U.S. SMALL BUSINESS ADMINISTRATION

INTERAGENCY TASK FORCE ON
VETERANS SMALL BUSINESS DEVELOPMENT

OPEN MEETING

WEDNESDAY, SEPTEMBER 4, 2019
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Reported by: Jennifer Razzino
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>PAGE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcoming Remarks/Administrative Business</td>
<td>3</td>
</tr>
<tr>
<td>Updates - Larry Stubblefield</td>
<td>3</td>
</tr>
<tr>
<td>OVBD Update - Larry Stubblefield</td>
<td>4</td>
</tr>
<tr>
<td>U.S. Chamber of Commerce, Hiring our Heroes - Eric Eversole</td>
<td>11</td>
</tr>
<tr>
<td>Member Reports:</td>
<td></td>
</tr>
<tr>
<td>GSA - Amando Gavino</td>
<td>42</td>
</tr>
<tr>
<td>DOD - Shannon Jackson</td>
<td>53</td>
</tr>
<tr>
<td>DOL - Bill Metheny</td>
<td>54</td>
</tr>
<tr>
<td>Treasury - Mary Ellen Mitchell-Whisnant</td>
<td>59</td>
</tr>
<tr>
<td>VA - Sharon Ridley</td>
<td>60</td>
</tr>
<tr>
<td>OMB - Matthew Blum</td>
<td>69</td>
</tr>
<tr>
<td>Student Veterans of America</td>
<td>76</td>
</tr>
<tr>
<td>North Carolina Military Business Center</td>
<td>76</td>
</tr>
<tr>
<td>IATF Annual Report - Amy Garcia</td>
<td>79</td>
</tr>
<tr>
<td>Public Comments/Discussions</td>
<td>94</td>
</tr>
<tr>
<td>Closing Comments/Adjournment</td>
<td>100</td>
</tr>
</tbody>
</table>
MR. STUBLEFIELD: Welcome. Thank you all for being here for our Interagency Task Force meeting. We’ve got another person coming in the door here.

So I guess as we get started here, we’ll start with a roll call, and I guess I’ll start first. Larry Stubblefield, the associate administrator in the Office of Veterans Business Development.

MS. RIDLEY: Sharon Ridley, deputy executive director, VA OSDBU.

MR. METHENY: I’m Bill Metheny from the Department of Labor Veterans Employment Training Service.

MR. GREEN: Tim Green. I’m the deputy for Larry at OVBD.

MR. GAVINO: Amando Gavino. I’m the IT services director within GSA. I’m here representing the OSDBU office.

MR. HUBBARD: Will Hubbard, Student Veterans of America.

MR. STUBBLEFIELD: Okay, do we have any Task
Force members on the phone?

MS. MITCHELL-WHISNANT: This is Mary Ellen
Mitchell-Whisnant from the Treasury Department.

MR. PHIPPS: Michael Phipps, American Legion.

MR. STUBBLEFIELD: Okay, for those of us in
the room, just a reminder, we have to turn the mic on
when you want to speak; and when you’ve completed
speaking, we have to turn it off.

Okay, so we’ll get started.

MS. DIELEMAN: This is Zoe Dieleman. I am
attending for Aldevra. We’re an IT VOSB. Our VP,
Maggie Bullard-Marshall, should be joining the call
later.

MR. STUBBLEFIELD: Okay. Thank you very much.

All right, let’s go to the first slide here.

Okay, just an update on some of the things going on in
OVBD. The month of August was a very busy month. I
attended the American Legion national convention. Just
two points that I want to bring to the attention of the
Task Force. You know, I was there in an OVBD capacity,
pretty much talking about our programs and things that
we do, you know, for veteran business development.

But just to put it on your radar, there was
two things that came out of the convention that the
American Legion is focused on. Now, number one is PriorityOne, and some of you may or may not be aware, but, you know, PriorityOne had a memo that was signed by several members of Congress, and it was directed to Secretary Wilkie. And the memo asked that the VA look at PriorityOne first and after you take a look at PriorityOne companies and so forth for service from the VA, then we would go to VetsFirst.

MS. PEREZ-WILHITE: Do you mean AbilityOne?

MR. STUBBLEFIELD: Oh, I’m sorry. What did I say?

MS. PEREZ-WILHITE: Priority.

MR. STUBBLEFIELD: I’m sorry, AbilityOne.

MS. PEREZ-WILHITE: AbilityOne.

MR. STUBBLEFIELD: I’m sorry. Please capture that correctly on the record, AbilityOne. Thank you, Fran, for that correction. AbilityOne. So, anyway, so this memo was signed by several members of Congress, and it went to Secretary Wilkie to look at -- ask the VA to look at AbilityOne before VetsFirst. So that was an issue.

And then the second one American Legion focuses on the predatory educational institutions. So a lot of discussion about service members getting out and using their GI Bill, attending educational
institutions that at some point fold and the service member is, you know, holding their hands with, you know, with nothing. So those were the two takeaway points from the American Legion.

I had a chance to visit out VBOC in Wisconsin. As you know, we have 22 VBOCs located around the country, so it’s always good to get out and see what’s going on, but our VBOC in Milwaukee, Wisconsin is hosted by the Women’s Business Initiative Corporation. So it was really good to see how that hosting organization, the VBOC, the district offices, the resource partners, and all the things that they’re doing there in the Wisconsin area, helping our vets and family members and so forth who are looking to entrepreneurship.

We had the VBOC conference here in DC, August 13th through the 15th. Our 22 VBOCs were all in town and members of their staffs. We had quite an agenda item. That’s an annual conference.

And we also -- the American Legion hosted our first ever Veteran Small Business Summit on the 25th of July, and this is where we brought in Corporate America, and we had four different panel discussions. Corporate America was one panel discussion. We had our internal SBA resource partner discussions. Then we had
some of our folks who have participated in SBA programs
that are now business owners, and so this was a very
good event.

And our next Veteran Small Business Summit,
we’re going to be focused on rural America. And
working with the American Legion. They’re tracking
where veterans, you know, when they get out, where do
they go back to. A large number of our veteran
population is located in rural America, so you start --
when you look at rural America economic opportunity
zones and so forth, this is going to be our focus for
our next summit. We haven’t come up with a date yet,
but it’s in the works.

The next bullet there just talks about the
Veteran-owned Small Business Growth Training Program,
and I think I’ve mentioned this before. You know, the
President donates his quarterly salary to federal
agencies, and in our particular case, he donated
$100,000 to the Office of Veterans Business
Development. And we’ve taken that money and we’re
partnering with an organization up in New England, the
Veteran Entrepreneur Training and Resource Network, to
bring on -- to have two cohorts of about 20 business
owners who are looking to scale from a startup to the
next level, which is something maybe a little bit under
our American Leaders program.

So the kickoff for that, the first cohort is going to be Saturday, September 14; and then that first class will start on the 21st of September. And the second cohort will kick off in March.

