Welcome/Administrative Business/Updates  
Barbara Carson  
Office of Capital Access, Manny Hidalgo  
Office of Government Contracting, Ken Dodds  
Women Veterans Owned Small Business Resources, LiftFund Presentation, Lisa O’Briant  
Member Updates/Reports:  
DOL - Bill Metheny  
DoD - Shannon Jackson  
GSA - Amando Gavino  
OMB - Matthew Blum  
MOAA - Lisa Bainton  
American Legion - Michael Phipps  
VA - Beth Torres  
Public Comments/Discussions  
Closing Comments/Adjournment  
Recorded by: Jennifer Metcalf Razzino
going to. I just found out myself.

MS. CARSON: Yes. The Deputy Administrator will be joining many of our veteran events, and so we’re looking forward to engaging, especially with the veteran service organizations and military organizations here, to find new ways for her to be engaged in the work that we’re doing.

MS. LESLIE: And, so, with that, I will turn the floor back over to Barb for the roll call, and I wish you all a very successful meeting today. And if you have any followup, please let Barb know and she’ll bring it right to me.

Thanks so much. Enjoy.

MS. CARSON: Thank you for joining us. All right, we will go ahead and proceed, and we’ll start with roll call in the room first. Mr. Phipps, may I start with you, if you’ll say your name and who you’re representing.

MR. PHIPPS: Michael Phipps, the American Legion.

MS. BAINTON: Amanda Bainton, the Military Officers Association of America.

MR. GAVINO: Amando Gavino, GSA.

MR. LENEY: Tom Leney, Veterans Affairs.

MR. JACKSON: Shannon Jackson, DOD.

MR. BLUM: Matthew Blum, Office of Management and Budget.

MR. THOMAS: This is Mark Thomas. Has the meeting started yet?

MS. CARSON: The meeting is in progress, and can anyone on the phone hear me at this time?

MR. THOMAS: Can anybody else hear me?

MS. CARSON: Just one moment. We’re going to work on audio.

MR. IGNOSH: I think at the very beginning somebody invited us to give our name and business. I think that was before you popped on, so I think they haven’t heard anything from anybody.

MS. CARSON: Just one moment. We’re going to work on audio.

MR. IGNOSH: I think at the very beginning somebody invited us to give our name and business. I think that was before you popped on, so I think they know we’re here. (Brief pause for audio analysis.)

MS. CARSON: Please stand by. Unfortunately, you’ve just missed the remarks of the Deputy Administrator of SBA, but we are continuing roll call here. Just a moment, please.

MR. ROCKEFELLER: Goof afternoon. Mark Rockefeller with the Street Shares Foundation.

MR. METHENY: Bill Metheny with the Department of Labor.

MR. HIDALGO: Manny Hidalgo with SBA Office of Economic Opportunity.

MS. CARSON: Okay, and on the phone, if you’d like to identify yourselves, you may go ahead.

MR. ALCORN: Patrick Alcorn, Veterans Business Outreach Center, Arlington, Texas.

MR. TORRES: This is Beth Torres, VA OSDBU.

MR. THOMAS: Mark Thomas, Big Sky Innovative Group in Rockville.

MS. CARSON: Okay, thank you so much. We are going to go ahead and jump right in. We’re going to start with Office of Veteran Business Development updates, and then I’ll be turning it over to Manny Hidalgo from the Office of Economic Opportunity to talk about access to capital, some challenges that we have seen and how he is doing some great work to address them.

Hopefully, those of you on the phone can see slides, and if you can’t, you can write to us and we’ll get them to you at veteransbusiness@sba.gov.

MR. IGNOSH: This is Paul Ignosh from VetForce. I’m here.

MS. CARSON: Thank you. The Veteran Business Outreach Center funding opportunity is our first topic. Each of the veteran business outreach centers will end their grant periods at the end of April 2018. We’ve been working for almost a year to identify our performance metrics, how we’re measuring against them, the resources available, and how best to meet the mission, which is, by statute, to serve transitioning service members, military spouses, reserve and guard with information about small business ownership and the resources that SBA provides.

This funding opportunity -- of course, the funds are available -- will be released around the 1st of November. We expect that it will be available to the public for at least 45 days. And we will begin evaluating and making selections that will be complete in March, so that there will be no disruption in service for our veterans and service members.

If you want more information on that, it will be developing as the fiscal year kicks off, and you are always welcome to reach out to us and ask, but I do want you to help us get the word out about this funding opportunity. As you may know now, we have 20 veterans business outreach centers around the country, and they’ve done an incredible job of increasing their participation in Boots to Business, and certainly more veterans than ever.

I’m also pleased with how they are referring clients to other SBA resource partners so that...
veterans, military spouses, and service members are
getting the exact service they need from the resource
provider that can give it to them.

On the next slide, we are having the annual
National Veteran Small Business Week. It is 30th of
October through November 3rd. The theme this year is
Moments that Matter in your entrepreneurial journey, so
tings like getting that first contract, getting a
loan, finding the right mentor. And we will be doing
tiges on business owners that focus on these
topics, and we encourage all of our stakeholders and
other agencies here to highlight the contributions
you’re making. And if you’ve got success stories, we’d
really like to get them included in what we’re doing
here.

What the themes of the day are, they’re
tative, they don’t have to be this way, so if you’ve
got something that you think would line up well and it
is on a different day, please bring it to us. We’d
ove to be engaged with what you’re doing. In the
past, we have trained over 6,000 veterans face to face
in this one week with over 150 events around the
country. We expect that it will be similar this year,
but I know we can do more. Let’s engage in different
ways as well.

The website will be available shortly to see
where these events are happening around the United
States, and the website will be SBA.gov/myvetbiz, and
that will be the same hashtag that we used this year,
#myvetbiz. So there’s more information on the slides
on who to contact if you’ve got any questions or want
to get involved.

I have some quick updates with dates of our
programs. We now have, across five grant programs, 33
grantees who are doing work for veteran
entrepreneurship around the country. That is a lot of
growth in the past two years, and we’re incredibly
lucky to have these partners. So they are all listed
here, for those of you who have access to the slides --
they hyperlink, so that you can see for yourselves
descriptions of the programs. And the addition here is
the dates that these are occurring.

So on the first, we have service-disabled
veteran programs; and the next page is the women
veteran entrepreneurship training program grantees. A
highlight here, for those of you who know, we always
have our federal advisory committees back to back.
Tomorrow is advisory committee on veteran business
affairs, an all-day affair, and we are focused on women
veteran entrepreneurship in the morning.

We will have speakers from each of our three
grantees working with women veterans, as well as a
preview to some research projects that will be released
by the National Women’s Business Council later in
November or October, but they’re coming tomorrow to
tell us a preview.

And finally on this page, we are making an
announcement today. I have not seen it go public, so
you’ll have to be waiting with baited breath for the
close of business for the announcement on the awardee
for the Veteran Federal Procurement Entrepreneurship
Training Program. It’s a mouthful, but it’s incredibly
meaningful too. We sought an existing program that has
measurable performance outcomes in getting veteran
businesses more competitive for federal procurement
opportunities, and I know Tom Leney is smiling at me.
This is how we get them procurement-ready so they can
do business with the VA and others.

For entrepreneurial development, a short focus
on Boots to Business. I usually give you metrics
slides at this time. We’re going to just -- we’re
going to talk about some of the curriculum
improvements. And we did seek feedback from
participants, instructors, resource partners, SBA
employees, anyone who’s engaging with this to say how
could we make it more meaningful and effective.

So we have had consistent concern about a
couple of modules, and they got major rewrites. We are
incorporating things from the Department of Labor about
American job centers and how that can be a great HR
resource to a small business owner. USDA will be
joining with resources for rural businesses. For
example, if you happen to have a nail salon but it’s in
a lightly populated area, there are some funding
opportunities that are available for businesses in
cases like that. And you might be surprised what is
considered rural. There are a number of places right
outside our, you know, metropolitan area, here in
Virginia, for example. So things like that have been
added.

And we’re also making the language a little
easier to understand with examples that one can follow
without an academic degree because really SBA believes
that you can do this with technical assistance and
don’t necessarily have to have an MBA to be successful
small business owners. So let’s bring it down to a
level that makes sense for a two-day survey of
entrepreneurship.

Finally, on the next page, the follow-on
courses. There was one offering in the past, and that
was the Syracuse University’s Institute for Veterans and Military Families eight-week online course. They have been awarded, along with Cornell University, a follow-on training award. They’re going to have a different take on it, a little bit more on market research and how to, beyond feasibility, really getting to the next step, ready to launch.

We have a product from Mississippi State University, the other awardee, that is using what they’ve learned from a grant from SBA last year called Lean for Main Street, to introduce some concepts that are really popular in the entrepreneurial community now. So two different tracks. We’re working right now on the value propositions on how to describe those so that people who are leaving Boots to Business know which one is right for them.

So we expect to be refining those through the first quarter of the next fiscal year, which begins in October, and I will tell you more about it and how they’re performing in December.

That covers a few of our slides. We are having early December meetings, so please get those on your calendar now and join us again on the 6th of December for this meeting at 1:00 p.m. and the 7th for the Advisory Committee on Veteran Business Affairs.

Next time, we’ll be talking about the All Small Mentor Protégé Program. It will hit its one-year anniversary October 1st.

We’ve already learned a few things. There are some great participation rates from veteran-owned businesses, but we do have some concerns for the type of assistance being requested, financial. We want to talk more clearly about what it means for someone to have an equity stake in your business and what you need to look out for. So we’re seeing some trends that we’d like to address.

And we also will cover federal contracting verification, as well as commercial supply chain certifications or verifications that are happening in the private sector as more commercial sides want to do business with veteran-owned and military-spouse-owned companies, some of the great opportunities out there, and also some advice. So we’ll have presenters from veteran businesses, as well as some of the organizations offering certifications.

Now I am pleased to turn it over to my colleague, unless there are any questions. No? Okay, Manny Hidalgo from the SBA’s Office of Economic Opportunity. And the landscape that we’re setting here is for these Boots to Business graduates -- we’ve trained over 65,000 now since 2013 -- and what they learned about in the curriculum was SBA’s 7(a) loans, 504 loans, maybe some angel investing, and things that were perhaps out of reach for someone who’s in the ideation stage and working on their feasibility analysis, but a more realistic first step is where Manny comes in and his team, and also on the commercial side. And I will be pleased to hear some comments from Mark Rockefeller of Street Shares Foundation on where you might see intersections with what the Federal Government is doing.

