

SMALL BUSINESS ADMINISTRATION

INTERAGENCY TASK FORCE ON
VETERANS SMALL BUSINESS DEVELOPMENT

PUBLIC MEETING

Wednesday, August 28, 2013

409 W. 3rd Street, S.W.
Washington, D.C.

Diversified Reporting Services, Inc.
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MEMBERS PRESENT:

Rhett Jeppson, Chairman, SBA

Barb Carson, SBA

Bill Elmore, SBA

Calvin Jenkins, SBA

Brian Goodrow, SBA

Joe Sabota, SBA

Craig Holiman, SBA

Kim McClellan, SBA

Nick Harrison, SBA

Timothy Hale, New Mexico Dept. of Veterans Svcs.

James Wilpong, VET-Force

Rick Weidman, VET-Force

Amy Campbell, DVAFF

MEMBERS PRESENT (Continued):

Beryl Love, AMVETS

Tom Leney, VA

David Boddie, Federal Allies Institute

Paul Varela, Disabled American Veterans

Kevin Blanchard, American Legion

Michael Golwitzer, VetBizCentral

Ryan Goldcheaver, Veterans of Foreign Wars

Anthony Eiland, GSA

Ruth Samardick, DOL

Farooq Mitha, DOD

Andre Grudger, DOD

Matthew Blum, OMB

Michael Haynie, Syracuse University

Donald Graves, Jr., Department of Treasury

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1 P R O C E E D I N G S

2 [9:03 a.m.]

3 OPENING REMARKS

4 CHAIRMAN JEPPSON: Good morning, everybody.
5 Thanks for being here this morning. Just real quick
6 before we start, I know there will be some other folks
7 who are going to join us later, and we actually have
8 some of the normal Task Force members on the phone
9 because of the March and other things, and the
10 activities going on today.

11 If I could, I'd like to go around the table
12 and have folks introduce themselves so we know who is
13 here in the room and then have folks on the phone
14 introduce themselves, so if we could start with Brian.

15 MR. GOODROW: Brian Goodrow from the Office of
16 Field Operations here at headquarters.

17 MR. SABOTA: Joe Sabota, SBA's Office of
18 Advocacy.

19 MR. LOVE: Beryl Love, AMVETS, National
20 Programs Director.

21 MR. BODDIE: David Boddie with Federal Allies
22 Institute.

1 MR. HALE: Tim Hale, New Mexico Department of
2 Veterans Affairs representing National Association of
3 State Directors of Veterans Affairs or NASDVA.

4 MR. HOLIMAN: Good morning. Craig Holiman,
5 new to the SBA and the Veterans Development Office,
6 working on the Boots to Business.

7 MR. MITHA: Farooq Mitha from DOD, Small
8 Business Programs Office.

9 MS. CARSON: Barb Carson, Deputy Associate
10 Administrator of Veterans Business Development here at
11 SBA.

12 MR. VARELA: Paul Varela with Disabled
13 American Veterans. I'm our Assistant National
14 Legislative Director for our employment and education
15 portfolio.

16 MR. EILAND: Tony Eiland, GSA.

17 MS. SAMARDICK: Ruth Samardick, the Department
18 of Labor, Veterans Employment Training Services.

19 MR. HAYNIE: Mike Haynie, Director of the
20 Institute for Veterans and Military Families, Syracuse
21 University.

22 MR. HARRISON: Nick Harrison, SBA.

1 MR. BLANCHARD: I'm Kevin Blanchard with the
2 International Franchise Association.

3 CHAIRMAN JEPPSON: If we could get the folks
4 on the phone to identify yourselves. Don, are you on
5 line?

6 MR. GRAVES: I am on line.

7 CHAIRMAN JEPPSON: Great. Thanks for joining
8 us, Don. Matt?

9 MR. BLUM: Good morning, Rhett.

10 CHAIRMAN JEPPSON: Good morning. Thanks for
11 joining.

12 MS. McCLELLAN: Kim McClellan, SBA.

13 MR. WEIDMAN: Rick Weidman, VET-Force.

14 MR. ELMORE: Bill Elmore as well.

15 CHAIRMAN JEPPSON: Thanks, Bill.

16 MR. GOLDCHEAVER: Ryan Goldcheaver, Veterans
17 of Foreign Wars.

18 CHAIRMAN JEPPSON: Thanks, Ryan. Anybody
19 else?

20 MR. GOLWITZER: Michael Golwitzer,
21 VetBizCentral.

22 CHAIRMAN JEPPSON: Thanks, Mike. Anyone else?

1 I hope not to throw people off here, just
2 because some of our subcommittee members are going to
3 have other events today, what I'd like to do is
4 actually move the subcommittee reports up front here
5 and ask that we move through them briefly so we get a
6 chance to hear from some of the key players that are on
7 the line and will have to leave.

8 I hope you will bear with me and forgive me
9 for this, but I'd like to go ahead and do that.

10 Before we go there, I would just like to talk
11 a little bit about -- Brian, if you could pull up the
12 Interagency Task Force report. I want to talk a little
13 bit about a couple of things that are happening in the
14 agency here and the Task Force report and run through
15 these quickly, the subcommittee reports.

16 First, as many of you know, we have had some
17 changes here at SBA. Today is Karen Mills' last day as
18 the Administrator, her last day in the building. On
19 Tuesday of next week, Jeanne Hulit will be the Acting
20 Administrator, and she has actually began the
21 transition process now.

22 She comes from the Office of Capital Access.

1 She has been at SBA for about four years now. She's
2 well known in the agency, well respected. I actually
3 read an article this morning that actually called her a
4 shaker and a mover, and having worked with her, I can
5 promise you she's two things, one, she's smart, she's
6 intelligent, she's tough, and two, she's a friend of
7 veterans and has our interests at heart.

8 When we did the commitment, it was her office
9 that led that, and she pushed hard in that area.

10 She will be a great Acting and she will be a
11 strong advocate for us.

12 Additionally and we will get to this a little
13 bit, I just wanted to highlight a couple of the new
14 folks we have onboard in my offices. Barb Carson is my
15 Deputy, and a little bit later on I'll give her an
16 opportunity to introduce herself. She has just joined
17 us in the past two and a half months, coming to us from
18 active duty.

19 We have Craig Holiman who has just joined us
20 within the past month, and will be heading our Boots to
21 Business Program and some special projects. I'll give
22 you a chance to talk a little later on.

1 As you can see, our office is growing here a
2 little bit. I think it's because of some of the
3 important work we're doing in not only the areas of the
4 Task Force but within the agency. We are getting a lot
5 of support from the Administration and the agency here
6 to strengthen the office. I think you will see that
7 reflected in the quality of people that we are bringing
8 on board to strengthen the good folks that we already
9 have.

10 With that, let me move to report on the
11 development time line. This is in fact an eye chart
12 here and there will be a test on it later.

13 Just to give you a couple of the highlights
14 here. We are in the process right now -- you can see
15 that about every ten days or so, even a little more
16 frequent than that, we have a deadline. As we move
17 through the process of getting this thing drafted and
18 into clearance, we were going to really ask that you
19 keep this on the front burner with your agency.

20 We hope on the 30th, two days from now, on
21 Friday, to actually have the draft to send it back out.

22 There will be some holes in there. We will actually

1 put in your agency and name there where we need input
2 on this.

3 Once we get that draft out, I'm going to
4 schedule some calls next week. We will actually talk
5 about the input that should go there, and need be, we
6 can even help draft with your input. You will need to
7 give us the bullets, et cetera.

8 We want to be as proactive as we can in
9 helping you get your input into this, in this process.

10 I know some of you will talk about that in a
11 bit. You have been working hard on it this week. I
12 appreciate that.

13 Once we get that draft, the revised draft out,
14 we will start to put it into the clearance process,
15 which will take most of the month of October, so we can
16 go through the formal clearance process, go through
17 each of your agencies for formal clearance.

18 The goal is at the end of November that we
19 have another stakeholder meeting just like we did last
20 year in advance of release of the report. We will
21 invite all the VSOs and key stakeholders in, talk about
22 what the report says, have a small briefing on that,

1 and then publish it.

2 We will have that stakeholder meeting just
3 prior to publishing the report. Ideally, we will put
4 it out just before Veterans Day, just like we did last
5 time.

6 That is the goal right now. I think we have
7 some really good things to report in it this year but
8 we need to craft the language right, when you look at
9 making the three percent, the progress we have made on
10 Boots to Business with no funding, where we are in
11 several areas. We are making progress and there are
12 good things to report there.

13 It will also be an opportunity for us to lay
14 out the path for next year on things we want to
15 accomplish.

16 Are there any questions on that?

17 (No response.)

18 CHAIRMAN JEPPSON: Moving on to the
19 Subcommittee reports.

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1 SUBCOMMITTEE REPORT ON TRAINING, COUNSELING

2 AND OUTREACH AND ACCESS TO CAPITAL

3 CHAIRMAN JEPSON: The first one is the one
4 that Ruth and I co-chair. It's on training, counseling
5 and outreach and access to capital. Just a few quick
6 notes and I'll hand it over to Ruth and Don for their
7 comments.

8 Two things I wanted to bring up here. We will
9 get a briefing on Boots to Business. Brian will brief
10 that to you in a bit. It's progressing well. We will
11 go into detail on that.

12 Same thing, later today you'll get a briefing
13 on our first nation veteran dedicated micro lender
14 here. They are in the process of standing up right
15 now. We think it has a lot of potential.

16 In the subsequent meetings, we will also
17 provide you some updates, some progress reviews on the
18 lending commitments and where we are at in reaching
19 those goals.

20 We have a lot of things going on that are
21 exciting. We will get into the weeds on both Boots to
22 Business and the micro lending in a bit.

1 Over to you, Ruth, for any comments.

2 MS. SAMARDICK: Okay. DOL is continuing the
3 employment workshop. We have an asynchronous module
4 where there is actually -- it's your regular on line
5 training. We have developed that with DOD. We also
6 have a synchronous, where there is actually an
7 instructor instructing students for remote locations.

8 The other thing that we have going is we are
9 working on developing a more bite size module for wire
10 transition units. We understand it can be difficult to
11 take these long eight hour days three in a row. We are
12 looking into dividing that up and doing smaller
13 components.

14 CHAIRMAN JEPPSON: That's great. With Boots
15 to Business, we have done the same thing with the
16 Wounded Warrior. We are trying it at Camp Hawaii right
17 now, where we actually teach it in the evenings because
18 most of their appointments are during the day. It's
19 the same materials, just the approach is different.

20 MS. SARMARDICK: Yes, that's exactly what we
21 are contemplating.

22 MR. WEIDMAN: May I ask a question on that

1 one, please? It's good that DOL is communicating with
2 DOD, but why, I might ask, is there no communication or
3 involvement of the veterans service organizations in
4 these rewrites and reorientations?

5 MS. SAMARDICK: They are reorientations, I
6 think, as opposed to rewrites. As you know, Rick, we
7 did a major revamp of the entire curriculum already.

8 MR. WEIDMAN: I understand that but I also
9 understand there was no input from VSOs at that stage
10 either.

11 MS. SAMARDICK: We did contract out to
12 training institutions and had that done in that venue.
13 Is there something in particular you wish was in there
14 that you don't feel is properly addressed?

15 MR. WEIDMAN: Having not seen the curriculum,
16 I can't really comment, Ruth.

17 MS. SAMARDICK: We can certainly share the
18 curriculum with you. I'll be sure that is on the VSO
19 meeting, for the next VSO meeting, to share that
20 curriculum.

21 MR. WEIDMAN: Thank you.

22 CHAIRMAN JEPPSON: Rick, since this is my

1 first time kind of chairing this committee, I've heard
2 this issue, I guess, not complaint, but issue, raised
3 several times.

4 I think it is something that we can raise not
5 only at our level here, back over at the White House,
6 and the ESC for the TAP program. Ruth's boss sits on
7 that as well. From the VSO perspective, I'd be
8 interested not only from your perspective, Rick, but
9 from the other VSOs who have joined us, considering the
10 fact that we already have a program in place and there
11 may have been an oversight here in VSO engagement, I
12 know we actually had the Legion to go a couple, but
13 maybe it's not the full engagement we need from the
14 VSOs.

15 If you have a few ideas or if you want, we can
16 even take this off line, to give VSO input into the
17 process here in the future, what would be the best way
18 to do that, and how would you prefer to be engaged on
19 that?

20 MS. SARMARDICK: At DOL, we have a quarterly
21 meeting with the VSOs to get their input on a wide
22 variety of issues. We could certainly expand that or

1 have a particular topical area we do at a quarterly
2 meeting.