And then the last bullet there under Events just talks about our National Veterans Small Business Week. This year, it’s going to be the 4th through the 8th of November, and we’re already in the planning stages, if you will, for that.

Under Programs, I’m very pleased and proud to announce that since the inception of our Boots to Business program back in 2013, in August, we crossed the 100,000 participant. So we’ve had 100,000 service members or family members participate in the Boots to Business program, and we’re very, very pleased with that.

The next bullet there just talks about the SBA Scorecard. So for service-disabled veteran-owned small businesses, I think you’re well aware that we exceeded the goal once again this year, the goal of 3 percent. It actually came out 4.27 percent, which is a good news story. And in the last week, in our Office of Veterans Business Development, we issued grants for four programs for our Service-disabled Veteran Entrepreneur
Training Program. And that's another good news story. And then the last three bullets there just talks about legislation. I’ll touch on these very briefly. The Veterans Small Business Enhancement Act, Public Law 115-416, is the law that allows veteran-owned small businesses access to surplus government property. We’re looking to roll that program out in the second quarter of FY20, but for now, if you go to the SBA website and go to -- look for veterans -- OVBD, we have our -- the FAQs associated with that program.

And I would ask that you take a look at that and point people toward those FAQs because, you know, naturally the veteran small business community was very aware that this law was passed, and they instantly wanted access to the property, but as you know, you have to work through OMB, you go through rulemaking, you have to have policies and procedures and those things established.

So SBA, we’re working closely with the VA, with -- okay, well, I’m being informed that you have a copy of the FAQs in your -- with your material on the table, but if we can get the FAQs out, and as you engage veteran small business owners, you know, just to let them know that we are working this, you know, we
get calls from the Hill, we get calls from veteran
small business owners, everyone wanting to get to the
property. We want them to get access to the property,
but we’ve just got to put the rules and procedures and
things in place.

And then the next bullet there just talks
about the House Report 116-9. That’s the study on
matchmaking, and that was -- Congress was asking would
a study on matchmaking -- how would matchmaking help
veteran entrepreneurs. And so we’re looking at that
now, in other words, looking at organizations who
routinely work with veterans and refer veterans to
other organizations. So how would that work in terms
of matchmaking, if that would be something that would
enhance veteran entrepreneurship. So we’re working
that.

And then that last bullet there, the
reauthorization of the Small Business Act, I think that
is something that maybe OBE, and I believe it’s off the
plate at Congress right now, but there will be
additional information to follow on that, but under the
Reauthorization Act, it’s just periodically Congress
looks at all of our programs across the board in SBA,
and then they -- you know, they kind of like codify, if
you will, in law. And in our particular case, we’re
very interested in getting our Boots to Business
program codified, as well as our VBOCs.

So are there any questions on anything that I
just said?

(No response.)

MR. STUBBLEFIELD: And if not, I’m just -- for
the record, we’ve got our DOD participant here, so I’d
ask you to just introduce yourself so we could capture
it on the record.

MR. JACKSON: Shannon Jackson, DOD.

MR. STUBBLEFIELD: Okay, you captured that?

Okay, so if there is no questions for me, I’m
very pleased now to introduce Eric Eversole from the
U.S. Chamber of Commerce Foundation, Hiring Our Heroes,
and he’s here to give us an update on what’s going with
Hiring Our Heroes. So thank you very much for being
here.

MR. EVERSOLE: Great. Thank you, Larry. And
thank you all for inviting me to today’s meeting. And
I thought what I’d do is really give an overview of
what we’ve seen in the transition space to some extent.
While it’s not directly relevant necessarily to the
creation of small businesses, I think there are some
observations that are quite valuable. And then I want
us to think a little bit about how there may be some
additional opportunities to really reach deeper into communities, especially military communities, to create more small business opportunities for veterans and their families.

From the Hiring Our Heroes perspective, as many of you know, we started back in 2011 when there was a national crisis in veteran unemployment primarily. There were certain segments of the veteran population that especially those under the age of 25, they were facing 30 percent unemployment, so these were post-9/11 veterans coming back, often from combat deployment, and facing a pretty rotten job market.

Fast forward to where we are today, and obviously the economy is doing much better, and veteran unemployment has reached historic lows now for month over month. I think most of us have stopped counting those month-over-month lows because they’ve been so significant in many ways that has become the new norm, which is great for our transitioning service members and their families.

What we’ve learned, and part of as an organization, you know, we started out with that crisis, and we were just doing hiring events primarily back in 2011. We did nearly 800 in the course of three
years between 2011 and 2014. We were doing triage at
the time, really just trying to find businesses and
local communities and connect them with unemployed
veterans.

As we started to see veteran unemployment
really drop back in the 2014 time frame, we worked very
closely with various federal agencies and the White
House to really start to look how do we get out of
transition, how do we start impacting these service
members and their families so we don’t have another
crisis, how do we avoid that crisis going forward.

And for us, that really started in 2014 when
we held our first on-base transition summit, career
summit at Fort Bliss in El Paso. We really had and
continue to have all the support of the federal
agencies. The SBA has been a great partner in those
events over the years. And those events have gone and
grown from kind of one or two or three, you know,
events on base to now we’ll do 35 this year on-base
events.

I think the demand signal next year will
probably be somewhere in the neighborhood of probably
50 on-base events. And they’ve grown from something
that we’re really -- I don’t want to call them career
fairs, but they’ve gone as much from kind of that
hiring opportunity to as much of an education opportunity.

These are two-day events, and what we’re seeing from a transition service member community, and here’s a little bit about the reflection of what we’re seeing, and again, this is, I think, a testament to what the value of private/public partnerships are, but we’re seeing from a community effort that more and more service members, when they come to these events, know what they want to do. They’re ten times better prepared than what they were three or four years ago. They’re asking smart questions. A lot of that has to do with the work and the improvements in TAP from my perspective and what the agencies have done at these events to help educate service members about the resources and opportunities that are available.

So if we look at TAP and the small business curriculum, if we look at the educational curriculum, these are all things that are not only being used but they’re being used more frequently. And I think, again, that’s just an assessment as to where we are in the space right now, which is, you know, from an employment perspective, we’re seeing fewer and fewer service members who are coming to the events shrugging their shoulders saying I don’t know what I want to do.
Instead, they’re coming with a much better game plan. So that’s part one.

The second part, which, you know, where I think there’s still a lot of work to be done is that there’s still a space, and quite honestly that is challenging for many services to navigate -- service members to navigate. They have a better understanding of what they want to do. They have a better understanding of the decisions that need to be made, where they want to relocate geographically, but they still struggle with what Admiral Mullen called the sea of goodwill because there is so much of that sea that it often creates confusion as to the ones that -- the resources that are good resources and the ones that, quite frankly, aren’t so good.

