subcontractors be included in certain subcontracting plans.
    - viii. **S.3971 – Small Business Contracting Transparency Act** – Requires the SBA to report on additional information on veterans, women-owned, and HUBZone businesses.
  - h. **Veteran Affairs Committee Actions** – Ms. Sullivan states that the Veterans Committees in the House and the Senate have been extremely busy. She said that there were 56 bills that were either introduced or passed. The Senator Elizabeth Dole 21st Century Veterans Health



Care and Benefits Improvement Act was recently introduced by the House and the Senate, by the chair and ranking member of the Senate Veterans Affairs Committee, plus the ranking member of the House Veterans Affairs Committee. This is a comprehensive package of bills to reform and improve the delivery of healthcare benefits and services at the VA for families and survivors.

**i. Agency Actions of Interest:**

- i. Transformation Twenty-One Total Technology Next Generation 2 (T4NG2)** – Is the largest government-wide acquisition contract ever. There have been a million protests now filed with this vehicle; the awards have been made. There has been a big push, as well as in Congress and others, to try to open this vehicle up to small business contractors. Ms. Sullivan said the comparison that has been made is the fact that VETS2 has 70-plus awardees on it, the majority are standalone small business veteran contractors, which is five times the size; 15 slots reserved for small businesses and with the rest going to Joint Ventures (JVs).
- ii. NASA: Solutions for Enterprise-Wide Procurement (SEWP VI)** – Ms. Sullivan referenced earlier remarks made by Sam Le that IT was the largest category for service-disabled veteran-owned small business companies. She said 80 percent of their spend on SEWP V, the previous iteration, was through small business. The final RFP just came out, due July 12, and they had changed the primary NAICS code. There were some issues there on what NASA was doing. She states that NASA formed an MOU with SBA and rose to the occasion and kind of set a good example for other agencies of when industry then gives you input, and kind of how this should be shaped.

**Adjournment:** The meeting adjourned at 11:27 a.m. ET by Rob Yannuzzi.

**Next meeting:** September 12, 2024 at 9:00 a.m. ET.

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