3 MR. WEIDMAN: Okay.

4 CHAIRMAN JEPPSON: Rick, any further comments?

5 MR. WEIDMAN: I cannot speak for the VSW and
6 VAV and others, but that's not consultation in our
7 view.

8 CHAIRMAN JEPPSON: Rick, I hear you and I
9 agree with you. What is it you would want to do? One
10 thing that is happening with the curriculum now is they
11 are conducting staff assistance visits. The staff
12 assistance visits, we actually take a team from the
13 different agencies. We go out and we sit through the
14 TAB Program. Would you want membership from the VSOs
15 on that staff assistance visit as part of that?

16 MR. WEIDMAN: It would certainly help.

17 CHAIRMAN JEPPSON: I've heard this a couple of
18 times and I'd like to figure out a way to address this.
19 You're right. There is this intersection here of the
20 transitioning veteran and the VSOs, and their advice
21 can be very helpful there.

22 I know we did take the Legion at least down

1 and we got their comments back and incorporated that.
2 We invited some of the VSOs to attend.

3 I hear that needs to apply to the other
4 modules as well. We will put that one in the record
5 for action.

6 MR. WEIDMAN: Thank you.

7 CHAIRMAN JEPPSON: Don?

8 MR. GRAVES: Thanks, Rhett. Just a quick
9 update. We have been focused through our states small
10 business credit initiative program on promoting
11 utilization of those funds. There is currently over
12 \$800 million of funds going to states, to every state
13 and territory, to support loans and equity investments
14 into small businesses.

15 We have been working with the states and
16 promoting the utilization of those funds to support
17 veteran and Service disabled veterans owned businesses.

18 We spent a lot of time talking about it at our recent
19 conferences.

20 All of our relationship managers, the folks
21 that actually work with the state agencies that oversee
22 these programs -- make sure they know if they don't

1 currently have a program focused on supporting veteran
2 owned and Service disabled owned businesses, we would
3 work with them to help them amend their program so as
4 to make sure they can provide that type of support.

5 It's my expectation in the coming weeks we
6 will get updates from many of the states that want to
7 utilize at least a portion of their funds for that type
8 of lending and that type of equity investment.

9 The other quick thing that we are working on
10 is capital standards for financial institutions. We
11 are working with the Federal regulators. As many of
12 you know, the Basel Committee just put out its new
13 capital standards for banks.

14 I think there has been a lot of concern about
15 the ability of smaller institutions to deal with those
16 standards. We are working with the regulators to make
17 sure community banks in particular, smaller banks, who
18 do the lion's share of lending to veterans, have the
19 ability to make loans without getting dinged by their
20 regulator for making those types of loans, particularly
21 when you think about the collateral issues that are
22 going on in this country, the housing values, where

1 they have been, the impact on veterans in particular
2 has been pretty high.

3 We want to make sure that just by making a
4 loan, a bank is not getting deemed as doing something
5 negative, that it's actually doing something that is
6 positive, helps the economy, and lending to veterans is
7 a good thing.

8 We are going to continue to work on that, and
9 we will give the Task Force updates as we make
10 progress.

11 CHAIRMAN JEPPSON: Thanks, Don. I wanted to
12 tell you thank you very much for your timeliness and
13 thoroughness of your report input. You guys have been
14 super. I really appreciate it.

15 MR. GRAVES: It's important to us, we wanted
16 to make sure we keep pushing.

17 CHAIRMAN JEPPSON: Thank you. Great.

18 MR. ELMORE: Rhett? This is Bill Elmore. Can
19 I ask a question?

20 CHAIRMAN JEPPSON: Yes, sir.

21 MR. ELMORE: For Mr. Graves, it would be
22 interesting to figure out how we can identify who those

1 state relationship managers are, so we might approach
2 them where we live and see if there is a role we can
3 play in helping them to grow access to capital at the
4 state level.

5 MR. GRAVES: I'm happy to take any phone calls
6 or e-mails. Our state relationship managers are on
7 call here at Treasury. My e-mail address for anyone
8 who wants it is Don.GravesJR@Treasury.gov. The
9 Director of the States Small Business Credit
10 Initiative, who actually runs the program, and he's
11 probably the better person to reach out to, is Cliff
12 Kellogg, and his e-mail address is
13 Clifton.Kellogg@Treasury.gov.

14 We would be very pleased to help you work with
15 our relationship managers and the folks in the states
16 to get these programs in the right place.

17 MR. ELMORE: Thank you, sir.

18 CHAIRMAN JEPPSON: Okay. Thanks. Moving over
19 to Federal procurement and contracting programs.

20 Farooq?

21 //

22 //

1 SUBCOMMITTEE REPORT ON FEDERAL PROCUREMENT

2 AND CONTRACTING PROGRAMS

3 MR. MITHA: I will give a brief update on the
4 DOD side and let the other members of our group
5 contribute. We have been talking regularly in our
6 Subcommittee. Most recently working hard and getting
7 all our successes updated in the report.

8 We have really been working on the DOD side on
9 our outreach efforts to the veteran owned small
10 business community, working with DCAA on training for
11 small businesses. We are going to focus it also on the
12 veteran small business community, how industry can be
13 more cognizant how DCAA operates and be more familiar
14 with the auditing process.

15 We did a pilot 30 or 45 days ago in the Mark
16 Center. Once the module is updated, it's going to be
17 rolled out really across the country by DCAA. We are
18 working closely with them on that.

19 We are continuing to meet monthly with our
20 acquisition executives and our small business
21 directors, looking at how we can continue to push
22 forward on meeting our goals and ensuring that even

1 with the impacts of sequestration, we are able to look
2 for opportunities for small businesses on that front.

3 Frank Kendall sent a memo out a little less
4 than a month ago where we really want to use the push
5 and flow methods to understand the impacts of
6 sequestration on our industrial base, so we will
7 continue to monitor that very closely.

8 We have asked our defense agencies and
9 services to get us real time information on what the
10 impacts are to any part of our industrial base so we
11 can see if there are actions we can take.

12 I'll turn it over to Tim or Tony.

13 MR. HALE: Tim Hale from New Mexico. From the
14 state levels on all these things, we are really trying
15 to emphasize getting that interface with the PTAPs, all
16 those agencies that work through a lot of time the
17 state educational systems, through the junior colleges,
18 the CBOCs, community based outreach centers.

19 A lot of those things all have to come
20 together with all these programs coming through on the
21 Federal side to get the word out to the veterans out on
22 the street and in the small businesses.

1 From what we are seeing, especially in the New
2 Mexico area, the only Federal contracting area that may
3 have any growth in the next two to five years is
4 probably with the VA itself. We are trying to help
5 engage our state level businesses to be able to engage
6 and find those contracts because the DOD contracts are
7 obviously much decreased.

8 What we see from the state levels, it's really
9 the strategic communication, how to get that word out
10 to the vet entrepreneur on how to access, just as we
11 have been talking about for years. It's even more
12 important right now with the current Federal
13 environment.

14 MR. EILAND: One of the pushes we also have is
15 what are we doing to make sure the acquisition
16 community is becoming smarter on not only how they are
17 dealing with veterans but also how the veterans
18 community understands how to deal with the acquisitions
19 community.

20 We are talking about some of the initiatives
21 GSA has been doing on training, bringing knowledge
22 about, also how mentor partnership programs have been

1 used to also promote within DOD, VA and GSA veterans'
2 small business and Service disabled small business.

3 CHAIRMAN JEPSON: Great. Thanks for that
4 update. Moving on to the coordination of Federal
5 support. Matthew, if you are still on the line, we
6 will turn it over to you.

7 SUBCOMMITTEE REPORT ON COORDINATION

8 OF FEDERAL SUPPORT

9 MR. BLUM: Thanks, Rhett. I'll cover the
10 efforts we're taking in terms of finding greater
11 administrative relief and a couple of important updates
12 since we last met in May, I think.

13 One is that I'll give credit to our good
14 colleagues at SBA, they have finalized their
15 implementation of the set-aside authorities in the JOBS
16 Act for multiple award contracts. As we talked about
17 at many prior meetings, although this is general, it
18 isn't specific to the veterans community, it is a very
19 important step forward given the importance of the set-
20 aside rule, as probably the most effective way to get
21 work through to the small business community.

22 With that finalization, there will be some

1 further changes that will then be incorporated into the
2 Federal acquisition regulation but this will provide us
3 with an even further push forward in the use of order
4 set-asides under multiple award contracts as well as
5 important clarification on the use of commercial
6 contract set=asides, something that has been in the FAR
7 for many years but really has been drastically under
8 utilized because the procedures for using them have
9 been very convoluted and I think hard for people to
10 understand how to use.

11 Of course, all of this is combined with the
12 across agency performance goal that we have across
13 Government to get agencies to make sure they have good,
14 strong internal controls to increase the use of
15 set=asides under the simplified acquisition threshold.

16 I think again there will be more to come in
17 this area but the finalization of the SBA
18 implementation of Section 1331 is an important
19 milestone.

20 I wanted to mention that on July 11, OMB
21 extended its policy, quick pay policy, as I think folks
22 know it, which is designed to facilitate accelerated

1 payment to small business subcontractors.

2 For those of you who have not seen it, it's
3 Memorandum M-13-15. It extends the Memorandum that we
4 issued last year. It was a temporary policy to last
5 one year, but the overall policy initiative is designed
6 to create a long term solution for how we can
7 institutionalize incentives to get clients to pay
8 subcontractors faster. There was a waiver of cash
9 payment where the Federal Government automatically
10 accelerates payment to all businesses, including large
11 businesses, to then accelerate payment to subs.

12 There is only one way in which to address
13 this. As we have talked in the past and as was noted
14 in the memo, OMB is working with members of the FAR
15 Council to solicit public input on alternative
16 strategies, which can range from, for example, creating
17 a valuation preference for contractors that are willing
18 to have a more accelerated or lenient payment schedule
19 for subcontractors, to things like reconsideration of
20 whether we should reinstitute what is known as the
21 APaid Cost Rule,@ where primes don't get paid until
22 they have paid their subcontractors.

1 There are a whole range of policy issues that
2 we are looking at in furthering the accelerated pay
3 initiative, and I know it's obviously important to all
4 small businesses, and wanted to make sure folks were
5 aware of that.

6 Quickly, I just wanted to very briefly mention
7 as we are doing our updates to our reports, that you
8 had mentioned, Rhett, there is one recommendation, and
9 I know many folks here in our meeting today and within
10 the community have been thinking about.

11 I know my good friend, Jim Wilfong, I don't
12 know if he's on the phone today --

13 MR. WILFONG: No, I'm in the building.

14 MR. BLUM: Even better. Jim, this was
15 Recommendation 18. It was to examine the establishment
16 of a new small business procurement initiative for
17 firms whose total workforce is comprised of at least 35
18 percent or more by veterans.

19 I think when we started the conversation, we
20 were thinking a bit about whether this could be done
21 through the commission of some sort of set-aside. As
22 last year's report indicated, that may require

1 legislative action that could take time.

2 At the same time, we thought maybe we could
3 create an evaluation preference of some sort. We have
4 been having some conversations, and we are going to
5 accelerate these conversations with the other members
6 of the FAR Council, looking at some existing models.

7 One model is something that GSA created prior
8 to the express adoption of set-asides where they
9 authorized a preference credit in the evaluation of
10 schedule offers for those in furtherance of meeting
11 small business goals.

12 We were in the process of exploring whether
13 there would be a way where a contracting officer could
14 establish a similar type of evaluation criteria that
15 gives preference to percentage of veterans.

16 This is obviously something we are going to
17 want to do outreach on and get lots of input, given
18 there are a number of complexities in how you go about
19 doing the evaluation, is it more important the number
20 of employees that are being utilized, the quality of
21 the work they would be offered and so forth.

22 Obviously the more complicated the process,

1 the less likely it is it would be used. We want to
2 think of a smart way to do this and also a way in which
3 it will be conducive for businesses to take advantage
4 of this.

5 CHAIRMAN JEPPSON: Matthew, quick question.
6 As we proceed down this, do we see it applying to small
7 business or all procurement?

8 MR. BLUM: That's an excellent question. I
9 believe in the way the report was written, it was
10 focused on small businesses and consistent with the
11 push of this Task Force.

12 Just in terms of an employment measure, I
13 don't see why we shouldn't at least in conversation
14 consider a policy that might apply more broadly to
15 other than small businesses.

16 MR. WILFONG: When we put that together, we
17 were focused on small business. We would be happy to
18 have big business also.