There are still organizations and companies that are popping up with fee-based services that, quite honestly, you know, from an overall space perspective have, from my perspective, very limited use at this point given the number of free or no-cost services that are available for service members. And so we still see a lot of difficulty for service members navigating, you know, where to go, how to get there, what are the best resources for them. And so there’s still a pretty significant demand signal on that front.
We’re seeing our career summits, these on-base events, become more and more educational-based. The importance of partnerships with these bases continued to be ever important so that what service members are seeing at these events aren’t a singular program but rather a community of programs. So we’ve, again, continued to see opportunities working with the various federal agencies to talk about the resources they have. That’s been great. But we’ve also seen new partnerships and growth opportunities with companies like Indeed.com. LinkedIn has been a very, very strong partner of ours in creating some of the networks associated with that. So there has been a nice, healthy balance.

You know, the other thing that we’re seeing is what I would say is this -- probably the one area of opportunity that is still very much under the radar from a national perspective, but the single biggest growth area, and I think probably one of the most successful aspects of the veteran legislation that came out in the 2011 and 2012 time frame, and that’s the Skillbridge program for service members.

We’re seeing a proliferation of Skillbridge-related programs popping up on military installations. That’s good because it’s creating opportunities. It’s
bad because it’s adding to the sea of goodwill, and navigating that is still a challenge. But just to put a finer point on how much these career skills programs have grown in the last five years, they’ve gone from what were less than a handful back in the 2014 time frame -- I think we were one of the first to create a program. Our corporate fellowship program, Veterans in Pipefitting, were one of the first programs as well. Most of them originated in the Northwest, with the Army.

My deputy, who was a base commander, may have had something to do with it. But we’ve gone from what -- and Microsoft is another early adopter. We’ve gone from what were maybe five programs in the 2014 time frame to I think the last count I heard from the Army was 181 Skillbridge providers in the Army alone.

And the great news is that service members are using them. In 2014, we had one location for our corporate fellowship program in Joint Base Lewis-McChord. We struggled, I think, to get maybe about seven companies and about ten service members. We are now at 18 locations across the country, and we will service nearly 1,000 active-duty service members in our Skillbridge program this year alone.

The success on it, just to put a finer point
on this, we are seeing an offer rate of 92 percent for
these service members that get the 12-week tryout as
part of that Skillbridge program, and an average salary
of $94,000.

So there’s no doubt they’re successful. If
you talk to the Microsofts of the world, they’re seeing
similar success with their Microsoft Software and
Services Academy. Airstream Renewables is another one
that’s seeing, I think, good success. Auto
manufacturers are creating various programs. Veterans
in Pipefitting is going strong.

So these programs are all leading to very,
very solid outcomes, and we’re going to continue to see
growth there. And I’m not sure where the ceiling is on
that. The Army’s obviously the one that’s
participating the most, but we’re seeing good
participation from the Marine Corps as well and the
other services.

We’re going to continue to see growth
opportunities there, both from private and public
sector opportunities. We’re going to launch early next
year a program with the Department of Energy and the
Solar Foundation that helps create pathways for solar
technician jobs for more of the entry-level type
position. There’s a company called Mears Group which
will train a service member of any skill set for six
weeks at no cost. They will house them. They will pay
them. They will feed them for that six-week program at
absolutely no cost to the service member. And they
will then place them in a job doing residential gas
installation for about $70,000 a year starting out in
one of 22 states. So we’re seeing a proliferation of
those programs.

We’re also seeing great growth even outside of
Skillbridge where companies are willing to invest in
training. Four years ago, we didn’t see as many
companies who were willing to absorb the cost
associated with reskilling or upskilling an individual,
but given where our country is right now from an
unemployment perspective and a job growth perspective,
most companies realize they’re in a war for talent, and
if they don’t realize that, then they’re in deep
trouble here coming up very shortly.

So there is -- as I think many people here
know, companies like Salesforce and SAP in their NS2
serves into new -- NS2 program, they are, again,
absorbing the cost, training service members in various
IT fields, and I think we’re still going to see a
growth there.

If there’s one area where Hiring Our Heroes
has still been very aggressive where we haven’t seen the same results is the military spouse population. We’re stilling seeing a military spouse population that faces 20 percent unemployment. And it’s an area where we’re seeing good momentum from both the administration and the federal agencies, but -- and momentum that, quite honestly, we didn’t see five or ten years ago. There’s greater awareness. We’re seeing agencies like the VA who are working aggressively to help create pipelines for military spouses to get into some of the professional jobs, nursing, medical services in the VA. It’s just taking a lot longer than what anyone would like it to.

And so that’s still an area from my perspective of tremendous opportunity for all the federal agencies. I do think we’re seeing good movement from the executive order that the President signed a little over a year and a half ago on creating opportunities of military spouses to find employment with the federal agencies, but as those rules -- you know, like anything in the federal process, it takes time to kind of create the rules around how it’s going to work, but we are seeing really, really strong movement on that front.

So that’s kind of where we are from an overall
veteran employment space. Again, I still think from an on-base perspective we’re seeing good growth there. I will add one other thing, and I think it’s important because we’ve certainly seen this from the growth of our corporate fellowship program, the -- and this has to do a little bit with the sea of goodwill.

MR. STUBBLEFIELD: Excuse me. Please mute your mic. Someone has music on. Please mute your mic.

(Brief pause to resolve music interference.)

MR. EVERSOLE: So one quick observation, and again I’m going to get a couple of points on kind of the small business front, and this has a little bit to do with the sea of goodwill. I think it’s a little bit about how close-knit military communities are, but we don’t -- for our corporate fellowship program, we’ve seen anywhere from 30 to 50 percent growth year over year. And we don’t do any marketing of it in any way, shape, or form. It’s all word of mouth.

And one thing that we have found as an organization, nothing begets success like success and service members willing to tell their brothers and sisters in arms about the success. And then we often have organizations that come to us and say, well, we got this great program but nobody knows about it. And we have found that no matter how much
we market something, whether it’s through social media or otherwise, it’s really difficult as even some of the biggest and brightest in this space have found out, it’s really hard to market programs to service members.

It takes time. There is I think a healthy level of distrust to entities outside of the military structure offering, you know, magic beans to kind of solve all their problems. And so the one thing we have found from an outreach perspective is really focusing on storytelling from individuals talking about their success and making sure that those stories, whether it’s more of the individual one-on-ones or it’s the kind of broader based ad campaigns, those are the ones that are going to ultimately help penetrate that military community and that audience with the programs and services that are really being offered.

Let me talk a little bit about kind of small business because, you know, obviously with the Interagency Task Force and with the SBA hosting this, we have -- you know, I just had a couple reflections I think really on kind of the small business front of the military community and what we’re seeing. And some of this has to do with kind of the overall veteran population, but I think a lot of it also has to do with
military spouses as part of the equation of the military community and how we create business opportunities for those service members and their families as they transition.

And the first thing that we’ve seen as an organization is really how are we defining what it means to be a small business, right? We often think of small businesses like with my parents, which own a small dry cleaners, it’s a storefront, it takes some amount of capital to get a business off the ground. And I think that’s how many Americans look at kind of small business, which is kind of the traditional storefront opportunity.