So, Manny, I’ll turn it over to you.

MR. HIDALGO: Make sure I turn this on. Okay. So when I first came to the SBA, it was in January, one week before the Inauguration. So I was essentially the first -- or the last -- I think I was the last CES of the prior Administration. And, so, when I came, we didn’t have an administrator. And at one of the first meetings, I thought maybe Barb was the administrator because they had given you some major title. And I was like, I don’t see her running WWE, but you never know.

But, seriously, you know, she is just a natural born leader, and I know you guys -- I’m probably speaking to the choir, but, you know, when I first started, she was probably the first person I met with because I was looking at our numbers and realized that we were up in every category except veterans, and that just didn’t make sense to me. To me, it’s such a natural market for microloans and for community advantage.

So she agreed to have coffee with me, and we ended up realizing that there is so much opportunity here to collaborate, and now, you know, we’re going to have an opportunity to really do that, and so I’m excited about that. And I can just tell you that on behalf of my team, OEO, this is a major priority for us. And we are looking forward to growing our impact among veteran borrowers, among veteran businesses.

And, so, it’s exciting, and I hope this isn’t the last time I get to speak with you.

So just to run you real quickly through what we do here -- that’s why I shouldn’t have the clicker because I don’t know how to operate it. That’s all right. You can still do it from there? Okay.

So just to give you a quick rundown, essentially we have four major programs. One of them we’re still servicing, the program’s no longer in operation, but that’s the ILP program, the Intermediary Lending Pilot Program. It was a pilot, so they came to an end, but we still have a lot of loans that we’re
A fantastic program. It’s been around now for 25 years. This is our 25th anniversary, and we’ve already done close to a billion dollars in this program. I think well over 60,000 businesses have borrowed through our program.

Then we have the PRIME Grant program. PRIME is specifically for these microlenders or national organizations that build capacity of microlenders.

It’s a grant program. They can get up to $150,000 if they’re a microlender and up to $250,000 if they’re a national organization building capacity. And I’ll get into more details a little bit later. But -- so those are four main -- like I said, ILPP was a pilot, so that’s no longer active; the other three are very active.

If you go to the next slide, you can see here the overlap I mentioned between the CDCs, the microlenders, and the CDFIs. So, essentially, we’re up to -- this says 121. We added a few more, but as of the end of June, 121. You could see 58 of them in addition to Community Advantage are microlenders, so they can do the whole space, from $500 to $50,000 -- or, no, to $250,000 by having both the Microloan Program and the Community Advantage Program.

You can see we have 49 CDCs. Now, those CDCs are the ones that do the 504 loans as well, and those are up to $5 million loans. Those are significantly sized loans for businesses that want to purchase their building or basically manufacturing equipment, anything that has a long shelf life, they’re also capable of doing that.

And, then, the largest share of microlenders are the Community Development financial institutions, certified by Treasury. I know we have Treasury here.

We made -- so far, we’ve already made since 2011 when this started, 3,500 Community Advantage loans for about $451 million, and the average loan size is about $132,000. So it shows where that sweet spot is in terms of the underserved businesses.

And something I should have said -- you can switch to the next one -- is also -- so the Office of Economic Opportunity, so our market are the folks that have the hardest time reaching capital. So that, of course, includes veterans. It includes women; it includes minorities; it includes low-income; it includes startups. And, essentially, these are all folks that are often excluded from mainstream financial markets.

Perhaps the biggest reason -- the Federal Reserve did a whole study on this, why are these groups...
and yet, you know -- and we've measured that

So you can imagine after the recession in particular, when it comes to Latinos and African Americans, huge loss of household wealth. So that's going to always impact the ability to receive credit.

The other thing is the size of these loans. Banks have to do just as much underwriting for, you know, a $5 million loan as they have to do for a $50,000 loan. So clearly they're going to choose the loans that get the better return on their time investment. So that's another reason why.

And then we also have data that shows. I mean, there's blind testing that's being done now by SBA but by national advocates out there where they're sending in a woman, a Latino, an African American, a veteran, you name it, and they're seeing, you know, how are they received at the bank. We actually have data that shows us that the underserved market, more often than not, is not even given a business card. It's like, thanks for stopping by.

And yet, you know -- and we've measured that

-- or not we, national advocacies groups -- I come from that world, so I keep saying "we." National advocacy groups have measured this and continue to measure this, so there is -- there is discrimination. Let's just call it for what it is. There is discrimination out there, and that's part of the problem as well.

There's also -- when it comes to veterans, there's also a perception that veterans are better at taking orders than actually giving orders, which I find a little surprising. But there has been some -- I've heard some chatter out there that, well, perhaps they're not, you know, really big into being small business owners because, you know, you have to be out there, out front. And, you know, in Spanish we say mandando, you know, and that is always not necessarily the best -- not a character we see often.

And I don't particularly understand that rationale, but it's out there. And I think the fact that, you know, we are doing, as SBA, we're close. I think we're at 7 percent overall -- or it's a little less. Maybe it's more like 5, 6 percent.

And then Barb was pointing out to me, because I like to, like, we could do better. Barb was saying, well, as a matter of fact, total businesses that are veteran-owned in the country is like 9 percent. But, still, we should at least be at 9, if not more, considering the economic impact that these businesses have.

On this slide, you can just see where we're doing -- how we're doing with our nonprofit intermediaries. This is when it comes to all of OEO's lending products. You'll see that LiftFund is at the top. Just in this fiscal year alone, they've done 214 loans at over $7 million. And they are going to be speaking as well today, so you'll get to hear more about LiftFund's work and their particular focus on veterans, which is among the best in the country.

You'll see some other groups like PeopleFund, also from Texas, CDC small business, et cetera, et cetera. But those are the top ten.

Then, if you look at Community Advantage, not too different, but you can see that CDC Small Business Finance is leading the pack. They're based in San Diego, but they do loans all over the place. Are they in the entire country, Dan?

Okay, that's right, they partner with Empire, yeah. So between them and a group in New York, Empire CDC, they -- Empire State Certified Development Corp., if you look at the one, two, three, four, five, six, seventh one down, they partner to cover the entire map.
to this group, that SBA, our office, has given a grant
to LiftFund, in Texas particularly, to work with women
veterans and military spouses, too, because as you have
heard me say, that was the group that grew the largest,
‘07 to ‘12, was women veteran entrepreneurs, and yet
they are the least capitalized. So we’re testing and
seeing what we can learn there, and that’s why Lisa
O’Brien will be joining us from LiftFund and why there
may be some slides about Texas in here.

And we also, don’t forget, have Patrick
Alcorn, who is with our -- one of our two veterans
business outreach centers in Texas, who may have
something to comment on later too.

MR. HIDALGO: Great. Excellent.
MS. CARSON: Thanks, Manny.
MR. HIDALGO: Sure.

You can see here with the microloan program
I’ve already shared about the overall impact, $846
million, 68,000 small businesses, over 246,000 jobs.
And you can see how we’re doing in terms of overall
productivity. We’re at $61 million as of the end of
2016. We’ll definitely beat that in 2017. We did
4,532 loans in FY16. We’re going to beat that as well
in ’17.

Now, if you look to the graph to the right,
this is when I was talking about where we are with
veterans. So the blue line is 7(a); the purple line is
Community Advantage; green is micro; and red is the
504. So you can see when it comes to women,
overwhelmingly where we are meeting the credit needs of
women, is in the micro. They’re almost at 50 percent
of the portfolios going to women.

Then if you look at African Americans, same
thing. Micro is having about a 32 percent, so 32
percent of the microloan portfolio is to African
American borrowers versus if you look at 7(a), I think
it’s about 2 percent go to African American borrowers.
So clearly we’re in that space. And then, of course,
Community Advantage is the second one. 504 and 7(a) we
have a lot of work to do.

But then if you look at Hispanics,
interestingly enough, not as big a gap but still
micro’s leading the pack and then Community Advantage.
With Asian-Pacific Islanders, it’s very interesting
because, actually, 7(a) is leading the pack. So good
penetration as far as conventional 7(a) lending. You
can see where they’re at with Community Advantage.
And, of course, 504 is right under 7(a). So the top
two flagship lending programs actually have good
penetration in the Asian market.

And then you can see where we’re at with
veterans. So we are -- you know, you can see where
7(a) is at. Community Advantage is actually having the
most penetration in the veteran market, and then you
can see 504 and micro. So if you look at the next
slide, we’re going to talk specifically about SBA
lending to veterans. So if you look at the top left,
you can see that in 2016, we had done 200 loans, about
$3.2 million, to veteran borrowers. Thus far in 2017 -
- and we still have some more of the quarter left --
we’ve already done 165 loans at $2.6 million. So we
still have time, but, you know, it’s a little bit
misleading. You see the dip there, but it’s something
that we watch closely.

In the Community Advantage Program, you can
see we did -- last year we did a total of 66 loans
worth $8.1 million to veterans. We’ve already far
surpassed that, and we still have a whole quarter left
at 80 loans at $10.5 So significant growth there.

Now, in the other graph to the right, it
actually shows 7(a) and 504. So you can see with 7(a),
Quarter 3 7(a) FY16 versus FY17, you can see that it’s
an increase. So we are increasing our penetration with
7(a). You can also see a slight increase in 504. So
really the only place where we’re seeing some decrease

is in micro, and that’s why we’re looking forward to
ramping up this partnership so we can do better in that
space.

I’m going to -- this is probably stuff you can
see through our site because this gets into the
minutiae of how the microloan program actually works,
but I did mention to SBA to the intermediary lender to
the microbusiness. You look at the next slide. You
can see some about how it works in terms of the
borrowing that the lenders can do from us, up to
$750,000 on the first loan. They can do up to $5
million out at any one time. And then when they spend
that down, they can come back.

Maturity, ten years. So this is really good
capital for these folks. Probably the best reason why
it’s the best capital is the next box that says
interest rate. So it’s 2 percent is the average
microloan size under $10,000. And, actually, it’s the
two-year T-bill rate less 2 percent. So right now
it’s, I think, at 0. So they’re getting free capital
to lend out.