19 MR. EILAND: If I could jump in. On the other
20 than small business, we have a lot of Service disabled
21 veterans that have now graduated to the next level
22 because they have either been successful, they have won

1 more contracts, they have hired more people, and
2 because of that, they have pushed themselves into the
3 arena where they are competing with the big 15/big 20.

4 We need to give them an opportunity to
5 survive, keep extending, keep growing, be competitive,
6 and not put them where we are stacking the deck against
7 large business. Just give them a chance to survive.

8 MR. WILFONG: Right.

9 MR. EILAND: I also have a few questions on
10 how this could be set up.

11 CHAIRMAN JEPSON: If I could interrupt, just
12 because we have people on line and we are at this crazy
13 table this time, if you could just identify yourself.

14 MR. EILAND: I'm sorry. Tony Eiland from GSA.
15 How they are set up for participation. I watched how
16 HUBZone had a problem where yes, they are meeting their
17 30 percent because they took everybody's hours from
18 being full time employed to being part time employed so
19 they can double up, only having to pay people for like
20 15 to 20 hours worth of work.

21 What you have done is perpetually put people
22 into having to work two jobs to survive. I want to

1 make sure by helping the community we don't hurt the
2 community.

3 MR. WILFONG: The devil is always in the
4 details, as we know. We just put forward the idea.
5 You're right.

6 CHAIRMAN JEPPSON: Ruth?

7 MS. SAMARDICK: On the line of Federal
8 contracting, the Department of Labor just yesterday
9 released its final rules, for veterans and persons with
10 disabilities, called the A503 Rules@ for Federal
11 contractor employment. Those become effective 190 days
12 from publication, which was yesterday.

13 That should strengthen the veteran employment
14 aspects of Federal contractors.

15 MR. BLUM: I think there are a very good set
16 of questions and answers that Office of Federal
17 Contractor Compliance published when the rule was
18 posted yesterday. People can go to the OFCCP website,
19 I think you can find a lot of easy to digest background
20 information in terms of the new hiring benchmarks and
21 data collection requirements that are part of this new
22 final rule.

1 MS. SAMARDICK: Yes. That's DOL.gov/ofccp.

2 MR. BLUM: Jim, if you have anything to add,
3 please do.

4 MR. WILFONG: I don't right at the moment. I
5 think that's a great one to be pushed forward. Of
6 course, I'm always interested in how the start up
7 capital coming from the G.I. Bill program is working.
8 I know we are moving forward on it. I guess I'm not
9 sure where we are.

10 CHAIRMAN JEPPSON: We think we have the
11 process in place now. The University of Utah actually
12 came and briefed us here. They have backed off a
13 little bit now so we are in the process of re-engaging
14 elsewhere on that. I'll go into it off line with you,
15 Jim.

16 MR. WILFONG: Okay.

17 CHAIRMAN JEPPSON: We think there is a lot of
18 opportunity and we are looking for a new partner in
19 that arena. We are ready to engage. This year, we
20 even had a little bit of money to put against it. They
21 were just unable to execute. They had some personnel
22 changes that were unfortunate at the time.

1 Secondly, we have had a lot of conversations
2 with a lot of people on the Hill about how we would
3 leverage that G.I. Bill for equity or capital or a
4 guarantee. We are in the process of working a white
5 paper on that right now.

6 There is a lot of traction for it right now,
7 but trying to come to grips with how we would actually
8 execute this and operationalize this still is one of
9 these things a lot like rulemaking that we are still
10 wrestling with. It will be our priority in the next
11 coming year to get the concept.

12 Everybody likes it. When it comes down to
13 execution, that's where it becomes problematic.

14 I think that concludes the Subcommittee
15 reports and updates. Thank you, everybody. Any last
16 minute add's before we move on?

17 (No response.)

18 CHAIRMAN JEPPSON: Several folks had
19 commitments to actually join the President for some of
20 his events today. We moved the Subcommittee reports up
21 front.

22 I'd like to go back to the top here and start

1 again. I talked quickly about the new Acting
2 Administrator who is here, a little bit about the time
3 line, report development, and some introductions to
4 folks on the team here.

5 Let me turn it over to my new Deputy, Barb
6 Carson, to introduce herself, and then we will go to
7 Craig Holiman and Nick, to introduce themselves real
8 quick and give a little bit of background to where they
9 have come from and specifically their Service time.

10 Barb?

11 MS. CARSON: I'm still serving as a Reservist
12 and I have both active duty and Reserve time. I look
13 forward to continuing that adventure. I am so happy to
14 see all the Services represented.

15 I've worked with several of you already. I've
16 been grateful for the warm welcome you have given me
17 and put me to work right away. For those I haven't
18 worked with yet, I really am looking forward to it.

19 I also owe a great thanks to Bill Elmore who
20 is on the line. You really set us up with a strong
21 start, Bill. I am really grateful to be on this team
22 for this opportunity.

1 A little bit about my background. I was
2 active duty following an Air Force husband who is a
3 pilot. You know, sometimes things don't work out for
4 both of you getting what you want.

5 I went to the Reserves. I have been a small
6 business owner in Okinawa, Japan. When we moved, I had
7 to close up my shop. I have some feelings on these
8 issues that we wrestle with, and I know as a spouse, as
9 a Reservist, they make a difference immediately. Thank
10 you for that.

11 I want to introduce Craig Holiman who is new
12 to our team as well.

13 CHAIRMAN JEPSON: Let me give you one alibi.
14 Barb is not only a public affairs officer, she's also
15 a nuclear command and control officer. Thank you.

16 MR. HOLIMAN: Hi, everybody. Craig Holiman.
17 I guess I'll start with my Service. I was eight years
18 active duty in the Navy, aviator, in a great airplane
19 but we don't have them any more.

20 I went through a transition and I was
21 fortunate to be able to go back full time to business
22 school where I focused on entrepreneurship and did a

1 start up and sort of got a real opportunity to see how
2 all that worked.

3 My start up didn't have a lot of Aup.@"

4 (Laughter.)

5 MR. HOLIMAN: I did have to go get a job at
6 that point. I went to the Dupont Company. I spent a
7 lot of good years at Dupont. I started the veterans
8 network at Dupont. Saw that big company perspective on
9 vets transitioning and what needs to be done to support
10 them, and that was great.

11 We worked with a lot of small businesses kind
12 of in a mentor protégée, not a formal mentor protégée
13 but similar to that.

14 From there, I went to run a trade association
15 that was working in that industry.

16 Touched on a lot of these contracting issues,
17 touched on some of the small business issues, and I'm
18 really passionate about trying to help vets in both
19 areas. Delighted to have this opportunity to work on
20 these issues and look forward to getting to know
21 everybody.

22 MS. SAMARDICK: Rhett, I want to point out

1 that is one of the very important things about the DOL
2 employment workshop, many people who seek to be
3 entrepreneurs at some point might find themselves
4 needing to find a job. I'm really happy now it's 100
5 percent mandatory.

6 MR. EILAND: It's called Plan B and Plan C.

7 MS. SAMARDICK: Exactly.

8 CHAIRMAN JEPPSON: There are a number of
9 start's that are not their first one usually.

10 MR. EILAND: It's the last one that matters.

11 CHAIRMAN JEPPSON: Nick?

12 MR. HARRISON: My name is Nick Harrison. I'm
13 the Presidential Management Fellow. Originally from
14 Oklahoma. My background as far as military goes is I
15 was three years active duty in the regular Army, spent
16 a lot of time up at Fort Richardson in Alaska jumping
17 out of airplanes up there.

18 I went back and finished my college degree,
19 started law school. Second semester in law school, got
20 pulled out of that to go with the Oklahoma National
21 Guard overseas to Afghanistan. That was about the time
22 of the Iraqi surge, so we were over there helping them

1 in the eastern part of Afghanistan, out past Jalalabad,
2 sort of that area.

3 About a year and a half away from home there,
4 on the ground there in Afghanistan. I came back,
5 finished up my J.D. MBA at the University of Oklahoma,
6 specializing in entrepreneurship. Just as I was
7 graduating that, they picked me up for another
8 deployment, this time I went off to Kuwait for about a
9 year.

10 Finished that, came back here, and I've been
11 here with the Small Business Administration working
12 with them.

13 CHAIRMAN JEPSON: I just wanted some of the
14 new members from my office to introduce themselves. As
15 you can see, we had a strong team that was led by Bill
16 for a long time, but we are plussing up, and I think we
17 have some real talent coming in to help us do some of
18 the heavy lifting that we plan.

19 As you look at the two Task Force reports that
20 we have written in the past two years, there are a lot
21 of good ideas there that we haven't operationalized
22 yet. Part of our challenge is to start to action and

1 operationalize those things.

2 As one of the guys I used to work for says,
3 you have to have the horses to ride. We are building a
4 stable. I don't mean to call you a horse.

5 (Laughter.)

6 CHAIRMAN JEPPSON: For what it's worth. We
7 have had a great team but we are building an even
8 stronger team to action some of that stuff.

9 Moving on, I'd like to turn it over to --

10 MS. McCLELLAN: This is Kim McClellan with the
11 Office of Veteran Business Development. I'm the one
12 that has been requesting input from members for the
13 report. We need input from the agencies that have not
14 given me input. If you have not sent me input, please
15 do so in the next few days.

16 The first draft would have some of the
17 information in there for you to review, add, and modify
18 later on. I would appreciate it if I could get that
19 from everybody.

20 Thank you.

21 MS. SAMARDICK: Kim, this is Ruth from DOL.
22 When you send us the draft, we will be adding to what

1 we already submitted to you, information on the rules
2 that were finalized yesterday. You never know when
3 those rules are going to go out.

4 MS. McCLELLAN: Yes. I heard things today
5 from Matt and Tony and Ruth, we got the information
6 from you, we thank you very much. I'm sure we will be
7 continuing to update the report before it goes to
8 final. Thank you.

9 CHAIRMAN JEPSON: Thanks. Thanks for that,
10 Kim.

11 Cal joins us from GCVD, he is going to talk a
12 little bit about the scorecard.

13 FISCAL YEAR 2012 SMALL BUSINESS SCORECARD

14 MR. JENKINS: Good morning. I wanted to give
15 everyone a quick update on the scorecard. Last month,
16 we issued the scorecard and Federal agencies as a whole
17 continue to make great improvement, went from 21.65
18 percent in 2011 to 22.25 percent. That is about \$89
19 billion in prime contracts to small businesses.

20 As it relates to Service disabled veteran
21 owned small businesses, we achieved as the Government
22 for the first time the three percent goal hitting 3.03

1 percent, and that is up when you look over time from
2 2004. We were .38 percent in 2004. Tremendous strives
3 to hit that.

4 We have also created a number of tools that we
5 think will be critical in assisting the agencies. We
6 have developed a simplified acquisition tool they can
7 look at, where those small procurements that should be
8 going to small businesses, to really find those and
9 identify those.

10 We also developed an opportunity tool where
11 things are going to small businesses yet there is an
12 opportunity where others in that same class or industry
13 is not going to small businesses. We think that is
14 critical.

15 We developed a new methodology for our
16 procurement center representatives where we deploy them
17 as well as a tool to look at how we select buying
18 activities for surveillance review, to try to work with
19 them to assist them to improve their small business
20 programs.

21 We think that along with a number of
22 provisions of the Small Business JOBS Act, we are still

1 in the process of implementing those provisions, as
2 well as NDAA provisions, quite a few there.

3 One of the big ones in that one, of course, is
4 the mentor protégée program Government-wide. Under the
5 JOBS Act, we had drafted the rules for mentor protégée
6 for Service disabled veterans, women, and HUBZones. We
7 pulled those back when NDA was signed into law, and now
8 we are in the final stages of drafting the overall
9 Government-wide mentor protégée program.

10 The idea is to make sure we are streamlining
11 in the sense that if you are a Service disabled veteran
12 and a small business, you don't have to apply twice.
13 You just apply once, and therefore, whatever program
14 you are eligible for, you would take eligibility to
15 either one of the programs.

16 We have since met with a number of the
17 agencies. There are about 13 agencies that have mentor
18 protégée programs. We met with a number of the
19 agencies with the exception of DOD, to look at how we
20 can pull pieces from their programs and incorporate it
21 into the Government-wide program.

22 Hopefully, we will have our draft regs within

1 30 days cleared. Our hope is to get it cleared through
2 this building and try to move it onto OMB, so that all
3 the Federal agencies will get an opportunity to see the
4 draft, and then from there, hopefully we will get the
5 green light to put it out for public comment.

6 Moving on that. That will be a significant
7 tool. It has been a tremendous tool for us in the 8A
8 program, both providing experience and opportunity for
9 8A firms, and we think the same thing will apply to the
10 other groups.