We’re seeing from a small business perspective a pretty significant growth in small businesses as the consulting-based services, especially with professionals, the 1099 employees. There is a massive growth of professional opportunities and small business opportunities that are being created, especially in the military spouse community, but I don’t even think most military spouses when we talk small businesses necessarily think about the creation of the business as an opportunity when they have, let’s say, a professional license or some other type of degree, where they can get back to work, create a small
business, it’s just not the one defined by a storefront
or, you know, traditional structures of what a small
business in a small town looks like.

So that’s the first thing, is really thinking
about how do we define small business. We’re going to
see a continued significant growth, especially in the
gig economy, and many of the professional license
military spouse communities where consulting-based
services and remote work opportunities are going to be
very significant.

And helping prepare that community for both
the ups and downs of small business ownership in a gig
economy is going to be pretty important. You know, how
do you depreciate your automobile? How do you save for
taxes? How do you do all the things that are
associated with a small business that most of them
aren’t necessarily thinking about up-front but it’s
really important for the long-term success perspective
that they do?

The second thing I’ve mentioned, which is, you
know, who are we targeting as a primary audience for
the creation of small businesses. Again, we’re seeing
at least around military communities that military
spouses are low-hanging fruit when it comes to economic
opportunity. There’s a healthy demand signal to create
opportunities and helping military spouses understand those economic pathways in a way that are different now than what they were 30 years ago is going to be really important.

Part of that has to do with the fact that we’re seeing a very significant change in what military communities look like. Thirty years ago, military communities were very close-knit, closed populations, but as DOD and the services have moved more of the services outside of the wire, outside of the base, those on-base communities are becoming a little more attenuated, and there’s a pretty significant growth of off-base opportunities and how do we help military spouses and those families connect with those opportunities.

I also think with military spouses, if you really want a gateway into the service member, target a military spouse. I mean, if you can help the military spouse understand how to set up your own LLC, your own small business, that’s going to be tremendously helpful for the service member as that person transitions as well, thinking about, you know, how do we get the legal documents necessary to create an LLC, how do we deal with the tax consequences.

All those things can be pretty daunting, but I
will tell you that I know that very senior officers who have now retired from the military who are doing consulting work for us are using their spouse’s LLC as a consulting vehicle. So, again, think about, you know, from a targeting perspective how we’re reaching into those communities.

The third thing that I would just ask us to think about is, you know, how are we creating certain -- thinking about certain opportunities that may exist on base for military families and military spouses. Oftentimes what I hear from military spouses is I’d like to be my own -- and this is true for service members, too -- I’d like to be my own small business owner but I don’t know what my big idea is, I don’t know what I’m selling, or I don’t know where the opportunities are.

And I think helping those military families understand what opportunities from a business perspective exist in local communities and allowing them to then target those opportunities could be immensely valuable. I’ll give one example of that where there is a never-ending demand signal for small business ownership, and that’s daycare. On and near military bases, it’s probably the one thing we hear from military families the most is I don’t have enough
daycare, but the reality is is that notwithstanding the need, setting up a daycare operation, especially at on-base housing, can be really, really challenging.

But, again, it’s an opportunity. It’s a good economic opportunity. How do we help work across the agencies to help create those opportunities? One of the challenges that DOD has right now is how do you help a spouse or a service member set up a daycare on base in on-base housing. Part of that has to do with the fact that DOD has the world’s best daycare available, but that comes with the challenges of making sure that the facilities are the safest and that the people who are operating it have the necessary clearances to do what they need to do. And so that process can take a while, and so finding ways that we can streamline that process could create real business opportunities for a lot of spouses and family members very quickly, and so thinking about those opportunities on base.

You know, another area of opportunity is again with the emergence of online retail platforms. A lot of military spouses are turning to commercial opportunities through companies like Amazon and Walmart and other e-commerce platforms that are, again,
small businesses. The rules surrounding that can be somewhat challenging, especially if that service member or spouse lives on base.

And I think that really gets to my last point, which is as we look at these e-commerce opportunities and other opportunities on and around base, how do we start to chip away at unnecessary restrictions on and near a military base that can be a roadblock to economic success. And the new DOD Secretary Esper, when Secretary Esper was the Secretary of the Army, with one, yeah, signature, was able to ease a lot of the restrictions related to e-commerce for Army spouses by basically allowing someone who lives in Army housing to sell on e-platforms. Prior to the new Army instruction, that was prohibited for most military spouses, but the new rule actually created a lot of pathways for military spouses.

So those are a couple of observations. That’s what we’re seeing in the space. I’m happy to answer any questions, entertain any thoughts.

MR. GREEN: Yeah, Eric, Tim Green. I used to be over at Labor as you know.

MR. EVERSOLE: Yep.

MR. GREEN: Over at Small Business.

MR. EVERSOLE: It’s good to see you, Tim.
MR. GREEN: Yeah, good to see you. I know you guys are focused on veterans. You’ve done a lot of work on women veterans and now military spouses. Where do you see it five years from now? Do you see leading toward disability, minorities, rural areas, student veterans? Do you see any change in your scope for Hiring Our Heroes?

MR. EVERSOLE: Yeah, I think that what we’re seeing is that, you know, seven-plus years into this, nearly eight, we’re starting to see the space mature in a way that allows us to start reaching deeper into targeted populations that need the most services. And so what that’s allowed us to do is to focus on segments of the military populations like women veterans and other segments that continue to struggle. Student veterans is another area where we’re immensely focused on; military spouses. So we’re starting to see those opportunities.

We’re also really starting to see much greater opportunities for service members in rural locations and geographies not associated with a military base. You know, seven years ago, I’d get companies that would come to us all the time and say, I’m in Ohio, I’m in Eastern Ohio, or I’m in Cleveland, or I’m in Michigan, and we love veterans, we’d hire them all day long, but
I can’t find any.

And the challenge with many of the -- you know, Wisconsin is another great example of that where we, you know, saw this proliferation of advanced manufacturing jobs with -- Alabama is another great example of that -- where there’s a proliferation of jobs not anywhere near a military installation. And so there was a disconnect, especially between time and geographic location, about how do you connect those service members at a military installation, let’s say in Fort Polk, Louisiana, with job opportunities in Atlanta or Jacksonville or Tampa. Or, you know, Killeen, Texas, is a great place for an Army base, but it’s not necessarily a, you know, booming economic hub from an economic opportunity perspective.

And so where the services and DOD have been, you know, quite honestly very innovative, and where we’re starting to see greater connections is the willingness in, let’s say, Skillbridge or some of these other opportunities. Right now, you know, most of the services and most -- many commanders are willing to cut -- to have no-cost temporary active duty orders to where a service member wants to live and take that Skillbridge opportunity, as compared to where they’re currently -- where they’re stationed.
So we’ve had fellows in our corporate fellowship program. I had one last year from Timbuktu. He was stationed in -- literally, there is a place called Timbuktu. It’s in Mali. He was on embassy detail in the Marine Corps and knew that being stationed there was not the greatest thing for his next career opportunity. So the Marine Corps cut him temporary active duty orders. He got sent back to the United States. Twelve weeks later, he had a job making $140,000 a year here in the DC area with no downtime between transition and that civilian opportunity.