And then they can charge up to 8.25 percent.
So there’s a good spread for the microlenders out
there. They do have to come up with -- 15 percent of
those loans disbursed have to be matched, so they have
to have access to foundations and others and even their own personal revenue to meet that 15 percent match mark. And then also they can do the loans up to $50,000.

The next slide talks more from the perspective of the microbusiness, and you have these slides so you can see more details there, but I think I’ve already covered most of it in conversation.

The next one I’m very interested in talking about because this is the technical assistance pieces that I was telling you about earlier. So the grant -- so the people that get our microlending capital also get up to 25 percent of what they lend out as a grant. And, so, that’s to reimburse them for the technical assistance.

So some of the savvier intermediaries out there will actually put a little bit of SBA money into every loan they do because most intermediaries have multiple options for capital. Ours is the only one that has that TA grant. So it’s highly sought-after capital because, you know, giving money to an intermediary is great, but if none of that money is for operations and it’s just for lending, there’s going to be a donut there. So we resolve that by, you know, by doing these TA grants.

They do have to match 25 percent of their money to our grants, so only 25 percent of our grant needs to be matched. That’s -- you know, as a former micro lender -- I was a micro lender for nine years, a nonprofit here in DC, and that was never a problem because, you know, all the nonprofit intermediaries have, you know, great relationships with foundations, and local government doesn’t count as part of that 25 percent match. It can’t be another federal source of funding, but it can be local government funding. So most people have no problem reaching that.

The next slide speaks specifically about -- you can see the whole trajectory from 2006 to 2017 as far as our outcomes as it pertains to veterans. So you can see we had some real banner years, like 2013, doing over 5,000 loans. And we’ve dipped some since then, but we’re going to come back because this is the first time I think we do such a mega-focus on the issue and in partnership with Barb’s office.

So you can see right now we are at 5 percent, a little over 5 percent. And the largest -- it seems like the highest we’ve ever been was at -- in 2006 we were at 5.7. So we’re going to get back up there.

Texas, I’ll leave Texas alone since Lisa will be talking about Texas. So the next slide, just to give you a little bit of sense of what the micro -- what the mentoring and technical assistance looks like.

So really how you provide technical assistance, there is no once-size-fits-all. There’s no manual for this is how you will provide technical assistance. Thank God, because the Government does have a tendency to do that for a lot of other things, but not when it comes to technical assistance. It’s like, look, technical assistance, right, it behooves you to do the kind of assistance that gets you paid back.

So you often want to focus on financials. You want to focus on, you know, do they have the capacity, do they have the cash flow, do they, you know, have a marketing plan, do they have some actuals that they can show you, not just projections. Those are the kind of things you end up spending a lot of time in technical assistance.

And, you know, these microlenders will literally call their borrowers, you know, every month and just -- they get to know them real personally because they also do a site visit. You know, it’s not your typical bank underwriting where you just get a bunch of numbers and an algorithm spits out yea or nay.

They really work with the microborrowers, and they -- you know, they call them every month, some of them, and they’ll check in. They’ll bring them back for more training. It’s really high-touch lending.

Community Advantage, just to give you a little bit more on that. Like I said, it’s $250,000 is the max. The interest rate is prime-plus-6, which is more than what 7(a) is able to do, but, again, because so many of these loans provide technical assistance, it costs more for these folks to make these loans.

And you can see, there’s a mandate that 60 percent of their loans go to the underserved market, which in the case of Community Advantage is based on income and actually veterans. Veterans count towards that 60 percent underserved, and startups. We’re at 87 percent, so these are clearly mission-based lenders that are taking on the Community Advantage program.

The next slide is specifically on how Community Advantage is doing with veterans. You’ll see the trajectory from 2011 to 2017. This is the best year yet. We’re at 8.9 percent, almost at the same percentage of which we have veteran-owned businesses in this country, so we’re doing quite well there, which is interesting, right, because these are $132,000 average size loans.

And, so, it seems like that’s more the sweet spot for veteran-owned businesses, perhaps, than
Manny, is the right person to work with.

access to capital, that microloans have been flat. And

of recommendations, I believe it’s in Section 1, on

as you can see, Manny is the right person to work with.
MR. HIDALGO: Yeah, no, great question. So it’s -- you know, so we are in the budget both in terms of the money that is lent to the intermediaries, and I believe that’s around $33 million, around. And then we get another comparable amount for the technical assistance grants. And then, of course, like you saw, the PRIME. So -- and we spend every dollar of it.

So I guess the short answer is we had more money, we’d be able to lend more, no doubt. But when it comes to reaching veterans, and this is true of everything we do, it’s so contingent on the intermediaries themselves. And, to me, it comes as no surprise that LiftFund is, you know, reaching the most veterans because they, you know, they are partnering with you, they have a grant specifically to work with women-owned veterans, they’re in Texas.

I know Jane Barrera, the CEO, is very much committed to the population. So, so much of it has to do with the target markets that these intermediaries have. So I feel like part of the solution is also finding more intermediaries that have this mission, if you will, intermediaries that are in communities where there are bases and that have -- I think a lot of it, too, is having -- often when you have loan officers and TA providers that are veterans themselves, that makes a huge difference. When veterans can speak to each other, an acronym soup, then, you know, right away there’s like a bond. And not to mention the shared experience of being a veteran.

But I think those are the key things, is to find partners, to really ramp up our work with partners like LiftFund and PeopleFund, but then also to be always looking for other partners out there who are willing to put more energy and focus on this market.

MS. CARSON: Thank you. Any other questions for Manny? You did a great job with your acronyms also. You could be an honorary veteran just for that alone.

MR. HIDALGO: All right.

MS. CARSON: So I appreciate this, and we look forward to following up with you. Thanks so much for your time.

MR. HIDALGO: Thank you.

MS. CARSON: And I have a quick administrative note. Ken, you were going to present next. Would you like to keep the flow and we can go one more capital brief, or would you like to go ahead now?

Well, if Lisa will forgive me if we move on to contracting for just a moment. We’re going to take a pause from capital access, and I welcome my colleague, calculating those, and hopefully this week we will be sending out proposed goals to the agencies, and they have an opportunity to respond. And then there’s back and forth that goes on for a while, and then we will establish each agency’s individual prime contracting and subcontracting goals.

There is a rule on teaming and the limitation on subcontracting that SBA did a final rule last summer. It’s based on the NDAA of 2013, and there is a FAR interim rule that’s been worked on, but I’m hoping that will be published at some point, but I can’t predict when that will be.

Also in the works is a FAR rule on multiple award contracting. This is actually from the Jobs Act of 2010 and an SBA rule from 2013. So they did a proposed rule, got comments, and they’re working on that.

There is a FAR case open on addressing overseas contracting because to some extent I think the way the FAR is worded now it’s very confusing to contracting officers to the extent to whether they can even use small business programs overseas. So we’re trying to work through language that will help contracting officers to that -- in that respect.

The NDAA of 2017 instructed the VA and SBA to
So we negotiate small business prime contracting goals with each agency, so, you know, some agencies may have a goal of 70 percent and some may have a goal of 10 percent. We also do small business goals for subcontracting based on their ability. But each agency has a 5 percent SDB goal for prime and sub, a 5 percent women-owned small business goal for prime and sub, a 3 percent HUBZone goal for prime and sub, and a 3 percent SDVO small business goal for prime and sub.

So those are my highlights, and I wanted to open up for questions if there are any about anything I’ve talked about.

MR. THOMAS: Thank you. This is Mark Thomas. Is there any special goal for the VA in their SDVOSB and VOSB goals?

MR. DODDS: I think they set their own -- the VA sets their own veteran-owned and SDVO goal. The ones we give them are the statutory goals. So their goal for our purposes and the Government-wide purposes would still be only 3 percent, but they set it higher for themselves. And, of course, they outperform that by a large amount, and they do get extra credit for that.

But the VA is treated like everyone else.

They still have an SDB goal; they still have a HUBZone goal; and they still have a women-owned small business goal, as well as small business goals.

MS. CARSON: I believe Beth Torres is on the line from VA. Are you there, Beth? Could be joining us shortly. Mr. Leney had to depart. But if Beth comes back on the line, we can address that question, or they can say more.

MS TORRES: Hi, I’m sorry. This is Beth. I’m here. There was a goal -- about the goals, or we had -- the Secretary sets a goal each year, and it currently is at 12 percent for VOSBs and 10 percent for SVOSBs, but, of course, we do exceed that by a considerable amount every year.

MR. THOMAS: I appreciate that. Do we see that changing or going up because of Kingdomware and VetsFirst legislation?

MS. TORRES: I don’t know that it will be changing, but we do have a best-possible rather than -- so just by virtue of Kingdomware and everything, we are above those goals. And I think that we will continue the best-possible, notwithstanding what the goal is set.

MR. DODDS: Beth, I think you -- VA -- this is Ken Dodds. I think you guys -- do you look at that...
goal every year and adjust it?

MS. TORRES: We do look at it every year, and
it hasn’t been adjusted in a few years, just -- but it
is something that is looked at every year.

MR. DODDS: Okay.

MS. CARSON: Any other questions? Go ahead.

MR. PHIPPS: This is Michael Phipps. Ken, I
just had a quick question. It’s probably for the VA as
well. With the ownership and control rule kind of
being hashed out between the VA and the SBA, have you
guys discussed what certification looks like now
between the self-certification at the SBA and the CVE
program? Now that we have one rule, which is great,
how does certification kind of look like to the
veteran-owned and service-disabled, veteran-owned small
business now?

MS. TORRES: Not a lot will change. What
we’re doing, and I was going to speak to this later,
but we are removing the ownership and control portions
from 38 CFR 74, and we’ll be using 13 CFR 125 for the
ownership and control portions. So we will be coming
out with a proposed rule about the same time that the
joint rule comes out, as well as the rule on the
appeals will be coming out about that time as well.

MR. DODDS: So, you know, from our
perspective, everything will continue as it is right
now. The VA will do a CVE certification for VA
procurements. The rest of the Government will remain
defmation until there’s some kind of
legislation or some kind of change that tells us to do
it otherwise, but we’ll all be interpreting the same
regulation when it comes to ownership and control.
And, of course, the legislature also allows you to
appeal to SBA’s Office of Hearings and Appeals if you
don’t like a decision in a protest or CVE application.
So that was another change.