11 The program is going to be set up almost
12 identical as Congress required. It's going to be a
13 business development tool. Anyone the protégée joint
14 ventures with, we expect that mentor to bring to the
15 table some real development assistance to the mentor.
16 It is not just going to be for the mentor to get
17 contracts or for the protégée to get contracts, it's to
18 develop real good business development. We're going to
19 be tracking the business development assistance
20 provided and looking at how we can develop some
21 criteria as to success or failure.

22 Our hope is to get this thing up and running

1 and really provide additional tools out there.

2 We are almost finished with the five year, the
3 first cut review, we virtually reviewed all the size
4 standards and put those out for comment or have
5 finalized them. We are coming to the tail end.

6 As you know, the law requires us now every
7 five years to review all the size standards. We have
8 additional resources on board that is really helping us
9 get to the end of that. I think we are in good shape
10 there.

11 CHAIRMAN JEPPSON: Okay. Questions for Cal?

12 (No response.)

13 CHAIRMAN JEPPSON: Great. Thanks for being
14 here. When we talked about this scorecard, we used the
15 same methodology year over year. Whether we just like
16 portions of it or not, we use the same methodology, and
17 the continued increase we have had in veterans small
18 business spending, and the jump we had last year. It
19 really is an attest that we are doing a few things
20 right in that arena.

21 It was over \$1 billion increase in veterans
22 small business that were awarded prime Government

1 contracts, just over three percent. It's the first
2 time we have ever been over three percent. It was 2.65
3 percent the year prior. That is almost half a percent
4 in one year. We have made incremental changes, a
5 couple tenths of a point here and there.

6 To have a big jump like that, I think it
7 really is a tribute to a couple of things. One is the
8 scorecard and the impact it is having, the attention
9 that JCVD has, the different agencies reporting out,
10 the fact that the Administrator now has a Deputies
11 meeting where she updates them bi-monthly on where
12 their agency spend is on the scorecard, and also the
13 fact our folks at JCVD and the Administrator have
14 worked to ensure that all the procurement officials and
15 flag officers now have a small business element in
16 their performance reporting or their fitness reporting
17 in the Service.

18 I think those things coupled together have
19 really made an impact. The challenge now is to
20 maintain that three percent. We can worry about
21 whether this should be in or out, but if we can
22 maintain that three percent, we can start to have those

1 arguments about exactly how we counted or not.

2 I think it's a great accomplishment, and due
3 in large part to the efforts of our folks in JCVD
4 making sure veteran small business stays high on the
5 radar of the procurement officials.

6 MR. JENKINS: One of the things that NDA
7 required us to do is look at what is counted in the
8 scorecard. There are a number of exclusions that are
9 currently in there. For example, overseas procurements
10 are excluded. We are going through a total review
11 right now of every one of the exclusions to determine
12 whether or not those exclusions should be included in
13 the base, which hopefully will mean greater
14 opportunities, because all the set-aside rules would
15 apply.

16 CHAIRMAN JEPPSON: One of the agencies that
17 has a difficult time always with meeting the
18 contracting goals is Department of Energy. It's one of
19 the bigger spends in the Federal Government.

20 I can't tell you that we have an answer on how
21 to fix that yet. I can tell you this, our
22 Administrator has been over there with their principals

1 engaging them so we have done it this way a million
2 years, how can we fix it and how do we get small
3 business involved in that.

4 I can't tell you what the veterans' spend will
5 be on that. I know we are working hard on engaging
6 that agency in a very personal manner.

7 MR. JENKINS: The Administrator just met with
8 the Secretary last week, even though she's winding
9 down, at the same time, the focus is still on the
10 Department of Energy. They have made some very strong
11 commitments to us. We have now assigned a full time
12 PCR to their location to assist them.

13 We will begin to start to look at some of the
14 opportunities that might come out of that, and the
15 additional work. We hope to be able to see if there
16 are some opportunities there. Hopefully, we will just
17 keep the pedal to the metal and get some results.

18 CHAIRMAN JEPPSON: Great.

19 MR. BLUM: Rhett, I would just add, I think
20 folks know this, but Joe Jordan in his capacity as OFPP
21 Administrator, is also actively engaged in
22 conversations not only with respect to further progress

1 that can be made with Energy, as Cal outlined, but also
2 in working and thinking through ways in which -- Cal
3 mentioned this earlier -- the exclusions, when we make
4 revisions to that, what are the best ways to make sure
5 we are spending the greatest amount of time focused on
6 the areas where the opportunities are the greatest.

7 CHAIRMAN JEPPSON: Okay. Great. Thanks,
8 Matt, I appreciate that. I'd like to move along and
9 make the introduction real quick of Dr. Mike Haynie,
10 who is here from Syracuse University. Mike is the
11 Director of the Institute for Veterans and Military
12 Families. He handles the largest grants that we have
13 out of SBA. He has been a great partner of ours.

14 He runs two programs that I have asked him to
15 highlight here. One is EVB, which is a Syracuse
16 program, that my predecessor saw the value in and tried
17 to help where he could to support that program, and
18 then V-WISE, which is a program built off a program our
19 women's business development program ran, which focuses
20 on women veterans. It is just kind of a take off from
21 that.

22 I will tell you they are both excellent

1 programs, run well.

2 Before I turn it over to Mike, when I was on
3 active duty, I heard Admiral Stavrides speak about the
4 public/private partnership, and coming from the
5 military, I thought okay, it's a great concept. I kind
6 of scratched my head about how do we operationalize it.

7 When I came in and I saw V-WISE and I saw EVB
8 and the way we spend a little bit of public money and
9 whether it's private money, corporate, institutional
10 money, to pull off advance in programs that were of
11 real benefit and had real impact in a meaningful way, I
12 understood the public/private partnership.

13 I can't think of -- not that I know everything
14 in Federal Government -- I have not seen a better
15 example of money being spent than in these two
16 programs, where it has real direct impact in large
17 numbers of people.

18 With that, I will turn it over to Mike.

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1 ENTREPRENEURSHIP BOOTCAMP FOR VETERANS

2 WITH DISABILITIES

3 DR. HAYNIE: Thanks, Rhett. I'm a former Air
4 Force officer, I transitioned out in 2006. I was lucky
5 enough while I was on active duty the Air Force sent me
6 off to get a Ph.D. in entrepreneurship, so I could go
7 teach at the Air Force Academy.

8 I made my transition out of the military
9 directly to Syracuse as an entrepreneurship professor
10 with zero intent of doing anything related to veterans,
11 the military. I was going to be a college professor
12 and teach my classes.

13 One thing led to another, now this is all I
14 do, in the context of now running an academic institute
15 focused solely on vets. Our institute runs actually
16 five national programs right now focused on veteran
17 business ownership or business ownership for military
18 family members.

19 We will put somewhere between 2,500 and 3,000
20 individuals through those programs just this year.

21 As Rhett mentioned, he asked me to talk just
22 briefly about two of them. I'll just start with EVB.

1 EVB was something I started when I got to Syracuse
2 about three months after I arrived. I saw an
3 opportunity to leverage something myself and my
4 colleagues knew how to do, and that was teach and train
5 folks to go out and launch and grow new businesses.

6 The entrepreneurship program at Syracuse is
7 ranked, I think, number two this year in the nation.
8 We had some intellectual capital there that could be
9 leveraged.

10 I'll be honest with you, the founding of this
11 program was meant to be something I was going to do to
12 keep my Summer full. We had no idea where it was going
13 to go. The first program was delivered -- it's a
14 social venture of the University. What I mean by that
15 is it was and never will be a revenue generating
16 activity for the University, instead, it's actually a
17 cost center. We actually go out and raise all the
18 money privately to fully fund this program. It is
19 offered without any cost to the veterans whatsoever, to
20 include transportation, lodging, food, the whole nine
21 yards.

22 It happens over three phases of training, some

1 distance education, that we actually bring them to the
2 campus for a ten day experience in business ownership.

3 We bring in successful entrepreneurs from all over the
4 United States to teach in the program.

5 It truly is a bootcamp. We go from 7:30 in
6 the morning to 10:00 at night. We have a graduate here
7 in the room. Then we plug them into a technical
8 assistance model for the next year to help them get
9 their business off the ground, where we bring in
10 resource providers, our friends at the SBA, but also
11 many from the private sector.

12 For example, every graduate has access to a
13 small business lawyer through a partnership we created
14 with DLA Piper, which is the largest law firm in the
15 country. They get web design services, logo design
16 services, et cetera.

17 The story here is after we delivered the first
18 program, we had other universities come to us and say
19 we saw what you did, we can be part of this, too. We
20 launched what we call the EVB Consortium in 2008. That
21 was initially four universities, Syracuse, Florida
22 State, Texas A&M and UCLA. We have expanded that

1 network of schools now over the last five years or so
2 to currently include eight universities. We have
3 added, as you can see, Cornell, Purdue, LSU and UCONN.

4 In terms of outcomes, it has actually far
5 exceeded what we see through other -- I would say more
6 traditional and non-veteran entrepreneurship training
7 programs. Right now, we are at about 54 percent,
8 within four months of completing the program. At four
9 years, it's just above 70 percent of the graduates have
10 launched new ventures.

11 Last year, Inc. Magazine named it one of the
12 top ten entrepreneurship programs in the United States.

13 It has also been recognized by my profession, the
14 Academy of Management is essentially the professional
15 association of business school professors.

16 That slide just highlights some of the
17 demographic information about our participants, heavily
18 dominated by the Army and Marine Corps. For some
19 reasons that are intuitive, for other reasons that are
20 not so much. We have actually developed very close
21 relationships with those two Service branches in
22 particular.

1 We have a memorandum with the Army where now
2 active duty transitioning Service members who have yet
3 to actually separate, if they are accepted into the
4 program can come and participate on permissive TDY.

5 At this point, probably 20 percent of our
6 participants are still active duty Service members. We
7 are going down that same path with the Marine Corps.

8 Rhett, you look like you want to say
9 something.

10 CHAIRMAN JEPPSON: Is that something we need
11 to do with the other Services? I think that is
12 something we can help facilitate.

13 DR. HAYNIE: It was a game changer with the
14 Army. It really was. It was a relationship that
15 General Teague was able to establish with us and now
16 this program has become very integrated in the Army's
17 sort of Service delivery mechanisms, if you will, in
18 terms of how they support particularly transitioning
19 wounded warriors out of the Army.

20 CHAIRMAN JEPPSON: We could probably just get
21 them all with one shot with the DOD directive or
22 policy.

1 DR. HAYNIE: Sure; absolutely. The only
2 Federal money in this program that has ever been in
3 this program is actually a \$150,000 grant from the SBA.
4 The rest of it is entirely funded by the eight
5 universities that participate as well as their alumni
6 and corporate partners. Over the last five years,
7 those universities have put in about \$6.1 million to
8 pay the full freight for the 725 or so veterans that
9 have gone through the program.

10 You can also add to that the pro bono, these
11 programs at each one of these universities don't pay
12 for instructors, for space, et cetera. Universities
13 contribute all of that as well.

14 Because we built this program situated in a
15 higher education environment, it is actually a very
16 cost effective and efficient model. The national
17 average cost to put one veteran through the full
18 training to include the one year of post-training
19 support is about \$5,500 across all eight of our
20 universities. That is again because we pay nothing for
21 facilities, infrastructure, instructors. It's all a
22 service that is provided by each of the universities.

1 To wrap up EVB, we are at an interesting
2 kicking point with this program. Some of you may be
3 aware that 60 Minutes did a feature story on EVB that
4 ran back in May that has contributed to what I say on
5 that slide, capacity deficit.

6 We are at a point this year where we are only
7 able to meet in terms of applications to the program
8 somewhere in the 40 percent range of the total
9 applications that we have seats for. That is creeping
10 worse and worse.

11 Some of that is a function of 60 Minutes.
12 Some of that is a function of some of the relationships
13 that we have talked about in terms of integrating the
14 program more purposely with Army transition, Marine
15 Corps transition, as well as our SBA research
16 providers.

17 It is becoming more routine for folks at
18 SBDCs, VBOCs, et cetera, to refer veterans to this
19 particular program.

20 We are also working to build out this ongoing
21 technical assistance that we provide because we have
22 found, to be very honest, maybe even more than the

1 training itself, the fact that we continue to provide
2 this ongoing support in a very, very robust way, it
3 makes all the difference in the world with regard to
4 venture creation and sustainability of the ventures
5 that the veterans create.