It is making -- and I will speak a little bit for the services because I’ve talked to enough, especially the senior enlisted members, you know, Sergeant Major Dailey, Sergeant Major Green of the Marine Corps. You know, the services are keenly focused on, you know, these Skillbridge programs are really creating tremendous opportunities for service members stationed in the United States, but what about the ones that are stationed in Germany, and how do we create these economic pathways for folks who are stationed farther away?

And what the concern is, and I don’t want to speak for them, but the concern I’ve heard voiced across the services is we don’t want to -- as we look
at programs, we don’t want to create populations of have-nots when it comes to transition-related services and economic opportunity because service members won’t take those assignments, or they’re not going to take them gladly. And that’s going to impact morale and manning. So we are seeing good growth in that area. I think we’re going to still see growth in that area.

The one thing companies are doing from a recruiting perspective, which has been probably one of the most significant things we’ve worked on, is that, you know, companies used to look at military recruiting based solely on geography as well. And what they would do is if they were located in Raleigh, North Carolina, or they were in Atlanta, they’d go down to Fort Benning, and they would recruit Fort Benning up into Atlanta, but they wouldn’t really go outside of that, that kind of -- that geographic limitation. And so companies who are near 60, 70 miles within a military installation were generally doing quite well, but the ones that were farther away were having much greater difficulty finding skill set and talent.

I think one of the biggest things we’ve seen from the private sector in the last three or four years is that most of the sophisticated companies recruiting
in the veteran space now -- Amazon is a good example of this -- are actually treating these recruiting events much like they do college campus recruiting. They’re going to these military installations with a large portfolio of jobs that are geographically placed across the United States and not limiting theirself to just where that service member is stationed.

And we’ve seen opportunity -- I mean, one of the greatest places to recruit is Hawaii because the number of service members transitioning out of Hawaii, 90-plus percent of them are going to come back to the mainland United States. Companies that are smarter than this are going overseas and geographically placing folks where they want them.

So good question. That’s what we’re seeing, but we’ll see more of that.

MR. STUBBLEFIELD: Okay, we’ve got time for one or two more questions. Any questions on the phone?

MR. HUBBARD: Actually, I had a quick question. Thanks for joining us, Eric. I appreciate that. I enjoyed your comments about the importance of childcare. It’s the number one challenge for student veterans today, surprisingly for some, but certainly I think for student veterans it’s not a surprise.

I’m curious if you have any examples of any
platforms or possible partnerships with the universities or things like that that you’ve seen that have been successful.

MR. EVERSOLE: Yeah, well, we’re seeing them. I mean, obviously, I mean, the single biggest partnership for us, I mean, has been with Student Veterans of America. I mean, obviously your footprint across major college campuses is significant and rich and deep. I think the area where we’re still seeing from a company perspective and to some extent on college campuses with student veterans, we’re still dealing -- you know, obviously, the student veteran population isn’t your traditional student population. These are nontraditional students. Most of them are working through college. Most of them live off base. Most of them are working part-time jobs.

And the result of that is that your traditional pathways of finding economic opportunity in college -- internships -- aren’t as readily available for student veterans. And it’s a real challenge, and it’s a real problem because if they’re working -- I mean, and here’s the dilemma for -- you know, you take the student veteran who’s working 30 hours -- 25 or 30 hours a week, it’s very hard to quit your 25-hour -- you know, 25-hour-a-week job to then go do a summer
internship to then find out after 12 or 14 weeks that
you’re unemployed and you’re looking for another job to
start the school year.
And so the dynamics of how most students do
their summer internships, you know, it’s just changed.
And if we don’t find a way for companies to start
thinking about creating those economic pathways and
remote work opportunities, as I tell companies, if you
want a student veteran intern, that’s great, but you
have to think about, you know, what are the part-time
opportunities that may exist to continue engaging with
that person after the summer internship. That’s how
you’re going to be attractive to them is finding ways
to -- and that’s how you’re going to create the long-
term economic opportunity for them. But the current
way we’re doing it is not going to yield the results
that we want, so we’re going to have to find new
pathways to create these internships, fellowships for
student veterans.

MR. STUBBLEFIELD: Okay. I think I heard
someone on the phone.

BEY: The opportunity is just for disabled
veterans or nondisabled veterans as well?

MR. EVERSOLE: Well, they’re for everybody.
You know, the limitations for these corporate
fellowship programs at least, you know, from a Skillbridge perspective, has been the active-duty service member population, but as these programs have grown and we’ve seen success, we’ve also been able to increase these fellowship opportunities for both post-transition veterans, including disabled veterans, as well as military spouses, as well as military caregivers. We’re going to make a big announcement with the Elizabeth Dole Foundation next week and AARP that we’re creating more of these part-time work opportunities for populations beyond the active-duty service member population.

The challenge, the difference, is that unlike your active-duty population that’s being paid currently by the Department of Defense, your post-transition population or your caregiver population or military spouse population we generally feel and -- generally feel that you have to pay them a stipend during the course of that fellowship opportunity, that tryout, which takes funding.

So we’ve been fortunate in the Maryland/DC area as well as in places like Texas as well as the Pacific Northwest where we’ve been able to leverage some state workforce grants to help bring larger populations into the fellowship program. The good news
is the success rate on those populations has been nearly 80 percent, so there is a tremendous demand signal there.

But what it really comes down to, I think this is true with, you know, our active-duty service population but especially the post-transition population or caregiver population, our disabled veteran community or spouse community, is that I don’t think that -- I would guess, but 60 to 70 percent of the resumes for those populations that continue to struggle, my guess is their resumes don’t even get through an initial screen with most companies because they have so many gaps in their resume and they have so many moves from location to location and short work history that they fail the initial screen.

And so from an organizational perspective with these populations that are really continuing to struggle, the disabled veteran community among them, is how do we get to a place in this country where their resumes do not matter. And the quickest pathway to that from our perspective is give them a 6-week or 12-week tryout. Let their skills be put to work, and then you, the company, make a decision as to whether they’re going to be a good fit for you.

And I think that’s especially important for
small businesses that hire veterans and military spouses and disabled veterans. It’s really hard if you’re a ten-person shop to take a chance on a resume that looks like it may or may not fit. You like the person; you think they’re going to work hard; they’re talking the talk, but it’s really hard to value talent in that microcosm if you haven’t been able to see it at work.

Again, you put a spouse to work for six weeks, it doesn’t matter what their resume says after that. You’re going to see the skill set shine through; you’re going to see the passion and the commitment. And after that, you’re going to offer them a job at a wage that you think they deserve that has nothing to do with their resume. And we need to think about how we create more opportunities like that and think about as we leverage federal agency funding how we can create those opportunities because it is the quickest pathway to the job is let their skills shine through.

BEY: And what will you be doing for veteran entrepreneurs that are starting their business right now? They already transitioned out of the military a long time ago. What can you do for them?