MS. TORRES: Actually, OHA will be hearing
protests. VA is basically out of the protest business
once that becomes a final rule. So they will be
hearing status protests as well as appeals of
verification determinations and cancellation appeals.
So, yeah, I agree with Ken. I think we’re all on the
same -- in the same sheet of music on this.

MR. PHIPPS: What does that mean, the VA is
going to be out of the protest?

MR. DODDS: Well, it means when you -- if
there’s a VA procurement and you think the successful
offeror is not eligible, that will actually go to an
administrative judge here at SBA who will decide
whether the firm is eligible or not. The VA will not
be a part of that process. The other part of it would
be if they deny your application, I guess, you can
appeal to OHA, not within VA.

MS. TORRES: That’s correct.

MS. CARSON: Ken, I should say that it’s my
home business, but the service-disabled veteran status
will be -- if that is the question, that will be in SBA
OHA’s purview? The veteran status? Not ownership and
control, but just that.

MR. DODDS: That -- well, let me see. So
you’re saying whether you’re a veteran or not? Yeah, I
mean, we -- that is something that could come up in --
for an SBA protest, but we rely on whatever
documentation is issued by the VA or DOD. I mean, we
don’t get into looking into that. And I think the VA
will continue to do that for their purposes. The joint
rule we’re doing is just about whether the veteran or
service-disabled veteran owns and controls the
corporation, LLC, partnership, or whatever.

MS. CARSON: Thanks. That’s the clarification
I was looking for.

MR. DODDS: Okay.

MR. SHERWOOD: Yeah, I got a question on that.

MS. CARSON: Actually, OHA will be hearing
appeals, not within VA.

MR. DODDS: We do have a question please identify yourself.

MR. SHERWOOD: Hey, Barb. This is Matt
Sherwood, VBOC Director in Michigan.

MS. CARSON: Thanks. Glad you’re with us.

Were there any other questions for Ken Dodds?
Good afternoon, everyone. My name is Lisa O’Briant with LiftFund, and I appreciate the invitation to be here today. I’m going to be speaking to you on our support for women veteran entrepreneurs with participation in SBA’s Women Veteran Entrepreneurship Training Program manager at LiftFund.

We’ve been -- okay, thank you. So we were established in 1994. We’ve had a little over 19,000 borrowers since then. We’ve lent approximately $250 million. Active clients, we have a little over 2,700.

And as I mentioned earlier, we’re in 13 states. Since 2016, we’ve had over 1,000 entrepreneurs -- 1,100 entrepreneurs totaling 34 points -- 30.4 million, and last year, as well, over 4,000 individuals served with business and financial education.

This is -- let me see here. So the handout that I passed around just a few minutes ago, that is an updated slide of this one right here. And so I apologize. We’ve had some -- I looked at this the other day, and we refined our data basically. So my apologies for that. But as far as the landscape of women veteran goes, we’ve lent over $1.2 million to women veterans in the last five years.

Of those women, 40 percent received the loan, and the remaining 60 percent didn’t qualify for several reasons. So 32 percent were due to credit issues; 13 percent were due to cash flow; 12 percent other reasons; and 4 percent they just didn’t -- the loan didn’t meet their needs actually. And, so, we also know that women vets apply for loans at a much lower rate than the men do at 14 percent.

The next slide is a recommendation -- I was asked to comment on a recommendation that this group addressed earlier. And, so, I believe it was mentioned earlier. The baseline is at 4 percent of veterans are -- make up the micro lending portfolio, but veterans account for 9 percent of business owners, and you want to get those a little bit closer together.

So a couple points I wanted to bring up from our point of view is that not all veteran-owned businesses require a microloan. Some are self-sustaining, or some may require larger loans. With us, our goal at LiftFund, we kind of have maybe a backwards model -- business model, I guess you could say, and that’s we -- our best clients leave us, you know. A success story is someone who flies the nest. We want to nurture them to the point that they are bankable by traditional means or that they are self-sustaining. And, so, I don’t think that those veteran-owned businesses would be captured in this number. And, so, I don’t know if that’s been considered, but I wanted to bring that up with you all.

MS. CARSON: A quick pause on that. This is Barb Carson.

MS. O’BRIANT: Sure.

MS. CARSON: Is that we still have trouble understanding what the demand is.

MS. O’BRIANT: Oh, okay.

MS. CARSON: So measuring what is the denominator we’re performing against is we don’t have great ways of finding who has sought a loan and not been able to get one.

MS. O’BRIANT: Okay.

MS. CARSON: So we’re still working on that.

Thanks.

MS. O’BRIANT: No, understand. Yes, ma’am.

So our current support to veteran entrepreneurs, we have a LiftFund Heroes Loan Program,

(No response.)

MS. CARSON: Thank you, Ken.

MR. DODDS: All right. Thank you very much.

Appreciate it.

MS. CARSON: Great. I’m very pleased to introduce someone who has left the great state of Texas to join us today. Lisa O’Briant will talk about their participation in SBA’s Veteran Entrepreneurship -- Women Veteran Entrepreneurship Training Program and LiftFund. So you’ve heard a little from Manny Hidalgo that LiftFund is really performing well with veterans, and we’re going to hear about what they are seeing with that population and what they intend to achieve with the women veteran focus.

So, Lisa, thanks for joining us.

MS. O’BRIANT: Thanks for having me. Also, I want to thank Mr. Hidalgo for cueing me up so nicely earlier too.

Good afternoon, everyone. My name is Lisa O’Briant with LiftFund, and I appreciate the invitation to be here today. I’m going to be speaking to you on our support for women veteran entrepreneurs with participation in SBA’s Women Veteran Entrepreneurship Training Program manager at LiftFund, which is a mouthful. It’s the Women Veteran Entrepreneurship Training Program and the Women Veteran Entrepreneurship Training Program manager at LiftFund.

A little bit about who we are. So LiftFund is a designated CDFI, and we’re also a 501(c)(3). Our mission is to provide credit and services to small business and entrepreneurs who don’t have access to loans from commercial sources and to provide leadership and innovation to the microlending industry. And, also, a little bit about what Manny alluded to is that women, as well, are self-sustaining, or some may require larger loans. With us, our goal at LiftFund, we kind of have maybe a backwards model -- business model, I guess you could say, and that’s we -- our best clients leave us, you know. A success story is someone who flies the nest. We want to nurture them to the point that they are bankable by traditional means or that they are self-sustaining. And, so, I don’t think that those veteran-owned businesses would be captured in this number. And, so, I don’t know if that’s been considered, but I wanted to bring that up with you all.

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MS. CARSON: So we’re still working on that.

Thanks.

MS. O’BRIANT: No, understand. Yes, ma’am.

So our current support to veteran entrepreneurs, we have a LiftFund Heroes Loan Program,
and that’s through a partnership with the USAA. With the partnership, we are able to offer 5 percent interest rate loans to veterans who live in an LMI area. And, so, since 2008, we’ve supported over 900 small businesses with that.

Well, through the WVET program and our continued partnership with the USAA, that rate has now been extended to veterans -- to all veterans and spouses as well in all of our footprint. So that’s really a huge win because most -- our regular rates are between 7 and 18 percent, so a veteran can apply for these at 5 percent interest.

Through the Women Veteran Entrepreneurship Training Program, we offer one-on-one consultations, workshops with virtual learning opportunities, and different resources in the community as well.

So the next slide, a little bit about the WVET program. So -- and I don’t know what you guys call it, but that’s just what we’ve developed in the office, so, okay. The grant runs from May of 2017 through April. It is -- everyone who can apply are female veterans and spouses who reside in Texas.

LiftFund has offices in ten different cities in Texas. And as far as communicating our strategy and marching orders, I’m the program manager, and then we also have a designated point of contact in each market.

And, so, I communicate all of our marching orders through them, and they disseminate it into the field in their communities.

We also plan on having an accelerator for this group tailored specifically to their needs, and that will start in January. It will be an eight-week program, and it’s also modeled after our women’s business center’s accelerator that is going on four years now, and that’s their signature program. So it will be hosted in San Antonio, but we plan on streaming it for all applicants around the state.

Our objectives are pretty simple: to foster entrepreneurship as a viable post-military-service career option for transitioning women vets and spouses. We want to increase awareness and outreach to the military community on entrepreneurship opportunities by presenting in participating events such as veterans fairs, job fairs, panel discussions, and any kinds of meetings with the community that we can -- that we can create.

We also want to initiate the premier education training program, which is the accelerator that I mentioned earlier.

So we plan on doing this in three different ways. The first, we would like to build and strengthen existing relationships and partner wherever possible.

And, so, that we’re going to do through military resources and community resources. And those are -- military resources would be like the family readiness centers, the force support squadrons, any of those types of outreach offices that are on the bases.

Community resources would be the VBOCs, SBA offices, MOAA, USO, those types of organizations. And, so, in a lot of our communities, we already have some of those relationships, but in others, we know that we need to strengthen them. And that’s for all kinds of different reasons. In some of our communities, like San Antonio, we’re so tied into the military community that it’s just, you know, it is what it is. You know, it’s integrated into the fabric of that culture.

But in other communities, like Houston, where there’s not even a base, it’s not as easy to run into each other, to have those. You don’t always run in the same circles. And that community is a lot more diverse, too, as far as industry and just the military isn’t as integrated basically.

So continuing on, the front-line staff will provide business and education consultation, lending assistance, access to capital. This is a lot of the technical assistance that Manny was referring to earlier. And, so, we can do this through the Boots to Business programs. In a lot of our markets, our staff is already trained to speak at these.

I’ll use San Antonio as an example. We’ve only had two employees trained to speak at Boots to Business, and the staff is spread so thin that they can’t always commit to doing that. And, so, through this grant, we’ve been able to, you know, create more conversation, talk more about needs, and as of this month, we’re going to be training two more staff members to be able to speak on these modules and participate more on that, in that committee.

We’re also strengthening our ties with the Texas Veterans Commission, which is a very strong organization. There are a lot of speaking opportunities there and more opportunities to get in front of vets in communities that don’t necessarily have bases again.

So, and then another group I wanted to highlight was the key spouse group at Lackland Air Force Base. And, so, the spouses aren’t always easy to reach because they don’t have as many organizations for them like the military does, like the veterans do.