6 Because we have this capacity deficit, we are
7 looking to make some decisions about whether or not we
8 are going to expand our consortium. We have about 14
9 universities right now that are interested in joining
10 the model. We are going to try to make some decisions
11 about October. Honestly, there are some funding
12 challenges associated with that, not with funding the
13 veterans going through the program itself, but as the
14 administrative model for this program, the national
15 administration of the program is actually headquartered
16 at my institute, so every application comes into my
17 team. There is a national program manager that builds
18 the classes for each of the universities.

19 As this program grows, that is becoming more
20 and more cumbersome of a model. We need to add some
21 resources to that. That is what we are trying to work
22 through with regard to making the decision, because we

1 do not want to -- I think we have demonstrated now we
2 are pretty good at what we do, we do it well, but this
3 program was never meant to be a super high scale model.

4 It's a high touch, high attention kind of program.
5 That is why we get the results we do and we want to
6 keep it that way. We want to be very careful about how
7 we scale up.

8 The other interesting thing and the last thing
9 I will mention is when we added Cornell University last
10 year, they were our first what we call EVB specialty
11 schools. Some folks may know Cornell University has
12 the number one ranked School of Hospitality in the
13 world. Our EVB specialty program for veterans who want
14 to pursue businesses in hospitality, so they tweaked
15 the curriculum model such that it is very focused on
16 hospitality type businesses, and every applicant to our
17 program who wants to pursue that kind of career now is
18 routed to go to the program at Cornell.

19 We are also looking at opportunities to add
20 additional universities as specialty schools in
21 possibly technology, possibly agriculture, and there
22 are a few others that have been suggested.

1 Are there any questions about EVB before I go
2 to V-WISE?

3 (No response.)

4 DR. HAYNIE: V-WISE. V-WISE is a program that
5 has really become one of the signature things that we
6 do, and I'll be perfectly honest, I did not expect that
7 to be the case.

8 This is a program that was actually created in
9 direct partnership with the SBA. Again, to be honest,
10 when I was approached by Marie and Bill about an
11 entrepreneur training program specifically for female
12 vets, I wasn't quite sold on the idea. That is because
13 as an entrepreneurship professor, I would not
14 necessarily train a woman to be a business owner any
15 differently than I would train a man, and as a veteran,
16 I jumped right to veterans.

17 I will tell you I don't often like to admit
18 when I'm wrong. I was really, really wrong on this
19 particular program. We built it. We delivered the
20 first one in San Antonio, Texas in May 2011. I was
21 blown away by the experience.

22 This program again involves some distance

1 education, but then we bring cohorts of up to 200 women
2 veterans at a time together in different U.S. cities
3 around the country for a three day conference style
4 training event that actually has two tracks of
5 training, depending on whether or not you are a start
6 up or aspiring entrepreneur or have an existing
7 business or looking to grow that business, you go
8 through that training conference sort of in a different
9 path. Again, plugged into a technical assistance and
10 mentorship model.

11 Since we launched the program in San Antonio,
12 we have put 937 women through it. You can see the
13 seven cities we have been to. We just wrapped up
14 Seattle two weeks ago. Our final offering in 2013 will
15 happen in November in Denver, Colorado. I certainly
16 invite anyone on the Task Force that wants to come out
17 and see this program in action, you are welcome to come
18 join us.

19 I will say in terms of outcomes of this
20 program, why I changed my view is because we have come
21 to learn that this program is about much more than
22 business ownership. Many of the women that participate

1 in this program walked away from their military service
2 when they took their uniform off and have never looked
3 back, if you will. It's a very, very emotional
4 experience.

5 It is absolutely common place to walk around
6 and talk to the women who are participating in this
7 program and to hear that they left military service, 5,
8 10, 15, 20 years ago, and have never participated in a
9 veterans' related event prior to this one.

10 You ask them why and you hear things like you
11 know, I don't feel welcome at a typical veterans'
12 event, I don't feel like I can share, I don't feel like
13 I can talk about what I want to accomplish.
14 Unfortunately, we also have heard over and over again I
15 don't feel safe. Physical safety has come up many,
16 many times.

17 If you will indulge me, I want to read
18 something, because I think this is so powerful. This
19 is just a couple of sentences from a note we got from
20 one of the women who participated in the program we
21 just wrapped up two weeks ago. I think it summarizes
22 the point I just tried to make, and it is similar to

1 literally hundreds of e-mails that I have just like
2 this.

3 AAlthough you may not have intentionally set
4 out to do this or even though it happened, the V-WISE
5 set in motion a healing in many of our lives. Many of
6 us came with stories, not just of war trauma, but
7 emotional trauma, sometimes caused by our own troops or
8 the organization itself.

9 It was an emotionally difficult weekend for me
10 as I returned to the good, the bad and the ugly. It
11 brought back a component of healing that I never
12 expected. I never expected or planned to look back but
13 as I did through V-WISE, I found a piece of myself that
14 I had carefully wrapped up and put away.

15 Thanks to V-WISE for returning it to me in
16 such a gentle way and helping propel us all forward. @

17 That summarizes probably the most powerful
18 outcomes of this program that we are seeing over and
19 over again.

20 We are very focused obviously on keeping the
21 V-WISE program not just going but growing over time.

22 In terms of funding, this was originally

1 funded by a cooperative agreement from the SBA and my
2 institute. It was funding that was not necessarily
3 legislated. It was SBA discretionary dollars that no
4 longer exist.

5 To keep this program going, working with the
6 SBA, this is Rhett's conversation about public/private
7 partnership, we have gone out and enlisted support from
8 the private sector to bring dollars into this program
9 so we can keep offering it.

10 Over the course of the last year and a half,
11 we have brought in about \$1.1 million or so from
12 several private sector sources to fund V-WISE. For
13 example, a center fully funded for V-WISE that we did
14 out in San Diego. Newman's Own Foundation just funded
15 the one we did out in Seattle in May. The city funded
16 the V-WISE we did in Chicago.

17 These are main SBA programs but we are
18 bringing in those private sector dollars so we can
19 continue to offer the program in the absence of new
20 funding from the SBA.

21 If you go to the second slide, you can see
22 some of the demographics in terms of who participates.

1 I realized after I made this slide that the 100
2 percent females was probably unnecessary.

3 One of the things next we are really excited
4 about, again, if we can find the funding, we are going
5 to hold our first national graduate conference in the
6 Fall of next year, where we are going to invite back
7 graduates from all of the different V-WISEs.

8 We will deliver three more V-WISEs next year,
9 if all goes according to plan, and then a national
10 conference in the Fall.

11 Because part of this really is about building
12 a community, we are working very hard to keep these
13 women connected with each other, build a support
14 structure so they can continue to go out and not just
15 launch businesses, but grow them and sustain them.

16 CHAIRMAN JEPPSON: I was just going to mention
17 so everybody knows, in the President's budget last year
18 and in the current budget, he requested funding for V-
19 WISE and for EVB to ramp up the level of funding.

20 In both cases, it's not a substantial amount
21 of money. In DOD, it wouldn't even qualify as what we
22 call Apalm dust.@ SBA is committed to finding that

1 money. Mike is right, it absolutely was not money that
2 had been earmarked. It was discretionary money.

3 The success of the programs have been so good
4 that it would be ridiculous for us not to continue the
5 programs. Again, with that small amount of public
6 money, with the work of Mike's organization, there has
7 been some great outcomes.

8 I would mention I went to EVB up in Syracuse
9 last year. If anybody knows anything about me, I'm
10 pretty passionate about the Marine Corps. It's a
11 family thing for me as well. When I was there, I had
12 the opportunity to meet several Marines who had lost
13 limbs, who were highlighted in the 60 Minutes video.
14 It was emotional and powerful. You saw the impact of
15 what was going on there.

16 Having said that, going to V-WISE really in
17 some respects is the flagship program, if I wanted to
18 show somebody what we are accomplishing in a meaningful
19 way, it really is impactful. I would encourage and
20 challenge you to get out to the one in Denver and see
21 what happens there. It is great.

22 If I'm showing somebody about how we are

1 spending money at SBA and helping create entrepreneurs
2 and changing lives, this would certainly be it.

3 DR. HAYNIE: There is one more thing I'll say
4 with regard to the private/public partnership. We also
5 for this program recently launched an arrangement with
6 Citigroup where we have created a business plan
7 competition attached to V-WISE, and Citi has put up
8 funding to provide awards, if you will.

9 This is really a way to get seed capital in
10 the hands of these ladies. Citi has put up a large
11 amount of dollars to support a business plan
12 competition that we will hold once a year. All these
13 participants can submit business plans, et cetera, and
14 then be eligible for that funding from Citi to get some
15 seed capital in their hands.

16 That's all I've got. If there are any
17 questions, I'm happy to answer them.

18 MR. WYNN: Joe Wynn. Just a quick question or
19 comment. I have talked to a number of women veterans
20 who participated in the program. You are right, they
21 do enjoy it quite a bit.

22 My question is what is happening after the

1 events in terms of business development? The other
2 thing, there is such good feedback about the time spent
3 together over those three days at minimal expense to
4 the veteran, why can't we do something like that for
5 the guys, too?

6 DR. HAYNIE: We absolutely could. The answer
7 is we could and we probably should. It all becomes a
8 resourcing question. I think you are right on. It's
9 the same thing that Rhett and Bill Elmore is on the
10 phone, we have talked about this. The opportunity to
11 scale up a lot of these programs for all veterans,
12 regardless of disability status or reduction in Service
13 area, et cetera, absolutely exists, and it's all a
14 function of how we bring resources, partnerships,
15 collaborations to the table in order to do that.

16 I will listen to, talk to and work with
17 anybody who can help figure out a way to make all that
18 happen. Part of this becomes -- we are learning a lot
19 as we go. You heard me say to be honest, I was not the
20 big cheerleader for V-WISE when it was a conceptual
21 idea. I was wrong in a big way.

22 Now I'm this program's biggest cheerleader.

1 I'm that community's biggest cheerleader. I think they
2 have been under appreciated, misunderstood and under
3 leveraged as a dimension of the largest vet community
4 and vet business owners.

5 CHAIRMAN JEPPSON: With the limited dollars
6 from Government now, with V-WISE, when you look at a
7 program we already had that we could easily change, it
8 made a lot of sense, but it gets at a certain part of
9 the under served community, the traditionally
10 disadvantaged, and I think there are others we can
11 apply that to.

12 What we are trying to do is to get the higher
13 touch, it may be a lower touch but in the higher volume
14 area, focusing on the transitioning vets.

15 That is a good way to lead us to Boots to
16 Business. Did you have any follow up?

17 MS. CARSON: He asked what happens after.

18 DR. HAYNIE: We have all that data. It is
19 actually on the slide in terms of venture creation
20 rates. It is a little less for V-WISE than it is for
21 EVB. I forget what it is on the slide, 56 percent
22 within two years, 40 some odd percent within six

1 months, I think.

2 Again, one of the benefits of running these
3 programs in an academic environment is there are a lot
4 of nerds who like to collect lots of data. We actually
5 reach out and touch every single participant from every
6 one of our programs before they start the training,
7 during training, after training. Every three months,
8 we do an assessment on where they are, et cetera, for
9 the first year, and then every six months in perpetuity
10 as long as they continue to talk to us.

11 For EVB, we have seven years worth of data for
12 every person that has gone through it. We are doing
13 the same thing for V-WISE.

14 We will be able to see real time what's
15 happening in terms of venture creation metrics,
16 sustainability, in a very robust way moving forward,
17 which I think again is one of the other advantages of
18 the program.

19 MS. CARSON: I would also add the institute
20 has done a good job of bringing in the partners that
21 are in that area, in the city, and that is something
22 that we are going to amplify in the future for V-WISE

1 specifically. SBA for the district or the region comes
2 to those and makes connections with women who are from
3 that area.

4 They are not just referred with a business
5 card. They make personal connections there through a
6 variety of different resource partners while at the
7 event and can follow up as needed based on their
8 business. There is even time for them to meet with
9 those folks around the table and choose where they want
10 their attention to be focused in the time after they
11 leave V-WISE.

12 DR. HAYNIE: A case in point is what just
13 happened out in Seattle. The SBA District Director out
14 there came and participated in the V-WISE program.
15 After it was over, she said you know, I was
16 transformed, I had no idea, and I will tell you for me,
17 what I'm going to set in motion, and this is the SBA
18 District Director, is I am for the first time going to
19 start holding an annual women veterans business
20 conference for that district moving forward.

21 Again, I think we left a little footprint, an
22 impact, that is going to endure out in that part of the

1 country as a consequence of exposing in this case the
2 SBA resource partners out there to the potential
3 inherent in this community.