MR. EVERSOLE: Well, you know, I think it’s a case-by-case basis. I mean, for -- you know, again,
from a -- as an organizational perspective, I want to be careful not to recreate programs that others do very well in this space. There are some great -- obviously IVMF has great training programs. Where we’ve seen a clear -- clear opportunity that we’re as an organization trying to be, you know, very careful as to how we create programs that add value, we are seeing great opportunities in the military spouse space as far as creating training opportunities.

From the veteran-owned business perspective, we’re not -- again, we have no desire to replace the training that organizations like IVMF is providing. The Montgomery County Chamber here is doing some great work as well for federal grants. But, you know, one of the things that we do for all businesses as the U.S. Chamber of Commerce, and especially veteran-owned small businesses, is we try to help as they expand their business find pipelines for opportunities.

So if you look at the placement of a lot of our fellows, over half of them are going to small businesses, where small businesses are able to leverage this talent source for a period of time. They get to try out. And so our piece of this is really focusing on the spouse piece of it, providing training, helping them with, you know, those opportunities, connecting
them with the SBA and IVMF, and then looking at how do
we help leverage some of the talent pipelines we have
at no cost to those businesses.

Yes.

MS. PEREZ-WILHITE: Do you concentrate at all
on veterans that have been out for some time, or you
just look at recently transitioned veterans?

MR. EVERSOLE: No, our focus, you know, over
the years, I mean, our programs are available to all
veterans and all military spouses. They always have
been. The challenge that we’ve seen in many
communities, you know, is that the number of unemployed
veterans in some of these communities have dropped to
such record lows, I can’t get enough unemployed
veterans to come to a hiring event to actually justify
the cost. I mean, it’s just -- I mean, we were in one
of the city’s major metropolitan areas, where I can’t
get 50 people to show. And so we’ve had to be smart
about finding locations where that demand signal is
healthy and where we can provide, you know, the right
services.

Our focus now has been, again, and it is
contingent on funding, is that rather than try to do
massive hiring events in these communities where 50
veterans may show up is to really look at how we can
expand on certain federal funding so we can put them in fellowship opportunities so that it’s more the one-on-one, direct placement, six-week tryout. We pay them a stipend. Here in the DC area, we’re paying them a stipend of $15 an hour. They go do six weeks of -- here in the National Capital Region, but primarily the Southern Maryland area. They do six weeks of on-the-job training, and at the end of that time period, a company can hire them. That’s where -- for us, as we serve that older veteran population, that’s where we’re seeing the most bang for our buck.

And, again, we’re not trying to duplicate services that are being offered by the Department of Labor. I mean, you know, we’re open to everyone, but, you know, we also want to make sure that from a donor perspective and from a value proposition that we’re being as additive as possible.

MR. STUBBLEFIELD: All right. Well, I want to thank you, Eric for being here today --

MR. EVERSOLE: Thank you.

MR. STUBBLEFIELD: -- and for the update, but more importantly, thank you very much for what you’re doing for our military community.

MR. EVERSOLE: My pleasure.

MR. STUBBLEFIELD: Thank you.
MR. EVERSOLE: Thanks.

MR. STUBBLEFIELD: All right, we’re going to take a ten-minute break, and then we’ll go through the agency updates. And I’m sure you’ll be here for a couple of minutes.

MR. EVERSOLE: A couple minutes.

MR. STUBBLEFIELD: In case anybody wants to talk -- speak with you on the break.

MR. EVERSOLE: Absolutely.

MR. STUBBLEFIELD: Okay. All right, so be back in at 2:20.

(Meeting in recess.)

MR. STUBBLEFIELD: It’s time to get started again. Okay, we’re up to the member updates. All right, so we’re going to start with GSA.

I was just going to say for the record we have OMB with us now. Good seeing you again.

MR. GAVINO: Okay, good afternoon again, everyone. I’m Amando Gavino. I’m the IT services director. I work within Federal Acquisition Services in GSA, and one of my responsibilities is the owner of the small business IDIQ. We call them GWACs, government-wide acquisition contracts, three of them. Ultimately, they are within my purview. One of them is 8(a) STARS, VETS 2, and a portion of the other one, the
Alliant 2 small business, also falls within my purview, but that’s under protest as we speak. So next slide. All of the contracts that we manage from within my office are BIC-designated, best-in-class contracts. First thing, just briefly go over 8(a) STARS. This is the third generation 8(a)s. The first one was called FAST, which was awarded in 1999. The second was STARS I, awarded in 2004. And STARS II, which was awarded in 2011, that will be expiring August 2021. The current program has a ceiling of $12 billion. Currently, 8(a) STARS II has about 4,800-plus task orders and about $9 billion in obligations to date. That’s from 2011 to 2019. And orders may be placed through August of 2021 with a performance through August 30th of 2024. There are 782 industry partners from within 8(a) STARS II. There are 54 agencies that are currently using 8(a) STARS II. The majority of users of 8(a) STARS II are DOD, Department of State, and Department of Agriculture. Next slide, please. VETS 2, as you already know, VETS 2 is about the only GWAC set-aside exclusively for SDVOSB. The period of performance is what you see there, it’s five years, all the way up to 2023, with one five-year option. The type of services that VETS 2 offers are
just, for example, it’s pretty popular, data management, information systems, cybersecurity, software development, system design, communications technology.

The ceiling for VETS 2 is currently at $5 billion. The original VETS 2 GWAC ceiling was also $5 billion, but the total obligated sales for the original one was at $2.2 billion. That particular contract expired in 2017. Currently, there are 28 task orders, as you see there, $366 million total estimated value. And in VETS 2, currently there are 70 awardees on the current VETS 2 contract. About a year before it expires, we will decide basically the next iteration of VETS 2. Next slide.

So I briefly mentioned earlier there was a protest. The actions have been taken. GSA basically all awards were rescinded. A draft amendment was published in FedBizOpps in August ‘19, which was open all the way up through yesterday, 3rd of September. GSA will review the comments and determine the next steps for this GWAC.

The original small business order period expired in February of 2019, and has over -- about $8.7 billion obligated to date. The performance of that contract will continue through February 2nd, 2024.
Again, the feedback we have received closed out yesterday, and we will get back to the team here as soon as we have further information on that one.

The 8(a) STARS III, we stated the business case. We’re working from within GSA right now, small business office. As soon as it gets approval from within GSA, the next step is actually to go back to OMB and get their concurrence on the business case that we are going to be proposing in the very near future. I’m working with Bill Zielinski right now on the presentation of the business case for 8(a) STARS III. We -- lessons learned, we need to start early in that one so we have time to actually put it on the runway.

That’s it very briefly for GSA. Any questions?

MR. STUBBLEFIELD: I think I have we have a question for GSA.

MR. BLUM: Yeah, quick question. So going back to VETS 2, just on the numbers there, so you said that the ceiling for that is about $5 billion, is that right?

MR. GAVINO: The current ceiling for VETS 2?