So the third objective, I wanted to share with...
you a little bit more about our accelerator. So this is going to be an eight-week program, and it’s really going to focus a lot on soft and hard skills like the marketing, finance, strategy, things like that, and also confidence in networking, which really, I think this is an area that a lot of these applicants will find a lot of value in, especially the networking. I mean, anyone who’s worked closely with veterans, this community isn’t always -- this is new for them, for a lot of them. And, so, we want to make sure that we make a lot of time for that.

I’ve also put together a board of advisors to help oversee this accelerator, and they’re going to help vet the applications that come through, and also they’re going to be helping me with instructors for the different courses.

So I have Julie Walker. She’s Director for the Southwest Regional Office, the LMI, and she’s also a retired Air Force vet. We have Rebecca Smith. She’s retired Army vet, and she recently opened up her own law practice. So, she, too -- she was in the healthcare side in the Army, and when she retired from the Army, she went to law school, put herself through law school, got out, and just went into business on her own. And, so -- and she’s a client of ours.

And then we also have Rick Martinez. He’s a retired Army vet. He’s the founder of Project Bink. He’s -- I like to call him an entrepreneur guru. He started several businesses since being a nurse in the Army. And he’s also a widely known investor around the San Antonio community for entrepreneurs.

So the metrics that we will be delivering at the end of this grant, we hope to serve 80 women veterans and spouses. We just recently closed our first quarter, and so far we’ve served 27. We have a goal of participating and cohosting ten different info sessions on military -- to create military community awareness. So far we’ve attended six.

We plan to host our business accelerator. We plan on providing 160 hours of consultation and support. To date, we’ve done -- well, I shouldn’t say to date. As of the end of the first quarter, we’ve done 27. We are helping 35 startups. We’ve done six so far. We’d like to do 15 loans. We’ve done 12.

And we’ll be facilitating participation of women vets in Entrepreneurship Week at Launch SA. And, so what that is, Entrepreneurship Week is a week in San Antonio, and this -- it takes place in November, and it’s where all of the different entrepreneurial communities and hub centers, they come together and order the highlight entrepreneurship and, you know, just bring light to it because it is -- it is an underserved community in a lot of ways.

So one of the stories I want to share with you is this couple right here. They are both Air Force retired veterans. They opened up a donut shop in Round Rock, which is just outside of Austin. And, so, Shelenia and Rico, Shelenia is the one who applied for the loan, and she qualified for 75 -- for a $70,000 SBA startup loan. And they opened up last year. She applied for the loan two years. They opened up their business last year, and as of now, they’ve grown to offer more -- they offer more than donuts. They offer 40 different varieties. They also have a breakfast menu, and they’re a really great success story.

So one of the things when she’s asked, you know, why did she want to start her own business, she pointed to her son, because they have a disabled son. And, so, he doesn’t have a lot of opportunity to go to work, probably any more than janitorial positions was what she said. And, so, she wanted to show him economic opportunity and give him another avenue for prosperity. And, so -- but I think it brings a lot to what their family has, and they’re able to bring a lot of the values, a lot of the skills that would be learned as veterans, share that with our community and also in order to make their business successful.

So the next story is Michelle Blaney, and she opened up Life and Beauty Boutique. She is an Army veteran. She served four years. And she’s someone who faced a lot of adversity. After separating from the Army, she was in a really bad car accident, and -- which it -- she wasn’t able to find work immediately after. And she even found herself homeless. And, so, through the GI forum, she was able to get back on her feet a little bit, and then they connected her with us.

So she went to a lot of the workshops. She decided she wanted to pursue entrepreneurship and open up her own resale boutique. And, so, through one of our advisors, who’s also a Navy vet -- and the vet-to-vet aspect is definitely, definitely important -- so she was able to qualify for a loan and get herself back up on her feet. And she recently opened up her own store last year.

And that is my presentation. I’ll entertain Q&A if anyone has any questions.

MS. CARSON: Anyone in the room? How about on -- go ahead, Shannon.

MR. JACKSON: Shannon Jackson, DOD. So I guess my question would be are you going to expand this
program up in the northeast?

MS. O'BRIANT: Possibly. Right now, we’re just looking at it as a pilot program, which I believe the SBA is also. We wanted to see -- that’s why I think only three of us received the grant. And, so, after a year, I want to say that the SBA will probably assess and go from there. And if it is, I mean, we’d definitely like to expand it in the southeast, which is where we are, but we’re always looking to partner with other states as well.

MS. CARSON: And I can speak from SBA that this is the only grant from our office that is focused on access to capital and how we can do better as a kind of support to the work that Manny is doing. So, yes, we’re hoping that we learn something here that we could replicate and also make the case for OEO to do more and how we would do more.

And I compliment you, Lisa. You’re doing exactly what we want, which is the Office of Veteran Business Development. We don’t have any grants where you just -- you give the money and you say go. They’re cooperative agreements, which means substantial involvement of the Government. And we really do expect a lot. You’re really taking up the challenge and running with it.

The example would be you’re connecting with other programs that we offer; you’re connecting with other partners. That’s exactly what we want to see because the Federal Government can’t and shouldn’t do it all. And we’re counting on you to do good work. So participating in Boots to Business is exactly the type of activity we want you to do, and although we didn’t ask for it, you saw it, you’re doing it, and thank you so much for that.

MS. O'BRIANT: Great. Thank you very much.

Happy to do it.

MS. CARSON: I believe you’ve got a question.

MR. ROCKEFELLER: Yeah, hi, it’s Mark Rockefeller from Street Shares Foundation. First of all, Lisa, thank you for being here. Big fan of you guys.

MS. O’BRIANT: Oh, thank you.

MR. ROCKEFELLER: So thank you for being here. I missed this. How big was the grant? What was the grant that was actually given by SBA?

MS. O’BRIANT: $75,000.

MR. ROCKEFELLER: Okay. And the goal was to, in fact, aid veterans --

MS. O’BRIANT: Yes.

MR. ROCKEFELLER: Okay. The interesting sort of fact I saw in here is that 67 percent of the denials, you don’t exactly know why. What do you think it is, or, like, what are the leading theories?

MS. O’BRIANT: Sure, I can tell you what that is. So once I had that slide together and I had submitted this, I kind of went back and I was saying, you know, to my boss and everything, and I was asking her, and she said, yes, we know that’s a problem. It’s more of an internal tracking issue. And, so, when lending officers -- and by the way, I do have Alma Brown. She’s on the line right now. She’s our senior lending officer, so I’ll let her add anything to what I’m saying.

But when a lending officer or a lending assistant goes into the system and they give a reason for why this person is not accepted, they have several options in the dropdown, and the first thing that comes up is denial. So we think that it’s just either the reason is unknown or laziness or whatever it might be that someone is just putting the first thing there instead of looking and seeing what else is in there.

So it might be a training issue, and maybe the reason is not one of the several that we have offered. So, Alma, do you have anything else to add on that, by the way?

MS. BROWN: Hi, yes, hello, everybody. So there might be another reason. Like you said, Lisa, it may not be on there. Let’s say that we went through the process and they didn’t have enough collateral, right? So that reason is -- and we require collateral.

That reason would be -- would not be an option on that dropdown menu. So that’s why we’re not able to track specifically.

And I do agree, Lisa, we probably internally have to do a better job at really tracking what exactly those denial reasons are so that we can report better.

MR. ROCKEFELLER: Okay, thanks.

MS. O’BRIANT: Anyone else?

MR. PHIPPS: Hi, Lisa. Michael Phipps. Are they coming tomorrow? Excellent. There’s another committee meeting tomorrow made up of veteran business owners as well, which this will play right into what we’re discussing.

Is it possible to get a continual feed to some of the metrics you guys are collecting, because that’s very interesting to us to be able to gauge, you know, where the problem areas are and maybe to plug some of those holes and make recommendations from here.

MS. O’BRIANT: Continual feed like our quarterly reports?
MR. PHIPPS: Well, so, on I’m not sure what page, but you have the WVET metrics and some of the metrics that are coming up as you guys get more insight to reasoning for why loans are getting denied, approved, statistics why women are less likely to go out and even request a loan. Those are the types of things that are very interesting to us because we can turn around and make recommendations on not only on this committee but also on the advisory committee about legislation or programs that could assist with boosting some of those numbers.

MS. O’BRIANT: Yes. So I want to say yes. I’m going to have to think about how we do that, but yes, we’ll figure that out for you.

MS. BAINTON: Lisa, I have a clarifying question. When you say it’s -- spouses are eligible, is that just active duty or veteran spouses?

MS. O’BRIANT: Both.

MS. BAINTON: Okay. And do you break out the statistics based on who you’re serving? I mean, do you have a rough idea of what the percentage of spouses might be or who are interested?

MS. O’BRIANT: You mean of those that we serve, how many are spouses and how many are vets?

MS. BAINTON: Exactl y.

MS. O’BRIANT: I haven’t broken that down, but we can easily do that.

MS. BAINTON: I was just curious.

MR. ROCKEFELLER: This is Mark Rockefeller. To Michael’s point, are the communications of those kind of metrics a precondition of the grant or required as part of the grant?

MS. CARSON: Yes, it was part of the proposal, then, yes, we expect those to be reported upon. And we do get those, as Lisa said, quarterly. So one way to report may be to come back at a future date with some more information on those. And, of course, we can follow up the conversation on anything else you might want to share, but we can share quarterly performance.

MS. O’BRIANT: Sure. Okay.

MS. CARSON: Thanks.

MR. ROCKEFELLER: Barb, is there a way to kind of work in the collection of that kind of data as a requirement for all the grants that we do in this kind of field?

MS. CARSON: That’s a great question, and it’s part of the requirements development before we even went out with the funding opportunity what would be the measures of success. This one, we weren’t even expecting to have a grant like this one in application.

MR. PHIPPS: Is this just in San Antonio, this program, right now?

MS. O’BRIANT: This is in Texas.

MR. PHIPPS: All of Texas?

MS. O’BRIANT: All of Texas.

MR. PHIPPS: And does the business have to reside in Texas, or does the business owner have to reside in Texas? It sounds like the business owner.

MS. O’BRIANT: I would assume both. I don’t know --

MS. BROWN: Yes.

MR. PHIPPS: Is this just in San Antonio, this program, right now?

MS. BROWN: Lisa --

MS. O’BRIANT: Yes.

MS. BROWN: Lisa, it’s the business. So the business has to be operating in the state of Texas, and the business owner has to be a Texas resident or have lived in Texas for at least six months. We have made exceptions to that, but those are our general guidelines.