4 MR. WYNN: What does it cost to do an event
5 like the one in Seattle?

6 DR. HAYNIE: It depends on -- this one is not
7 as easily generalizable as EVB because city by city,
8 it's a different cost. What we fund, we fund all the
9 program costs. We fund the lodging for the three days
10 for the women participating, food, et cetera. The only
11 cost to the participant is they have to get themselves
12 to the particular city.

13 For the on line, the residency, the conference
14 itself, if you will, and then the training and support
15 we provide moving forward, it can range anywhere from,
16 for example, in a low cost city, Jacksonville, Florida,
17 where we were last year, that came in at about \$180,000
18 to do the whole thing for all the women who
19 participated. In a high cost area, San Diego, that was
20 probably closer to \$250,000 for the entire event.

21 CHAIRMAN JEPSON: I think when you look at
22 the money that is spent on that and you look at the

1 lion's share is paid for out of private money, where we
2 have had that small amount of Federal money in there,
3 that is the leveraging, the power of partnerships.

4 DR. HAYNIE: We have very strategically worked
5 to find a private sector funder for San Diego, so that
6 entire San Diego V-WISE was offered without any cost to
7 the Government whatsoever.

8 MR. WYNN: What is SBA's contribution?

9 CHAIRMAN JEPPSON: It was part of a larger
10 grant. There were two grants together. I can give you
11 the details on that but for both grants over a three
12 year period, it was only \$2.8 million. That included
13 another grant that had a portion of that. I don't know
14 what the exact contribution breakdown was. In total
15 dollar amounts, it is not huge money.

16 Moving on to a high touch program, an update
17 on Boots to Business. Brian?

18 UPDATE ON BOOTS TO BUSINESS

19 MR. GOODROW: Good morning, everybody. I'm
20 Brian Goodrow from Field Operations. I work very
21 closely with OVBD and their team, so I work closely
22 with Nick and Craig. Craig and I, we both flew in the

1 military, and we still can't figure out why Nick would
2 jump out of an aircraft.

3 (Laughter.)

4 MR. GOODROW: I'm going to give you a snapshot
5 of where we are this calendar year in Boots to
6 Business. You have a handout because I know this might
7 be a little bit hard to read if you are down there near
8 Rhett.

9 CHAIRMAN JEPSON: This is the dashboard that
10 we use, this is what I tell the Administrator what is
11 going on in Boots to Business right now.

12 MR. GOODROW: Sure. I guess the first
13 question might come up is why are we using calendar
14 year instead of fiscal year. It is because that's when
15 we transitioned from the pilot program being pretty
16 much rolled out by Syracuse initially, being taught by
17 Syracuse, October/November/December last year, to
18 being taught by our resource partners and run by our
19 district offices.

20 We started doing that in January. DOD asked
21 us to roll Boots to Business out to 151 military
22 installations stateside, and so far, this calendar

1 year, we are at 101 of those bases. That is as of the
2 end of January. Right now, we are probably at about
3 115.

4 We looked at how we projected it out from the
5 beginning of the year, so we are ahead of the ball game
6 right now. We are ahead of where we thought we would
7 be. We pretty much limit it to once per quarter per
8 base.

9 There are times where we increase that, the
10 high volume areas, you might expect, San Diego, Fort
11 Bragg, Hampton Roads, some areas where we do it a
12 little bit more frequently.

13 In some of those areas, we see capacity is
14 maxed out, in some of those higher volume areas, even
15 with the increased frequency.

16 If you go back down to the number of courses
17 by Service, I guess it's no surprise that Army and Air
18 Force are up near the top, and the Marine Corps is
19 towards the bottom there. You will see the attendees
20 kind of match up.

21 I think what I want to point out here is we
22 are seeing an average class size of about 16. That is

1 holding consistent, about 16 plus or minus one. For a
2 while, we were up to 19, we are now a little lower than
3 that. In the last two or three months, it has pretty
4 much leveled out at about 16 students per class.

5 Across the bottom, you will see gender. You
6 will see the female breakout is 22 percent, I'm not
7 sure if it's significant or not, but across the
8 military, the percentage of females is 14 to 15
9 percent.

10 CHAIRMAN JEPPSON: On that note, one of the
11 things I thought was wow, females are really over
12 indexing, but then my new Deputy pointed out that's not
13 a good thing, it just means there are more females
14 leaving the Service now.

15 We do see just like in other programs, the
16 women Service members, the women are over indexing in
17 entrepreneurship at their choice.

18 MR. GOODROW: I do want to point out something
19 I pointed out the last couple of meetings by rank, and
20 that has held pretty consistent, too. When we group
21 these together with E-1s/CD-5s as being non-career,
22 with O1s and O3s that are non-career, when we lump

1 those two groups together, we get about 47/48 percent.

2 The non-career, about 47/48 percent.

3 When we put together those people who are
4 career, the 04s to 06s, E-6s and above, we get about
5 the same percentage. We see those two groups going
6 through Boots to Business at about the same rates, if
7 you will, the same percentage of troops overall across
8 the board.

9 I want to point out this is Boots to Business
10 stateside. This isn't Boots to Business international.

11 We do want to have a component eventually where we are
12 able to deliver the curriculum overseas.

13 We are looking at a couple of different ways
14 to do that. I think a lot of it depends on funding,
15 and I think Rhett wanted to talk about that a little
16 bit.

17 CHAIRMAN JEPPSON: Real quick. As you know,
18 Boots to Business was in the President's budget last
19 year. It's in the current budget, request for \$7
20 million. We had House marks at \$7 million and Senate
21 marks at \$5 million this year.

22 We did just see coming out of the Senate's

1 Small Business Committee, where they asked for a
2 technical review on a bill that is going to be proposed
3 to fund it at \$7 million, independent of the budget
4 process.

5 We will see where that goes. We know there is
6 a lot of interest in the White House and on the Hill to
7 ensure that we get Boots to Business funded. When you
8 look at the return on investment, it's a small amount
9 of money for a huge investment.

10 I think there are a couple of things that are
11 important on this slide. We are ahead of pace of where
12 we thought we would roll out on the bases. We actually
13 asked the Services to tell us which installations they
14 wanted us to go to and what they thought the frequency
15 would be.

16 Right now, we can service about 12 percent of
17 that requirement with the capacity we have right now,
18 saying with the Administrator leaning hard on the
19 resource partners and the district offices to get out
20 there and do that, we can get about 12 percent.

21 That 12 percent includes none of the overseas
22 locations. There are 50 overseas locations. There are

1 151 in the U.S. and that number is fluctuating a
2 little, but 50 overseas locations.

3 About 25 percent of the Force has no
4 opportunity to have face to face Boots to Business. We
5 have accounted for that in the \$7 million. We can't
6 get anybody with face to face hands on Boots to
7 Business.

8 We are in the process of finalizing -- Rachel
9 has been kind of our lead for this -- Rachel Roth, our
10 intern. We do have a curriculum to be offered to --
11 those of you in the Service are familiar with Joint
12 Knowledge Management. It's the joint on line learning
13 system. It will be offered there.

14 It's not bad. We have done a good job on it.

15 Of all the programs that are offered, I will tell you
16 this is the one that interaction matters huge. This is
17 about -- no offense, Ruth.

18 This is one where we are actually talking
19 about the business idea, that interaction between that
20 resource partner, actually talking to the student about
21 their business idea, and that ratio of 1:16 that we are
22 managing right now, that's a pretty good ratio. It's

1 enough for a good dialogue, but we don't want our
2 students getting lost on it, and they can actually talk
3 about that business idea and answer specific questions.

4 We need to be able to provide that instructor
5 overseas the same way we do stateside. We need to have
6 the capacity.

7 We are right now currently running waiting
8 lists in many of the installations because we don't
9 have the capacity. It's not just that we are operating
10 and getting by minimally, we are running a waiting list
11 now. That applies to not only that course but the
12 eight week follow on course that we offer now. We have
13 waiting lists of people waiting to start those courses.

14 As many of you know, we will probably be under
15 a CR for the first quarter at least this year. We are
16 working closely with our team here at SBA to figure out
17 how we bridge that until hopefully we get some type of
18 appropriation to take this to full scale.

19 Coming back to the slide, if you look at the
20 total numbers, in the first two quarters of this
21 calendar year, we did about 2,500 people, 2,500
22 students. We are on pace right now to have more than

1 2,500 on this quarter alone. You see the ramp up start
2 to go.

3 As the numbers start to go up, our resources
4 are headed in the opposite direction here. We are
5 keenly aware of that. We are working on it. What we
6 look at and what the Services tell us the demand is, we
7 play with some of the variables, it is somewhere
8 between 30,000 and 45,000 in a given year, somewhere
9 between 10 and 15 percent of the Service members who
10 will leave the Service.

11 It's imperative that we get this funding.
12 Again, this doesn't have the same touch as V-WISE or
13 EVB. On a large scale, this is a pretty efficiently
14 run program and has a pretty good curriculum, and if
15 they participate to the eighth week, they really get
16 the business planning essentials they need and go see
17 the SBA's resource partner, fully prepared, with a
18 business plan.

19 We are happy with where Boots to Business is
20 going. We do have concerns about what the future
21 effort looks like without additional resources. This
22 is one of the four key components in the new transition

1 JPS.

2 MR. GOODROW: One of the things that we did
3 early Fall into Winter was we did site visits around
4 the country to go ahead and solicit feedback from our
5 resource partners, district offices and the bases about
6 Boots to Business, and to answer questions they had.

7 We are about to engage in another round of
8 those. We found those very valuable here and so did
9 the field offices and resource partners who actually
10 deliver the Boots to Business program, the district
11 offices and bases found those very valuable.

12 We are about to engage in another round of
13 those starting in September in North Florida, later in
14 September, in California. We will continue those into
15 the next fiscal year.

16 MS. CARSON: OCONUS is one area we have not
17 been able to reach and there is one that is near and
18 dear to my heart, which is the Guard and Reserve. That
19 is also not covered in funding. Like Rhett said, I
20 like to move like water. SBA is reaching out to our
21 states. We have such a strong state partnership and
22 interest in veterans.

1 In the next 90 days, the Adjunct General of
2 each state is going to hear from the SBA. We may not
3 be able to give the full Boots to Business program, but
4 there are many people coming back from those long
5 deployments for the last time in 2014, and those people
6 have gone repeatedly, as we all know.

7 We are going to try to build that bridge to
8 entrepreneurship for those who want it. I really hope
9 it is going to be the full Boots to Business program in
10 the near future, but if it can't be for whatever
11 reason, we are going to get to those folks.

12 We look forward to your support in that
13 endeavor as well in the coming fiscal year.

14 Mike, do you have anything to add?

15 DR. HAYNIE: I think you folks said it well.
16 We are thrilled on how it's rolling out. The overseas
17 stuff, I really think is one of the big nuts to crack
18 here. I, myself, flew to Europe, two Air Force bases
19 over in England. I had some folks on my team that went
20 to Japan, Korea. All those classes were packed, and
21 they were packed because nobody ever gets over there to
22 provide that kind of service delivery.

1 Really, really appreciative Service members,
2 for the fact that somebody was coming over to actually
3 provide this training in person as opposed to a video
4 tape or whatever the mechanism might be.

5 The practical reality is that's hard and
6 potentially real expensive.

7 I think that is one of the really difficult
8 nuts to crack in rolling this out in a robust kind of
9 way.

10 CHAIRMAN JEPPSON: Just so you know, we have
11 accounted for it in the request that we have in the
12 President's budget to actually execute those. When we
13 get the appropriation, we think we will be ready to
14 roll.

15 Any questions on Boots to Business from anyone
16 on the phone or in the room?

17 MR. ELMORE: Rhett, on all the presentations
18 today, including Boots to Business, on the slides, are
19 those available to us somewhere on line or can they be
20 forwarded to us to take a look at?

21 CHAIRMAN JEPPSON: Let us get back to you. At
22 a minimum, Bill, if you could send a note to me, I'll

1 forward it onto the team and they can package these up
2 and send them out to you. I'll try to find a way to
3 hang them on line. Sometimes that can be a challenge.

4 I will either send you a link or the actual slides.

5 MR. ELMORE: Okay; good. Thank you.

6 CHAIRMAN JEPPSON: With that, I wanted to move
7 onto micro-lending, veterans micro-lending.

8 VETERANS MICRO-LENDING WITH DVAF

9 CHAIRMAN JEPPSON: We have seen that large
10 scale lending has come back well. We continue to make
11 a lot of the high dollar, 150 and above loans. We are
12 less than a third of what we did pre-recession in small
13 dollar loans, that is 150 and below.

14 Within SBA, we have taken several actions to
15 try and improve the small dollar lending. We have
16 reduced the lending fees to zero for small dollar
17 loans. We are working with the lending institutions to
18 highlight veterans and to get their lending commitments
19 to loans for veterans.