MR. BLUM: Yes.

MR. GAVINO: $5 billion.

MR. BLUM: Gotcha. And it’s for five years
with potential five-year extension.

MR. GAVINO: Yes, sir.

MR. BLUM: So -- and the work to date over the first 18 months, from February of '18 to now, is about -- was it $366 million.

MR. GAVINO: Correct.

MR. BLUM: And I realize that the ceiling sometimes can be, you know, sort of higher than actual activity.

MR. GAVINO: Right.

MR. BLUM: That’s not unusual, but just out of curiosity, did you all have any projections about what you expected the usage of that vehicle to be year over year? In other words, is the $366 million about what you were expecting, or --

MR. GAVINO: My program managed about $3 billion. I know last time we had VETS 2, the obligated ceiling was only $2.2 billion, so the projected ceiling right now, year after year, would be -- my projection would be 3, so does that mean we’re going to lower down the ceiling? I don’t think so. I think it’s a matter of selling --

MR. BLUM: Oh, no, no, no. I’m not encouraging you to go to the ceiling.

MR. GAVINO: Right.
MR. BLUM: I’m just curious as, you know, when you were doing the projections, you know, are the people coming to the vehicle at the pace that you expected, and if not, what are the types of, you know, issues or opportunities that are being missed or --

MR. GAVINO: I really think it’s the ability to sell the solutions that we provide in all of our vehicles. That’s actually one thing that we are now tackling in our office. We are so contract-centric, we should be talking about IT solutions in general because we offer all of that capability. And VETS 2 is definitely one of the vehicles that we are going to -- our plan is to bust through that projection of $3 billion.

We’re hiring new people to actually help in that area, so bottom line is, you know, I will get my $3 billion. Not projection.

MS. PEREZ-WILHITE: Do you have any information on FBO moving to Beta.Sam.Gov? That’s GSA, correct?

MR. GAVINO: Yeah, actually --

MS. PEREZ-WILHITE: Because I remember when it went from CCR to SAM. The extra information we received from GSA and also from IBM, I believe, was the contractor that helped everything go smoothly, if we
could help get the word out to the veteran business owners if there’s anything that’s needed to be known.

MR. GAVINO: Actually, Dwayne Carter, the OSDBU guy -- I’m sorry, it’s slipping my mind right now, but I can get back to you on that one. Yes, we do have information about that. I just can’t remember what it is.

MS. PEREZ-WILHITE: Is there any way we can get that information for tomorrow’s meeting?

MR. GAVINO: I’ll get it -- yes. I’ll poll Dwayne Carter for that one.

MS. PEREZ-WILHITE: During that last transition that I mentioned, CCR to SAM, I traveled throughout the state of North Carolina and got the word out to thousands of businesses on what they needed to do themselves to make sure it went smoothly for them. We could do that again and get it out to a larger audience through tomorrow’s board.

MR. GAVINO: I’ll get that information to you.

MS. PEREZ-WILHITE: Thank you. Appreciate it.

MR. GAVINO: Thank you.

MR. STUBBLEFIELD: Okay, so you’re going to get that information back. Are you going to call in tomorrow?

MR. GAVINO: I can email it to Amy.
MR. STUBBLEFIELD: Okay, all right, great, great.

Okay, any other questions or comments for GSA? And, oh, by the way, if you’re on the phone, please state your name before you speak so we can capture it for the record.

BEY: Greetings. My name is Bey, and I would like to ask a question. Concerning IT, you know, do you have any contracts that you’re awarding now or soliciting for award in IT?

MR. STUBBLEFIELD: Before you answer, let me just say this. State your name again, first and last name.

BEY: Bey, B E Y.

THE REPORTER: What’s his last name?

MR. STUBBLEFIELD: We’re still trying to capture your whole name. Did you say Dave?

BEY: No, I said Bey, B E Y.

THE REPORTER: B E Y.

BEY: And you mentioned about, you know, the IT and how things are going and trying to get his money, and I want to know as far as contracts is concerned, how are they planning to help the veteran in that effort. That’s what the call is supposed to be about, how making veterans first, correct?
MR. STUBBLEFIELD: I guess we’ll capture that question on the record and I’ll guess we’ll work with GSA to figure out what the answer might be, unless you want to comment on it.

MR. GAVINO: Can you clarify the question? You mentioned something about the fee. In particular, what’s the question about the fee and the contracts?

BEY: Yeah, you mentioned that -- you mentioned that you’re trying to get the -- there’s $3 billion out there and you’re making -- in reference to the IT is concerned, and my question is making veterans first, are there any contracts that you’re soliciting out there in reference to IT.

MR. GAVINO: Okay, my comment is basically advertising VETS 2 in particular and not just VETS 2 but other contracts that we -- that falls in my purview by holding industry days. When we do program management reviews, my plan is to advertise those contracts as much as I can during those type of events, i.e., an industry day. That’s how I plan to basically get more business into the hands of VETS 2 small business owners by having those type of activities more in the future.

MR. PHIPPS: Bey, this is Mike Phipps. To answer your question, what Amando is saying is that
entire vehicle is for veterans.

MR. GAVINO: That is correct.

MR. PHIPPS: The whole GWAC is all for veterans.

MR. GAVINO: That is correct.

MR. PHIPPS: So, you know, that -- the point -- you know, I can hear the frustration, but that is something that GSA does just for veterans only, SDVOSBs. Is that correct --

MR. GAVINO: That is true.

MR. PHIPPS: -- Amando?

MR. GAVINO: That is correct. That’s the VETS 2 is specifically for service-disabled veterans.

BEY: It’s terrible.

MR. PHIPPS: That’s terrible? Why is that terrible?

BEY: It’s only for -- it’s only for -- it’s only for the -- it’s only for the -- you have to be disabled, that’s crazy. I’m not -- I’m not -- I’m not a disabled person, and I’m trying to -- I’m trying to understand how you all are going to help veterans who are not disabled.

MR. PHIPPS: And talking about specifically in government contracting?

BEY: Yes. That’s what the call -- that’s
what these calls are supposed to be about, right?

MR. PHIPPS: Sir, the VA has -- has specific
veteran-only setasides. And they meet their goals over
here, but they’re specific just for veterans at the VA
and you can -- are you VetsFirst? Did you get
certified by the VA?

BEY: Well, but the thing is they want me to
be disabled.

MR. PHIPPS: No. That’s not true.

BEY: Okay, well, I need to talk with somebody
about that.

MR. PHIPPS: Amando, is there an onboarding or
an offboarding process for VETS 2?

MR. GAVINO: Let me get back to my program
managers, but to the gentleman’s concern, again, VETS 2
is for SDVOSB, but like you said, there are other
vehicles out there that’s for veterans that you don’t
have to be disabled that you can utilize to get
onboard.

MR. STUBBLEFIELD: I’m just going to say real
quick, too, we have VA in the room with us.