MS. CARSON: A very good question for a mobile population like military spouses, so thank you for answering that.

MR. JACKSON: Ma’am, please repeat that. Did you say six months in the state of Texas?

MS. BROWN: Yes. So the business has to operate from the state of Texas. That’s -- there’s no flexibility on that. The business owner has to be a Texas resident or have lived in the state of Texas for six months, minimum. And that’s the one where we have made exceptions on.

MR. GAVINO: This is Amando, GSA. Just a clarification on that one for the Texas part. Six months, does that include a vet who went to basic training in San Antonio and additional training that exceeds six months? Will that -- is that included in that?

MS. BROWN: If they’re going to operate their business out of the state of Texas, then yes, that would include that --

MR. GAVINO: No --

MS. BROWN: -- but if they’re going to go to
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We're usually very focused on federal procurement, has been a pivot from what we normally talk about.

Okay. And I'm grateful. This room but nothing coming forward. Anyone on the line have any questions?

Many questions percolating in the room but nothing coming forward. Anyone on the line have any questions?

We're usually very focused on federal procurement, which is what about 5 percent of veterans are interested in doing after they leave service. So I appreciate the chance to hear about some of the other locations and also other aspects of business and what they need. This was incredible, Lisa. Thanks. Thanks, Alma.

Thank you very much.

You're welcome. Thank you.

All right. We are going to transition to our members’ updates around the room, and we will begin with Department of Labor. Welcome, Bill Matheny.

Thank you, Barb Carson. So let me begin, please, with sharing the most recent veteran employment -- unemployment numbers. For those of you that either received the reports from the Bureau of Labor Statistics, the Department of Labor, Vets newsletter, or the VA, you know that August was another good month for veterans in their employment status. August of 2017, veteran unemployment rate was at 3.7 percent, down from last August where it was 4.3 percent. If you compare the veterans unemployment rate of 3.7 to their nonveteran counterparts, the nonveteran overall than their nonveteran counterparts, and they’re doing better than they were a year ago.

Gulf War II-era veterans are at 4.2 percent unemployment rate in August of 2017. So not as good as veterans overall but better than the overall nonveteran population. So these are good numbers.

Let me share about female veterans. In August of 2017, the unemployment rate for female veterans was 5.4 percent, which is still higher than any of the numbers I’ve read so far. However, a year ago, the same month, that 5.4 percent was 7.0 percent. So not as good as it should be but improving faster than the other populations that we talked about thus far.

And because of some of the topics we’re talking about today and tomorrow with the committee, I asked our points of contact in the Bureau of Labor Statistics about veteran business owners and particularly women veteran business owners. So in August of 2016, a year ago, there were 62,000 self-employed women veterans, 62,000. This year, in August of 2017, 80,000. So that’s a pretty big jump in one year, from 62,000 self-employed women veterans to 80,000 this year.

So that’s good news and probably reflective of a lot of the things that we’ve been talking about here for a year and the energy that’s been going on around the country. So I wanted to share that.

A quick update of things happening within the Department of Labor. First, I would be remiss if I did not acknowledge that our number one priorities right now are responding to Hurricane Harvey and preparing for Hurricane Irma. So the Department of Labor is very engaged in Texas and Louisiana right now and helping with all the employment needs to get people back into work and get the money that they need for their repairs and recovery. The Secretary of Labor was in Texas this past week and announced several million dollars’ worth of loans that are being made available to the state of Texas.

Irma, we’re preparing for that as well, initially worrying about the safety and security of our staff and the people who receive our grants. While we’ve been sitting here, I got an email message, you know, that the Department of Labor Veterans Employment Training Service has a state director in every state in the country, to include DC, Guam, Virgin Islands, and Puerto Rico. And, so, our Puerto Rico state director just sent a note and said, hey, just lost power, we’ll talk to you in a little while. So it’s hitting Puerto Rico now, and we’ll be watching as it moves up towards
Secretary of Labor Alex Acosta has charged us with a few key priorities, and because these priorities play into the work that we talk about here in terms of preparing veterans to become veteran business owners, in terms of once they are veteran business owners, turning around and hiring other veterans, and, as Barb mentioned earlier, helping these veteran-owned businesses be attractive to other businesses to partner with. I wanted to share some of the things that Secretary Acosta has got going on and is pushing us to do so that you can look for the applications in the work that we’re doing together.

First, he’s charging us with identifying and removing barriers to employment. So that’s a broad statement. So what does that look like? Well, one is in the area of licensing, certification, and credentialing, as we talked about here. So as we know, service members accumulate all kinds of great skills, and how do we help them to be able to get credit for those skills when they move into the civilian workplace?

So he’s asking some great questions about how do we do that, how do we talk the language, how do we make that as smooth as possible. He’s also challenging us to have conversations about licensing portability.

So a teacher in one state that has to then -- particularly when we talk spouses -- has to then uproot and redo in other states. So he’s asking all these hard questions, knowing that some of these are not directly within Department of Labor’s purview, but he can at least start the conversations, and we can work together with the partnerships around the country to address those.

I think since we’ve met, in June, the executive order on promoting apprenticeships and expanding apprenticeships in America came out June -- 15 June 2017. So the President directed several federal agencies, to include the Department of Labor, to expand apprenticeships across the country, to include a specific focus on veterans, and apprenticeships that are industry-recognized apprenticeships.

So within the Department of Labor, the Employment Training Administration is taking the lead with their Office of Apprenticeships, but one of their biggest customers for generating apprenticeships and producing apprenticeship programs are in the veteran space. So I want to share that with you because that’s part of that pipeline that all of us are looking to as somebody leaves the military service, gets the skills and credentials that they need to round out to get their license, to either work for somebody else, move into their own -- or move right into their own business, or garner the skills and experience to start their own business later. This is all part of that pipeline that we’re trying to facilitate.

I mentioned military spouses earlier. That is a key area where Secretary Acosta has asked us to look at what else is in the way of helping those spouses be able to continue careers at the time of their choosing, whether they take a pause or whether they move around with their service member and want to be able to do that uninterrupted.

And then, finally, the Hire Vets Act. I think we’ve talked about this in earlier meetings. That is an act that was signed into law with the omnibus appropriation for this fiscal year. Just to let you -- a quick reminder, it’s to recognize employers who are veteran-friendly. They recruit, hire, train, retain veterans. It’s an awards program that -- recognizing high-performing employers who do that. There are a couple of different levels of award that go out for that, and they’re for three different sizes of employers, to include small businesses.

So the Federal Register announcement went out about a week or so ago. We’re in the rulemaking process. So the initial criteria are out and published. We’re in the comment period. So if you’re interested in that, please go to the Federal Register, look up the Hire Vets Act, and provide us your feedback so that we can make it an award that is meaningful and is helpful for employers who are doing great things for our veterans around the country.

And with that, I will stop and see if there are any questions and then turn it back over to Barb.

MS. CARSON: I don’t hear a question, Bill, but I have a comment that Secretary Acosta and SBA Administrator McMahon were recently at the White House. And both have a shared interest in military spouse employment and self-employment, so we are currently looking at best practices for small businesses that are hiring military spouses and also continuing to seek better ways for military spouses to be self-employed. So let’s continue our work there. I think we’re going to be supporting DOL Vets during work and family month, which is October, focused on military spouses. So everyone here, look for more on that.

MR. MATHENY: Yeah. Thank you very much, Barb.
MS. CARSON: I’m going to turn it over to Department of Defense. Shannon.

MR. JACKSON: Barb, thank you, I appreciate it. Really from the Department of Defense perspective right now, we’re solely focused on the fourth quarter. As you know, we have about three weeks left, and we’re continuing to push towards the end of the year. Right now, we’re trending to achieve that 3 percent. Right now, we’re currently at about 2.9 to 2.97 on our small business -- small -- service-disabled, veteran-owned goal. So, again, we’re continuing to push. We’re at about 6.7 billion in spending with that goal. Again, that is our main focus from the Department, given this is the fourth quarter. So still committed and supporting the veteran push.

One of the initiatives that the Secretary is going to do in November is the Warrior -- we’re going to highlight veterans in November. And one of the things that the Office of Small Business Programs is going to do is look at those success stories for that month and try to highlight those companies that have done unique work for the Department and continue the industrial base.

But our main focus is this fourth quarter, these last three weeks, to try to push to achieve four years in a row for meeting our small business goals.

So if you have questions?

MR. Phipps: Hi, this is Michael Phipps. Thank you very much, Shannon. We were having a discussion recently with some of the Legionnaires about some Guard and Reserve veteran business owners that have been deployed and then had their DOD contracts taken away because they were deployed. And, so, really the question is more like a comment, maybe if we can get somebody within DOD to look into that, and maybe I can get you some more information on specifics, but that’s something that’s come up in our conversations and figuring out is this an issue that we have to address or possible conflicts of interest or do we have to dig down into the very specifics of a Guard or Reserve member being deployed and then actually owning a small business and losing their DOD contract because they were deployed.

MR. JACKSON: Okay, no problem, Michael. I think we can take that -- we’ll take that back.

MS. CARSON: And, Mike, this is Barb Carson. We, the Government Contracting and Business Development colleagues and I, looked at some concerns that deployed Reserve and Guard would be considered not in control of their business, and we do believe we have resolved any instances of that. So if that was the reason, that would be something good to bring back to this body in case we have inconsistencies across agencies.

And, Shannon, I would ask if you can find any of those success stories and share them during National Veterans Small Business week, just a little earlier than you had planned, that would be fantastic. And I know the Deputy Administrator would also love to be from her position now involved in whatever that you are interested in doing in November.

MR. JACKSON: No problem, ma’am, we will. I have some success stories now, too, so...

MS. CARSON: Thanks, Shannon.

We’re going to move on. Mr. Leney had to step away, but he did have Beth Torres, you’re on the line, I believe, for the Department of Veteran Affairs.

Maybe on mute? Are you still with us?

We’ll check in with her shortly. I’m going to move over to Amando from the General Services Administration.

MR. GAVINO: Good afternoon again. This is Amando, GSA. I do have one good news. The replacement contract for Networx with the X -- with an X has been awarded last month. Traditionally, that type of a contract, which is a five-year base, two five-year option, with a 50-- with a conservative $50 billion ceiling, has been awarded to ten companies, 40 percent of which are small business. Traditionally, this type of contract is normally awarded to major companies, big telecom companies such as AT&T and Verizon.