20 One area we have kind of had a gap in is the
21 micro-lending component. We have had the privilege
22 over the past year to start to work with our friends at

1 DVAF for the first dedicated veterans micro-lending
2 organization, an SBA approved micro-lender.

3 They are in the process of making some changes
4 to their program and trying to bring it to scale. I
5 asked them to come brief us on their institution and
6 where they are headed, what the road map looks like for
7 them. I think this is a key component to servicing
8 veteran entrepreneurs, those who have already existed
9 the Services, but if you look at the pipeline for Boots
10 to Business, you know if we are going to push 30,000
11 plus through the two day course, we look at the
12 attrition of that, you are talking 10,000 to 15,000 go
13 through the eight week on line course, and then you
14 have this demand signal from 5,000 to 6,000 veterans a
15 year who need small dollar loans.

16 We need to build capacity there. We see that
17 DVAF is one of those kind of tools in the tool kit of
18 SBA partners that can help service that.

19 With that, I'd like to introduce Amy, Julie
20 and Kelly.

21 MS. CAMPBELL: My name is Amy Campbell. I am
22 with Disabled Veterans Assistance Foundation. I am

1 here with my colleagues, Julie Ann Bender and Kelly
2 Engstrom.

3 Our organization, as Rhett mentioned, is going
4 through some transition right now. One of those
5 biggest transition pieces is our name. We have been
6 working with some private partners, some lending
7 institutions, and the feedback we have gotten is they
8 want us to expand our mission beyond the disabled
9 veterans population to the entire veterans population.
10 We are working on revamping the name to that effect.

11 My background is in banking. I'm a lawyer by
12 trade, came directly to DVA from Capital One where I
13 spent ten years in their finance world and also worked
14 with the community development bank at Capital One.

15 Our organization was founded in 2010. We
16 became the first micro-lender, SBA micro-loan
17 intermediary, that has a veteran focus, micro-loans to
18 veterans only. We are the first to have the national
19 footprint. With respect to the particular SBA program,
20 they are region based lenders, so we have the ability
21 to lend around the country.

22 We were founded with private capital. We now

1 have access to SBA capital, which will allow us to
2 increase our footprint and consider more loan
3 applicants.

4 This slide really sort of sets the stage for
5 where our organization sits in sort of everything that
6 we have discussed today. We have had the opportunity
7 to hear from folks on many of the training and
8 resources programs.

9 Our organization comes in -- we have the
10 ability to provide loans up to \$50,000 to qualified
11 vets. We have a very streamlined application process.

12 It's not like you are going to your commercial
13 institution and you have a month long process and a lot
14 of hoops to go through. We do have a very streamlined
15 process.

16 We fit in a place where there really is not a
17 lot of focus and there are not a lot of dollars
18 specifically dedicated to this level of lending to
19 veterans who are either starting or wish to sustain
20 their small businesses.

21 The organization was funded with private
22 capital, as I mentioned. To date, we have made 19

1 loans, just right around \$120,000. Each of those loans
2 is performing, all on time, which is really typical of
3 micro-lending, with the exception of one, but we are in
4 an active workout with that borrower, and it is still
5 performing and paying, just on a different payment
6 schedule.

7 The program itself has been quite successful
8 to date. We now find ourselves in the position where
9 we have access to capital. We are also in the process
10 of being in a program through Treasury, a certified
11 development financial institution. Once we have that
12 designation, we become much more attractive to
13 institutional lenders who have benefits of investing in
14 a CDFI. We will have access to additional capital and
15 resources once we receive that designation.

16 What we have been working on in the past
17 several months as we have spoken to lenders about
18 funding our operation, they really wanted us to come up
19 with an estimate of how many veterans we could be
20 helping.

21 With just the data that is out there from the
22 Boots to Business program, this slide essentially is a

1 picture of the impact we could have and we are seeking
2 to have over five years. I think that our goal is to
3 be able to provide funding to sort of a large
4 percentage of individuals seeking this type of funding
5 that come through programs like Boots to Business, give
6 them the initial seed capital they need to even start
7 their businesses.

8 The types of borrowers that we are targeting
9 are individuals that probably at this point would not
10 qualify for traditional funding. This is a typical
11 micro-lending scenario where you get individuals with
12 smaller dollar amount loans with a lot of touch from us
13 in terms of technical assistance, and we are able to
14 put money into their hands so they can start their
15 ventures or continue to grow them.

16 Any questions?

17 AUDIENCE SPEAKER: [Inaudible.]

18 MS. CAMPBELL: A total of \$120,000.

19 AUDIENCE SPEAKER: Since 2010?

20 MS. CAMPBELL: Yes. This slide highlights
21 where we would like to go in the next five years. I
22 mentioned we have been working with some financial

1 institutions where we have had very good feedback from
2 certain institutions to come in and help provide some
3 of the capital that we need in addition to the capital
4 that we have got from the SBA, through the micro-
5 lending intermediary program, but this will just tell
6 you our average loan size is \$10,000. Our goal over
7 five years is to make 10,000 loans with a total
8 portfolio of \$100 million.

9 I have already gone through most everything on
10 this slide. Again, we are targeting a population that
11 at this point in business development, they don't have
12 access to other capital or easy access to other
13 capital, at reasonable interest rates.

14 I think through the SBA program, the interest
15 rate is not too high. I think the maximum we can
16 charge is eight percent. It really is an attractive
17 lending source and gives folks the ability to really
18 get their businesses off the ground.

19 This is a slide that shows three of the
20 individuals that we have been able to loan money to.
21 Octavio has a construction business. He sits on our
22 Board of Directors. Misty Birchall runs an

1 organization called PubCakes. She received funding at
2 a critical time from us so she could open up her bakery
3 in California.

4 Folks around the table may be familiar with
5 Colin with Archi's Acres. He runs a veteran owned
6 organic farm and trains veterans in organic farming.

7 Not only have we provided capital to Colin but
8 also to a few of the folks who have attended training
9 at Archi's Acres.

10 CHAIRMAN JEPPSON: I'm sorry. Are you going
11 to show the video?

12 MS. CAMPBELL: I sent you the link. We
13 created a video that really gives a good picture of
14 what the organization is all about. We can play it.

15 (Video presentation.)

16 MS. CAMPBELL: That's the position we are in
17 right now, we are at the point where we have access to
18 capital and we are working to form some partnerships
19 with banks to help us launch to a greater scale the
20 program we already have in place.

21 We have only done 19 loans in a few years.
22 The organization, the original founder had to turn his

1 attention to family matters, so we have been retooling
2 over the past several months and making sure we are
3 able to achieve our original mission.

4 CHAIRMAN JEPPSON: Okay. Thank you. Any
5 questions?

6 MR. WILFONG: I have a comment. These young
7 people make the case for the G.I. Bill, the thing that
8 we have been talking about for the last three years.
9 Three years now, I've been talking about it before this
10 organization.

11 That is when they are young, they don't really
12 have any equity, and I think they could leverage that
13 equity with dollars like this. That was very good.
14 Thank you very much.

15 CHAIRMAN JEPPSON: Great.

16 MR. EILAND: I see the benefit to the Guard
17 and Reserve being augmented, a lot of their businesses
18 not being disaster proofed. This could be a solution
19 keeping them going at least for that six months to nine
20 months they might be completely out of pocket.

21 MR. WILFONG: Amy made the point at the very
22 beginning, and that is the people, the recipients of

1 micro-loans, historically, whether they are veterans or
2 not veterans, pay those loans back at a much higher
3 rate than other commercial loans are paid back.

4 They are the little people who take it very
5 seriously and make sure they pay back the loans and
6 don't try to escape from paying them, so it's a very
7 good investment for the Government.

8 MS. CAMPBELL: One thing I didn't touch on to
9 a great degree, you're absolutely right, part of this
10 type of funding, it's very high touch. We do not sell
11 the loans to anyone. We service them ourselves. If
12 there is a problem, we are on the phone with them.

13 MR. EILAND: You keep control.

14 MR. HALE: Amy, where are these available
15 right now? It looked like West Coast mostly.

16 MS. CAMPBELL: I mentioned we do have a
17 national footprint, so a borrower from any part of the
18 country can apply for a loan. We don't have that
19 constraint.

20 The constraint that we have right now is we
21 have access to Federal dollars and we are in the
22 process of fund raising some operational resources. We

1 have had some very good feedback and we are charging
2 hard right now. We have had some very good luck with a
3 couple of the big banks we are in talks with now.

4 CHAIRMAN JEPPSON: I can tell you this has the
5 attention of the National Economic Committee over at
6 the White House. When we take a look at the approach,
7 whether it's training and education piece, I think we
8 have some pretty good programs, we have some bases
9 covered. When we get to appropriations with Boots to
10 Business, we have that part taken care of.

11 The capital piece here, we have the high
12 dollar loan covered, we can do that at SBA, but we are
13 having a hard time with the 150,000 and below,
14 especially the micro-lending.

15 We need to have a lot of different ways for
16 veterans to be able to get that funding, whether it is
17 accessing it through some type of capital or guarantee
18 through their G.I. Bill, whether it is leveraging it
19 while they are in school, their start up, or whether
20 it's a micro-loan. We need lots of people in this
21 space here.

22 The reason I asked DVAF to come brief you is

1 because they are pushing forward. We would like to see
2 lots of micro-lenders here, but they are the first that
3 are here in a dedicated way for veterans. They still
4 have some things to work out so they can come to scale.

5 We need lots of people, lots of institutions in this
6 space.

7 When you look at all small business, a little
8 over 80 percent is self employment. It's only about 20
9 percent that actually have one or more employees. A
10 lot of the veterans are going to be self employed,
11 whether it's coming back and becoming that welder,
12 taking that skill, some other skill, becoming that
13 independent businessman, and for others who come to
14 scale, they will employ a lot of veterans, but that
15 small money -- we want to make sure we have people in
16 that space and the small dollar high touch.

17 That is why I am excited about where we are
18 headed with DVA.F.

19 AUDIENCE SPEAKER: [Inaudible.] In terms of
20 what you guys are doing, what is happening now
21 [Inaudible.]

22 CHAIRMAN JEPPSON: Patriot Express is still a

1 viable loan. Most of the Patriot Express, those can go
2 to 350,000. Those are high dollar loans. The low end
3 Patriot Express, 150,000 and below, because we use
4 intermediary lending, the banks, we still don't see a
5 lot of those. The bulk of Patriot Express are on the
6 high end.

7 It doesn't really get to the niche we are
8 talking about with micro-lending. Patriot Express is
9 offered through our traditional lenders and it offers a
10 7A and other big loans.

11 To think about DVAF, they are not a bank, and
12 they are focused on that smaller loan, and focused on
13 the social impact. You have to be focused on the
14 bottom line, no matter who you are. There is no sense
15 making bad loans. That does nobody any good.

16 When we get the high touch with an
17 organization that has a social mission more so than a
18 bottom line focus, that changes the perspective.

19 The incentive to make that big dollar loan --
20 the low dollar loan in a traditional bank, it is not
21 there, it's not enough return on investment for them to
22 underwrite that loan.

1 There are veterans companies out there that
2 need those million dollar loans. We have a well
3 developed program at SBA that can do that right now.
4 We see those loans are being made.

5 When it comes to start up costs, this is where
6 we need to focus, making sure there is access to
7 capital for those veterans, especially as we ramp up
8 with Boots to Business, as more veterans enter the
9 workplace, we want to have a range of places they can
10 go, and the micro-lender being one of those, and other
11 programs we are working on that are outlined in the
12 Task Force report.

13 MR. EILAND: I'm going to ask another
14 question. I get phone calls all the time on how can I
15 do the following for financing. Patriot is a
16 Government program. This is a 501(c)(3); correct?

17 MS. CAMPBELL: Yes.

18 CHAIRMAN JEPPSON: SBA approved micro-lender.

19 MR. EILAND: Can I talk about them so I'm not
20 looking like I'm being impartial here -- because they
21 are in cahoots with SBA, that makes it completely
22 legitimate; right?

1 (Laughter.)

2 CHAIRMAN JEPPSON: We refer people to the SBA
3 website. You can put in your zip code and it will tell
4 you who all the SBA lenders are in your area, who the
5 community development corporations are, who the micro-
6 lenders are.

7 I would tell them to go to the SBA website.

8 MR. EILAND: Okay.

9 CHAIRMAN JEPPSON: I would tell them there is
10 a range of options out there for you. There is the
11 traditional bank, intermediary lending banks, the other
12 institutions like community development corporations,
13 micro-lenders, that are also SBA lending institutions
14 that can provide service.