Forty percent, so four of the awardees, are small business, one of which is a SDVOSB, and one is woman-owned business. And the other two are just regular small business, which I have a feeling they will graduate out of that category relatively soon.

So we consider that a success story, that I don’t believe it’s been done before in this technology space. Again, this is predominantly dominated by AT&T and Verizon and Sprint. So this is a game-changer.

Any questions on that one before I move on? I’ve got two, three more small items.

The second one, August 22nd, the VETS2, as you know -- or you maybe don’t know -- the pre-award notice for small business program was posted on FedBizOpps, the 22nd, last month. Seventy pre-awardees now basically have a chance to contest those, challenge them, of their validity, if they are a true, in fact, small business, their vet status. So it’s out there, bottom line. Any questions on that one?

Third one. There is this thing called the IT
modernization memo that came from OMB, OMB, DHS, GSA, and Commerce is in the process of developing this -- have developed the memo to be submitted to the President, Congress. And the content of the memo is basically how to modernize the American infrastructure -- telecommunications infrastructure to include cybersecurity. It went out for review to industry. We’re asking for comments basically. We basically -- those three entities, DHS, GSA, Commerce, and OMB. We are a strong partner of this group called ACT-IAC. We are briefing the small business alliance portion of the IAC group. We will be asking and soliciting for their comments on this memo. The memo is due back to us by the 22nd of this month. Questions on that one?

Last one is somewhat a little bit cryptic. It actually came from you. It’s a question that you posed on the last meeting, Charles Manger mentioned that I need to talk about it, but I might need your help here, Ruth. Something to do with the FPDS data. Why don’t you explain what was being asked.

MS. STARR: Okay, this was on the exclusions report. My name is Ruth Starr, and I work for Amando. We were looking into the Federal Procurement Data System to see what organizations were included in the excluded parties list and if we could get a report of all the dollar values of those contracts that were awarded to the excluded parties. And we found out that contracting officers are not required to track that and post it anywhere, so it’s very difficult to find that kind of data. And, also, it’s so fluid that every day it changes. So if you wanted to get a snapshot on a specific day, we might be able to do that, but it will take a lot of manpower to do that.

MR. PHIPPS: Thank you very much, Ruth. This was related to a slide show that we had seen of all the contracts that were not being counted towards set-asides for small businesses in general across the board. And there are a number -- it was multiple volumes of pages of contracts that weren’t counted towards that number. And, so, we were asking either -- even in the past year if we can somehow find out what that dollar amount is. And, so, I don’t know what we can do about that on this board, but it would be interesting to see what that number is and how that goes against the entire budget.

MR. GAVINO: However, I did speak to Charles before I left, again somewhat cryptic here. There is this report that supposedly GSA is mandated to submit to Congress, the President, about the FPDS. And in this report, it’s supposed to have the content of the FPDS data. So we’re not saying no, but I don’t know what that report is.

Again, this is about three hours ago. We need to find out what that is. I asked him basically when this is due. Well, it needs to be able to be submitted to the President and Congress, and you know how long that will take before it’s made available to the public -- to a public website. So I don’t know when that is. We’ll keep pestering our folks, but as soon as we get the information, we’ll share it here with the group.

MS. CARSON: Thank you for that.

I turn now to Matthew Blum from Office of Management and Budget. Thanks.

MR. BLUM: Thanks, Barb. And just as a followup, maybe if we can talk offline after the meeting, we have some folks that are plugged in on the FPDS process that can hopefully answer at least some of the questions.

Barb wanted me to mention for a minute in terms of disaster -- procurement flexibilities that are in place to support the disaster relief. And some of you may know traditionally -- I should say Congress has provided certain emergency flexibilities to make it easier for federal agencies that are using -- have procurement responsibilities to get access to contractors during emergencies. These include an increased micropurchase threshold, to use purchase cards basically, and also an increase in the simplified acquisition threshold.

In addition to raising the size of those thresholds, I believe now at $20,000 for State-side work for micropurchases, I think it’s $750,000 for the SAT, but I need to double check that. There’s another important step that Congress has taken to make these available. Traditionally, the use of these authorities were linked to the Department of Defense issuing a contingency operation. And for certain types of emergencies, that would happen pretty much automatically, and then agencies could take advantage of authorities, but for emergencies like -- that are natural disasters, Harvey, Katrina, Sandy, and so forth, there was no direct way for agencies to be able to access these authorities.

Congress amended the law in the last National Defense Authorization Act to make clear that when the President declares an emergency or major disaster that turns on the authorities of the Stafford Act that also turns on the emergency procurement flexibilities for procurement.
And with respect to small businesses in particular, I think as part of the Stafford Act there’s authority to do local area preferences. And I’m pretty sure now there’s explicit authority for agencies to be able to do set-asides that are limited to within those local area preferences. And we can double check with Ken. I don’t know if that was part of the RISE Act, but we did have a number of agencies that were speaking -- or asking us about that.

So when an emergency is declared, going back to FPDS, we issue a special code so that we can keep track of the activity that occurs in support of the disaster, and this will give us a good ability to see not only the activities generally but with respect to small businesses, you know, how many folks might have been exercising this authority to do set-asides within local area preferences.

I was just going to mention briefly -- I know I said over the last couple of meetings that we’ve had since the start of this Administration, although we don’t have our administrator in the Office of Federal Procurement Policy in place and actually don’t even have a deputy director for management yet, although the President announced a nomination of Margaret Weichert to be the deputy director for management, there are a number of work streams that we think even though they were not specifically crafted for acquisition provide great opportunity to address some important issues, I think, that may occur to this group.

One of which I mentioned was the executive orders to recognize and reduce the regulatory burden that’s imposed on contractors doing business with the Government. Since we last met, I wanted to mention that the federal -- the FAR Council, Federal Acquisition Regulatory Council, has adopted a methodology to standardize the way in which they evaluate the burden of a -- the regulation.

In the past, the FAR Council has looked at the paperwork burden on -- that rules create and also, of course, do an analysis of alternatives under the Regulatory Flexibility Act for ways to do business with small businesses that are least burdensome, but haven’t looked more largely at the economic impact, compliance costs, systems costs, costs of having subject matter experts that understand the myriad of requirements that are imposed on contractors.

So this methodology is designed to create some standardization and consistency in the way that we look at that and also to integrate it with the work that we’re doing under the Regulatory Flexibility Act and the PRA.

One challenge is that it’s a little bit of time to the regulatory rulemaking cycle. We have not traditionally had economists on staff, so there is a learning curve, but I think in a positive way, I think for the first time this will provide a -- hopefully as we move forward a clearer picture of the costs of various types of rules. So as we go forward, hopefully we will see some similarities and similar types of rules.

These analyses will be published so that when folks comment on rules they would also be welcome to comment on the assumptions and the analyses that teams are making in the FAR rule, similar to what people can do today under the Paperwork Reduction Act. So there’s a learning curve, but I think as we move forward, this will be helpful when we have conversations about regulatory burden on the small business community and being able to drill down more specifically rather than talking kind of generalities or notional ways.

Also related to that, although the FAR Council doesn’t have a formal task force to address regulatory burden, they have developed an agenda of issues that they plan to look at, one of which is in the context of commercial item acquisitions and acquisitions under the simplified acquisitions threshold, both of which is where we’d probably find the bulk of participation by small businesses.

And as you know, as a general matter, laws and other requirements are generally -- laws in particular do not apply to commercial item acquisitions, new laws, unless there’s a specific determination by -- or that Congress says they apply or a determination by the FAR Council that’s in the best interest of the Government to apply it. And there have been, over the years, a growing number of laws that have been applied to commercial item and SAT purchases, even though Congress has not necessarily mandated that.

And one of the ideas of the -- of this informal task force is to do a review at least once every five years of that list to see which are still applicable and relevant and hopefully, too, with a presumption of removing them unless there is some compelling need to keep them applicable. So, hopefully, some associated costs -- regulatory costs in those two spaces will also be reduced.

Another issue that I wanted to raise of great interest to OMB is on the reorganization executive order that challenged agencies to improve their
It's in this space for procurement that OMB has been looking at some of the activities that have been prioritized to date on category management, which we've talked about from time to time with this group, and involve recognizing that the Government as a very large entity oftentimes buys in a fragmented way with the goal of trying to get the Government to buy in a more organized way as one entity, but also recognizing that small businesses are an incredibly important engine of our economy and that nothing in those activities should in any way change agencies' responsibilities to meet their small business goals, as well as to work towards increasing an industrial base for their agencies.

And what I'd like to recommend is perhaps at a future meeting that we invite some of my colleagues and others that are working in this space to dialogue as we think about moving forward how to make sure that these two goals are reconciled, that improving the way in which we buy common goods and services to avoid unnecessarily duplicative contracts with the need to make sure that we have a robust industrial base of small businesses.

When you look at the numbers and the types of activities, I think there's an incredible amount of space for both to occur. In other words, almost every play that encourages leveraging and use of, if you will, best-in-class contracts, we're never talking about having 100 percent spend or almost never having, you know, 100 percent spend through those contracts. And oftentimes we might have, you know, well under 10 percent.

And, you know, if there's a push to get agencies to double or triple their usage, we're still talking about a very large amount of spend that's -- that, you know, should be and is available for small businesses. So I think that sometimes there's misunderstanding in that space, and I think it will be incredibly important as we move forward to engage more directly with groups that represent small business interests, and I recommend it to my colleagues that we have this conversation with this group.

MS. CARSON: May I ask, is December too soon?  
MR. BLUM: Hopefully not, but let me see if we can do that.

MS. CARSON: And perhaps if it is just getting a better understanding of when things are available for public comment or review, if it doesn't -- it's hard to know with all of the talk about this topic, which is really important how fast things are moving.

MR. BLUM: Right.

MS. CARSON: And you certainly would have a better sense of it than we.

MR. BLUM: Right. Well, let's plan at least tentatively for that conversation. My only hesitation was I don't know the exact timing of when, for example, the President's management agenda would be, you know, finalized, but we definitely want to make sure that the thoughts of this group or ideas are worked into that conversation.

And the third --

MR. GAVINO: Hey, Matt, just before you go.
MR. BLUM: Sure, sure.

MR. GAVINO: As you know, GSA is a big supporter of getting more management. If the ask is to provide some briefing materials or some data that would support the concept of how good getting more management is working for the Government, GSA, we can do something.

MR. BLUM: Right. Yeah, we work very, very closely with those folks.

MR. GAVINO: Yeah.

MR. BLUM: So, yeah, we would be coordinating some sort of discussion that probably involves somebody from that group as well.

MR. GAVINO: Okay.

MR. BLUM: Absolutely. And the third point I wanted to mention that -- just for folks to be aware of and keep an eye on from a procurement perspective is I think I may have mentioned this before, but in the House NDAA, there is a provision -- it was originally sponsored by Congressman Thornberry to facilitate greater use of online marketplaces, which we conceptually support because of the great functional capabilities that can be offered and allow for greater transparency and data analytics to be smarter buyers.

But of particular note in the proposal that has been being considered and I think is in the House past version, if I recall correctly, the language is also designed to try to get the Government not only to just buy a platform, but also to basically use the businesses, including small businesses that are on the platform and to meet them where they are. So if they have already entered into an agreement with you, you name the provider, the idea would be for the Government to, you know, honor those agreements and not superimpose, you know, 50 or 100 additional Government-unique requirements.
So in the case of that particular provision, the community of small businesses we're talking about are those that sell COTS -- commercial off-the-shelf -- products to actually anybody in the Government since it started out as a DOD proposal but it has been broadened and GSA would actually manage the program. But it would provide for a relatively large number of waivers, although small business program interests and activities would remain, you know, part and applicable to that and a limited number of additional environments.

So I think it will be -- it would be helpful for folks if you haven't looked at it to think about that because this is a different way of looking at relief. Instead of looking at, you know, the hundreds of requirements that you might have between business requirements and other policy requirements and saying, you know, which ones can we pick off, you know, five, ten or something like that and figure out what people can live with, this is, if you will, zero-basing where you're really starting with nothing and saying, what do we need at a minimum for a healthy public procurement system and one that also helps to provide for a robust small business base.

So I think there's a lot of activity, a lot of opportunity, I should say, but things that we really need to think through carefully. So we're doing a lot of work in this space, and we'll definitely keep the group posted. But if folks have thoughts, certainly would welcome them as well.

MS. CARSON: Are there any questions for OMB?

(No response.)

MS. CARSON: Thank you for sharing both the disaster items and all those updates. We look forward to following up.

Our Treasury representative is not present, and unfortunately Victor Klingelhofer from Vietnam Veterans of America was not able to join us today. He is defending rights of the SDVOSB, so I wish him luck, which is great. We've got to keep those businesses going.

So I will now turn it to Amanda with Military Officers Association of America.

MS. BAINTON: Thanks, Barb. So just a couple things going on within our organization. I wanted to start off by thanking Charles McCaffrey for giving our team a personal tour of the local veteran business outreach center. It was about seven of our team members. This group of people are very special in that I talk to them a lot. They don't always listen, but when they got to see something firsthand, they were really, really impressed with everything Charles is doing and what SBA is doing.

And they have the opportunity to travel to about 55 installations per year. And they work with thousands of people transitioning. And, so, that will stay fresh in their mind, and I think it will be a great resource for them to point to for anyone interested in this that may not know about it, although I'm pretty sure anyone going through the transition process will know about it. So a big thank-you to them.

Our networking forum is coming up. It's a military and veteran networking forum. It's September 14th at the Smithsonian National Air and Space Museum. It's an evening event. A lot of you will be there supporting. Very, very appreciative of that. We have an entire hall dedicated to entrepreneurship resources for people considering entrepreneurship.

And I've mentioned it before, but in years prior, people have elected -- when we used to give them the option to elect what they wanted to do, they would select multiple halls, and the other halls include aerospace careers, IT engineering, as well as military-friendly employers. Almost 80 percent of them also selected entrepreneurship, which tells us, number one, most people don't always know what they want to do when they grow up and they're coming out of the military. Number two, you know, this is always an option, no matter where you are in your career.

And, so, this even is open to all people serving, all those who have served, all ranks, services, and their spouses as well. And, so, we are capped as far as companies go with over 80 participating companies who are doing great things in the hiring and retention space and a lot of really great resources for entrepreneurs. But if you all have not signed up, folks on this committee, you're more than welcome to. We'd love to have you. Just pull me aside later. And then anyone who wants to share this with their network of service members transitioning or veterans or spouses, we still have space for attendees and we'd love to see you.

Then, also, we are continuing our relationship with Hiring our Heroes. We are helping them stand -- not stand up, but helping them bring a military spouse career component to their transition summits throughout the country. And we have -- I think we have about four under our belt now, which is great. We've had a lot of support from local leaders and companies and other...
MS. CARSON: Any questions for Amanda?

(No response.)

MS. CARSON: I’ve got a quick one for you, Amanda. Oh, first, thanks for the comments on the veterans business outreach center. I’m glad that you’ve gone. If anybody else who’s a member would like to see one, it sometimes helps to put all the pieces together of the things that we’re talking about. And for those federal agencies here, that veteran business outreach center does serve Puerto Rico.

As we heard from Bill, they are already lights out, power out. So we will be doing things for them, and they will need our federal procurement, and there are plenty of veteran businesses there, so think of us in helping you with the connections that you have in Puerto Rico through Charles at that veteran business outreach center.

And on a -- Administrator McMahon is very interesting in Hiring our Heroes and MOAA’s support. I do expect that she’ll join more than one of these. Hiring our Heroes is the tap -- I don’t want to call it -- sanction sounds so serious, but DOD does believe that that is where they find the best energy for not only job fairs but also self-employment.

So SBA is there at every one, whether it’s our local folks like the VBOCs you have on the line today, or it’s headquarters folks. We’re there and really appreciate that MOAA is really stepping up for the military spouses.

And, finally, on a personal note, that job fair last year that you held was where my husband, as he was retiring, found the connection that he needed. So as a military spouse and a reservist, I appreciate very much the MOAA event, and I know that it will be another good one this year. Thanks for you all you’re doing.

MS. BAINTON: Thank you. Thank you very much.

MS. CARSON: And I will turn it over to American Legion, represented by Michael Phipps.

MR. PHIPPS: Thanks, Barb. One quick comment. I don’t know if everybody was following this case that recently hit last Friday, where an AbilityOne contractor -- is everybody familiar with AbilityOne here? Brought a case against or -- the issue, I’ll just explain the issue. There’s a company called PDS, which is a service-disabled, veteran-owned small business, who was awarded a contract for eyewear. An AbilityOne contractor brought suit against him, saying basically that the rule of two should not apply prior to two thousand -- prior to products that were established with the VA prior to 2010, which as I understand it is when the VA was using the rule of two.

So there’s no contention about Kingdomware and moving forward for procurements in the future. What this AbilityOne contractor is saying, that there’s going to be irreparable harm to them because they’re a nonprofit and because they employ the blind and handicapped. And, so, the issue that is going on right now is -- so there’s a stay on the contract, which means the AbilityOne contractor will get the contract to do the eyewear, not the service-disabled veteran-owned small business that won the contract.

One of the questions that we were going to have for the VA was the VA did not comment on this, on this ruling when asked by the Department of Justice for comment, and, so, we wanted to ask the VA what their reasoning was of not commenting on -- you know, on that rule. And really just to bring this case to the light of this committee. I’m sure we’ll be discussing it tomorrow in more detail. As we don’t know what’s on that list for all the AbilityOne products prior to 2010, but I’m sure they’re numerous.

I mean, in that case, the rule of -- the AbilityOne contractor will get precedence over the veteran-owned small business and the SDVOSB at the VA.
So that’s something that we’re watching very closely. On other matters -- do you have a question, Barb?

So the American Legion is in support of several resolutions that are being -- that are out right now. One of them is HR 2749, and it’s to improve oversight on VA contracts awarded to small veteran-owned businesses. The other one is HR 2781, ensuring veteran enterprise participation in strategic sourcing, similar to what we were just talking about. There are many things in that bill.

I haven’t gotten into the details, but I do know one of the loopholes was closed so companies that are supplying janitorial supplies to -- would not allow the service-disabled veteran to have proper participation in that. That loophole was closed, but this is around the same discussion that we were just talking about.

HR 2006, VA procurement in the Efficiency and Transparent Act. That’s to track cost savings and contracting competitions at the VA. There is another draft bill that has not been awarded a number yet, and that’s to improve hiring and training in acquisition personnel in organizations of the VA. So those are -- the American Legion is in support of all of those --

all those bills.

MS. CARSON: Thank you. I don’t believe anyone from VA has joined us, but I’m checking one more time. If you have --

MS. TORRES: Yeah, this is Beth. I’m here. Sorry about that.

MS. CARSON: Did you hear Mr. Phipps’ question regarding AbilityOne earlier, and if so, do you have a response at this time?

MS. TORRES: I don’t have a response at this time. I’d have to check with our folks and see what the response is.

MS. CARSON: Thank you, Beth.

MS. TORRES: Okay, regarding everything else, the biggest things that we’ve been working on are the rules to implement the NDAA 2017. As Ken said, we’re coming very close to finalizing the joint rule. I want to thank everybody at SBA. They’ve been terrific in working with us on this, and I think we have something put together that is going to be much more veteran-business-friendly than in the past.

And also doing that we have had to revise our regulations, pulling out the ownership and control portions. So everything will be on the same page across the board, as well as updating our regulation on how to file appeals. And we’re working very closely with OHA as well on their regulation on the procedural guidelines on how to do that. So we think that we’ve got something very, very close on that and that all three of these rules will come out as proposed rules, as Ken said, within the next few weeks.

The only other thing that we really need to talk about is the NVSBE, for 2017. That’s going to be held the first week of December in St. Louis, and registration for that opens on September 15th. So we’re hoping that we see a lot of people there. There will be a lot of opportunities to talk with procurement decision-makers there.

And that’s really all I’ve got. If anybody has any questions, I’d be happy to field them.

MS. CARSON: All right. No questions in the room, Beth. Thank you very much.

MS. TORRES: Thanks.

MS. CARSON: We will close out with Street Shares Foundation, Mark Rockefeller.

MR. ROCKEFELLER: All right. Thank you, Ms. Carson. No update or comment from us. Thank you.

MS. CARSON: Okay, thanks for being here. And we do have time right now for public comment and questions, and I do remind you if you have a question,
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