15 I would tell them not to just focus on the
16 banks alone.

17 MR. EILAND: You answered my question. You
18 knew where I was going with this. I would like to tell
19 people about you, but I want to make sure I'm not doing
20 you a disservice by doing it. If 100 people contact
21 you, then a complaint comes, well, Tony Eiland told me
22 -- no, I let you know they existed.

1 CHAIRMAN JEPSON: Okay. Jim?

2 MR. WILFONG: The micro-loan program for
3 veterans is such a very important one because of the 80
4 percent that you talked about. Very few individuals
5 need \$350,000. If they do, they are liable to get into
6 trouble. What they need is constantly turning over
7 5,000 to \$10,000. Working capital that they just keep
8 turning over, which is what the 7A program is basically
9 about, that part of it.

10 They need this small bit of equity or debt
11 somehow that has an eight or ten year term life on it
12 that will allow them to pay back their start up needs.

13 When you have trouble with the under \$150,000,
14 for a lot of small businesses, that really creates
15 problems for them. Lots.

16 MR. EILAND: Collateral.

17 MR. WILFONG: Collateral is a big one for
18 young vets, as we have talked about.

19 CHAIRMAN JEPSON: I will tell you, if we laid
20 all the things out on the table that are in the Task
21 Force report, and you look at all the challenges that
22 we face and the most critical need, and one of the

1 toughest things to come to is going to be this piece
2 here.

3 I think we need to have multiple lines of
4 effort on this problem set here, whether it is micro-
5 lending, use of the G.I. Bill, and other avenues to
6 provide capital to veterans.

7 MR. WILFONG: A combination.

8 CHAIRMAN JEPPSON: Amy, Julie and Kelly, thank
9 you very much for being here, appreciate it. Sorry to
10 change the order a little bit on you.

11 MS. CAMPBELL: Thank you for all the support
12 you have provided.

13 CHAIRMAN JEPPSON: We hope we can get this one
14 up to speed, up to scale quickly. It will be a big
15 benefit to our community.

16 With that, we have come to my favorite part of
17 the meeting, the public comments. We are happy to take
18 comments in the room or on the phone.

19 PUBLIC COMMENTS AND CLOSING REMARKS

20 MR. STONE: This is Arty Stone. I notice
21 there was no discussion, Rhett, on the House Small
22 Business Committee introducing a bill. [Inaudible.]

1 Does SBA have any contingency comment on that?

2 CHAIRMAN JEPPSON: Arty, I think it kind of
3 goes back to the same e-mail we sent you a while ago.
4 Although we certainly have strong opinions on this and
5 are thinking hard about this, we don't have any comment
6 or position on this.

7 Both the VA and SBA report to the White House
8 and the Administration, if this proceeds, will come
9 down with a position on where they stand on that, and
10 we support and work with the Administration.

11 I hate to give you vague answers on stuff like
12 that that is important to us, but that's where it is
13 at.

14 MR. STONE: If you're a Government employee,
15 you're supposed to give me a vague answer.

16 (Laughter.)

17 CHAIRMAN JEPPSON: Arty, it is a contentious
18 issue, and we all know that. It is one that a lot of
19 people are working hard to address and have the best
20 outcome. It is important to the veterans so it's
21 important to our community. Right now, we will hang
22 tight and see what happens here.

1 MR. STONE: As the only national publication
2 devoted to Service disabled veteran owned businesses, I
3 must ask you this, do you think your office or the
4 office that would handle this would do a better job
5 than the VA?

6 CHAIRMAN JEPPSON: I really can't comment as
7 to whether we would or not. I will tell you I have
8 great confidence in Josh Sharrock and his office. They
9 are talented professionals and they do what they have
10 been charged to do very well.

11 MR. STONE: Okay. Is that for the record?

12 CHAIRMAN JEPPSON: That Josh Sharrock and
13 those guys are great professionals and they do a good
14 job up there? Absolutely, that's for the record.

15 MR. STONE: Is there an insinuation in that
16 statement?

17 CHAIRMAN JEPPSON: No insinuation at all. I
18 will tell you Tom Leney is a great American and a good
19 friend of mine as well.

20 MR. STONE: Okay. Rhett, I'm sorry to put you
21 on the hot seat, if that's what that may be termed, but
22 I really appreciate it. Thank you.

1 CHAIRMAN JEPPSON: Thanks, Arty.

2 MR. WYNN: Let me thank you, too, Arty, I was
3 going to ask something similar. Mine is a little bit
4 different. I'm Joe Wynn with VET-Force.

5 I know it's kind of awkward to ask, you know,
6 would you guys want to take this over, but basically
7 what I wanted to do is at least put it out before the
8 Task Force, our concerns from the veteran business
9 community, that we are very much concerned about this
10 piece of legislation.

11 As many of you probably are aware, there have
12 been literally hundreds of veterans where it has been a
13 disservice to them to go through the VA verification
14 process and find themselves to be denied to do business
15 with the VA when they are already doing business with
16 other Federal agencies.

17 These are perfectly legitimate, capable and
18 qualified businesses, but because of the process and
19 the way the rules and regulations are applied at VA, so
20 many of our veteran business owners are denied.

21 There are a couple of unfortunate
22 repercussions to that. One is that there are a number

1 of agencies now who are looking to find out if a
2 veteran or Service disabled veteran business is listed
3 in the VIP Veterans Business Database, if they are not,
4 then they are subject to not being considered for
5 contracting opportunities at other agencies.

6 I just came from a briefing in St. Louis, the
7 VA Small Business Conference, and once again, the Army
8 Corps of Engineers point blank publicly said if you're
9 not in the VA verification database, your chances of
10 being selected will be limited.

11 Of course, there are some agencies who are
12 point blank saying if you're not in there, we're not
13 going to even consider you, even though the law says
14 self certification for all Federal agencies still
15 applies.

16 It's just leading to more and more confusion.

17 The fact that now we have this legislation on the
18 table, not sure how fast it's going to be moving, of
19 course, as Congress comes back in session, there is
20 going to be some discussion about it. They are already
21 talking about having a hearing on it in late September.

22 I just wanted to put it out before the Task

1 Force because the purpose of this Interagency Task
2 Force, as we understood it, was to look at ways to
3 increase contracting opportunities for Service disabled
4 and veteran owned businesses throughout the Federal
5 marketplace.

6 We hear a lot about the opportunities for
7 veterans to start businesses, of course, we all know
8 many of those just starting are not going to do a lot
9 in the Federal marketplace until they have a couple
10 years' track record.

11 What do we do about increasing those
12 opportunities for our veteran business owners? We
13 actually had a meeting here of the Task Force a few
14 months back where there was talk about having a
15 Government-wide verification program and looking at VA
16 as being the model.

17 If VA is to be accepted as the model and it is
18 denying hundreds of veterans, capable and qualified
19 veterans from participating, I think that would be a
20 sad mistake to use that as a model.

21 Now we have an opportunity, do we move this to
22 SBA. My question is number one, does the SBA have

1 veterans' best interests at heart? We know SBA manages
2 a number of preference programs, Women, 8A, HUBZone.
3 Would SBA really have the best interests of veterans --
4 this is what is coming to me, and it has been going on
5 for a while. Some of you have heard similar concerns.

6 The other thing, too, is if the program was
7 moved

8 -- the verification process was moved under the SBA
9 instead of VA, there was a concern about the funding
10 aspect even though there is a reference in the proposed
11 legislation that the funding that exists for it now
12 would still continue to exist even if it was under the
13 SBA.

14 There is the appeals process that veterans
15 don't really have now at the VA. Under the proposed
16 legislation, they would have an appeals process if they
17 felt they were wrongly denied.

18 That has been supported by many people at this
19 point. There is still the concern that one more
20 additional program under SBA, would it ultimately get
21 lost somewhere lower down on the totem pole, and there
22 is even some talk about SBA being moved to the

1 Department of Commerce, and many of the programs being
2 lost. That is probably far off in somebody's
3 imagination.

4 Again, the concern about whether this program
5 should be moved from VA to SBA. I would just like the
6 Task Force members to take it under consideration and
7 provide some feedback and guidance as you see fit. We
8 would like to try to find the best opportunity for our
9 veterans, just like what has been discussed here by Amy
10 and Rhett. Trying to do the best for veterans, well,
11 let's really take a look at this legislation while it's
12 on the table. If it's the best thing to do to move it
13 to SBA so we have a more consistent process among all
14 preference programs, small business programs in the
15 Federal marketplace, let's do that.

16 MR. STONE: Joe, nobody could have said it
17 better, my friend. Absolutely no one. I will be in
18 touch.

19 MR. WYNN: Thank you, sir. That concludes my
20 remarks.

21 CHAIRMAN JEPSON: Thanks, Joe. Any other
22 public comments?

1 MR. ELMORE: I know I'm no longer there and
2 I'm pretty happy about that.

3 (Laughter.)

4 MR. EILAND: We miss you.

5 MR. ELMORE: I really just wanted to say thank
6 you because not only to be able to listen in, ask a
7 couple of questions, but more important, to hear the
8 progress that has been made, that continues to be made,
9 and to see the progress and discussions around some
10 very interesting and potentially game changing ideas
11 and issues that we were able to put in motion when I
12 was a member of the Task Force.

13 It is very heartening to me. Just thank you
14 to everybody, except Tony Eiland.

15 (Laughter.)

16 CHAIRMAN JEPPSON: Bill, thanks for those
17 words. We are really kind of building off what you and
18 Marie did. I will tell you the foundations you laid
19 and the first Task Force report and then as we wrote
20 the second one, those really are the road maps that we
21 want to use as we push forward here.

22 I just wanted to ask real quick if any fellow

1 Task Force members have any closing comments they
2 wanted to make?

3 (No response.)

4 CHAIRMAN JEPPSON: I want to thank everybody
5 for being here today. I appreciate it. I will
6 continue to act as the Chair until we get a new Deputy
7 in place, and then we will make an adjustment there.

8 This is my first time being here without
9 Marie, and I have to tell you, I liked having her here.
10 She has been a great partner and friend of ours and we
11 really do miss her.

12 I hope you know this, but we are committed to
13 action on the things in the Task Force report. We are
14 committed to taking the new ideas that you as a
15 community and Task Force members bring to our attention
16 and put those into the report.

17 In my Reserve job, one of the things I've been
18 asked to do was look at the strategic plan for the
19 Marine Corps. You kind of come up with those
20 objectives and then you come up with an implementation
21 plan, and then you come up with that operational plan.

22 I think we are kind of midstream right here.

1 I know it's kind of maddening, we are moving at the
2 pace of Federal bureaucracy, but we are in that
3 critical time frame here where we have had the good
4 ideas, we are about to operationalize a few of these,
5 not as quickly as we would like, but this is time for
6 us to double down, roll up our sleeves and put more
7 effort into making some of these things happen.

8 It will have a huge impact, and I can promise
9 you that the SBA under Jeanne's tenure and my office,
10 both Barb and I are her, we are fully committed to
11 implementing those things, and we will push just as
12 hard as humanly possible to make those things happen,
13 working with you and your staff, the Hill and the White
14 House.

15 I thank you for being here. I appreciate your
16 comments and your input.

17 I do have one action item I am going to
18 publicly pass off right now, I will take care of the
19 VSO engagement plan at the executive steering committee
20 level, that will be myself, the Chief of Staff of VA,
21 Assistant Secretary Kelly out of DOL, and Assistant
22 Secretary Boraff.

1 I will bring that up to their attention and
2 come up with a plan. The specific action item will be
3 to Craig Holiman here, to figure out how we bring the
4 VSOs in as we do our staff site visits here in the
5 coming year, starting next fiscal year.

6 Ideally, what I would like to see with the
7 VSOs is that we do several here in the D.C. area and
8 the East Coast, which are easy to get to. You can
9 actually come and participate and give us your
10 feedback.

11 Happy to sit down and give you specific
12 briefing's on what the pipeline looks like as we move
13 through the two day into the eight week course, and
14 happy to have your feedback, especially for those of
15 you who have economic development arms or training arms
16 of your VSOs.

17 We are committed to being good partners with
18 you here, and we appreciate your feedback. Sometimes
19 it is contentious, but we all have one common goal in
20 the interest of vets, the benefit and welfare of our
21 veterans. That is why we are here.

22 With that, I thank each of you for your

1 participation. We will look forward to having our next
2 meeting on or about the 5th of November. That will be
3 the one with the highlights of the Task Force report.

4 Thank you, everyone, for attending, we
5 appreciate it. Enjoy the rest of the day.

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7 (Whereupon, at 11:30 a.m., the meeting was
8 concluded.)

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