MS. RIDLEY: Yes, absolutely. So we have a
lot of initiatives under way to assist veterans, and we
actually assist veteran-owned small businesses as well
as service-disabled veteran-owned small businesses.
What I’d like to do is give you our main number, where you can call and we can have someone work to give you additional information. Would that be satisfactory to you?

BEY: I guess so. It’s been frustrating over the years, I can tell you that.


BEY: Let me write it, okay. Go ahead.

MS. RIDLEY: 632-7803. And is that a -- what’s your name, sir?

BEY: Bey, B E Y.

MS. RIDLEY: B U Y.

BEY: No, B E Y.

MS. RIDLEY: B E Y. Okay, great. We’ll listen for your call, and we’ll get you connected with someone that will tell you all about the services that the VA has to offer to assist veteran-owned small businesses with becoming procurement-ready, becoming certified, to receive VA setasides.

BEY: And I don’t have to be disabled to work (inaudible).

MS. RIDLEY: That’s correct, sir.

BEY: All right.

MS. RIDLEY: Thank you.

MR. STUBBLEFIELD: Thank you, Sharon.
All right, we’re going to go to Department of Defense.

MR. JACKSON: Shannon Jackson, deputy director of the Office of Small Business Programs. As you know, the Department continues to maintain its focus on its performance and achieving its yearly goals. One of the things we’re -- you know, right now, we’re currently -- our goal is about 22.2 percent. We’re right now at about 21.8, and that was as of last week, with about $53 billion that we have in prime con. to small business contracts.

Veteran-owned contracts, service-disabled veteran-owned, we just broke the 3 percent with about 7 billion in small business services-disabled veteran-owned. Each of the services are moving towards continuing to achieve their goals for this fiscal year. So one of the things I think the Department continues to stay focused on is our veterans.

A lot of things that are happening and the change in administration and leadership and really trying to make it more accessible to small businesses, so that is our current update as of right now.

MR. STUBBLEFIELD: Any questions for DOD?

(No response.)

MR. STUBBLEFIELD: If not, we’ll move to the
Department of Labor.

MR. METHENY: Again, this is Bill Metheny with the Department of Labor, Veterans Employment Training Service. Eric Eversole earlier opened up with some of his remarks with the great numbers that we’re seeing in veteran unemployment rates. So in July, we released the unemployment rate for veterans for that month of 3.4 percent. That was up slightly from June, but the nice number to compare it to is that 3.4 compared to their nonveteran counterparts of 3.6 percent unemployment.

Eric sort of joked when he said, you know, it’s been that good for so long that many of us have stopped counting, but not the Bureau of Labor Statistics. And so the Department of Labor Bureau of Labor Statistics notes that that’s 11 straight months in a row that veterans have had lower unemployment rate than their nonveteran peers, so that’s great news, and we’re excited about that.

The next report comes out for the month of August this Friday. And so if you’re interested in getting those reports on a regular basis, you can subscribe to get those and other key parts about veteran unemployment through the newsletter. If you go to Veterans.gov, there’s a way to subscribe and get
those updates when they’re fresh.

So with that kind of good news about veteran unemployment, link that to how do we keep that going.
And so what we’re trying to do is build on the momentum of changes to the Transition Assistance Program, the TAP program, that many of us are involved with that came out of the recent National Defense Authorization Act. So for the Department of Labor, what that means is, like all of us, updating our curriculum but also taking a fresh approach to how we provide resources on these military installations through full-time contract counselors at many of the larger installations early on and as resources permit expanding from there.

So picture a VA benefits counselor who’s there all the time and available to serve that community. Well, now, we will be able to have those same sorts of counselors on the employment side to help provide regular linkage between the military community, the public workforce system that’s just outside the gate, and others that are working there. So we’re very excited about that and that contract is under way and should be active this coming fiscal year.

So just like we’ve got to prepare workers for jobs, it’s nice to have employers to provide those jobs as Eric was sharing earlier. So one of the things that
we’ve talked about for about a year now is the Hire Vets Medallion program, and by the time this Task Force meets the next time, we will have announced the winners of the Hire Vets Medallion program, which will come out about Veterans Day each year. So watch for that to come out.

What’s nice about that is you will see very likely veteran-owned small businesses on that list. So we’re excited about that. The final vetting is happening over the course of the summer.

So if you’ve got transitioning service members that are leaving a service and employers that want to do the linkup, one of those things that helps that linkup are the apprenticeships that again Eric talked about. Registered apprenticeships, industry-recognized apprenticeships, and how can we tie in veteran benefits to assist in those. Eric talked about subsidizing in some ways some of those opportunities, so how does the GI Bill fit in? How does vocational rehabilitation employment from the VA fit into those programs.

Part of what we’re trying to do at Department of Labor is integrate with all of our partners and colleagues around federal agencies to make sure that we’re all aware of what resources are available and sharing each others’ good news and getting folks to the
right folks, just like Sharon was able to provide some assistance just a few minutes ago with the person on the phone.

So Hire Vets Medallion apprenticeships are under way, and then the last part that I would highlight for now is military spouses. One of the things that we’re trying to do for military spouses is address the problem that Eric acknowledged. It’s challenging to move around a lot as a military spouse, and then to know what they’re getting into when they move to that new location. So on that same website, veterans.gov, there’s a button for military spouses that has a map that shows the resources in every state and what the laws and regulations are for that state for transferring licenses and credentials.

In some cases, one state will honor another state’s license or credential. Another state it might be we will honor it for a period of time while you meet our requirements. And there are all kinds of different combinations. The nice part about the map is the military spouse can find out before the move and can go armed with the information as opposed to having to go with hearsay in a new location. So we’re very excited about that, and we continue to update that map so that it’s accurate whenever a military spouse uses it.
So those are some highlights from some of the things that we’re doing, and I’d be happy to answer any questions as they come up, and you can obviously find me on emails for followup. So thank you.

Yes.

MS. PEREZ-WILHITE: I used to get this great email once a month from all of you talking about the actual veteran stats. You went just over unemployment versus the general population unemployment. You no longer do that now, and we have to go to veterans.gov, or am I just not getting that email anymore?

MR. METHENY: So that email now is through -- when you go to veterans.gov, one of the things that pops up in your face, every single time you go there, is subscribe to our newsletter. And that’s where it comes out, every month. So that’s a way to get it for sure every single month because by probably mid-afternoon this Friday, if you’re subscribed, it’s going to pop up, and it’ll show you not just the bare numbers that I shared but it will take you to links to all the other by state and all kinds of breakdowns to include North Carolina.

MS. PEREZ-WILHITE: Thank you.

MR. METHENY: You’re welcome.

MR. STUBBLEFIELD: Okay, we are going to go to
Department of Treasury.

MS. MITCHELL-WHISNANT: Hi, this is Mary Ellen. I don’t have anything further.

MR. STUBBLEFIELD: Okay, thank you very much for that.

Okay, Department of Veterans Affairs.

MS. RIDLEY: Good afternoon again, everyone. I’m Sharon Ridley. I’m the deputy executive director for VA OSDBU, and I’m excited to share with you that we are in full throttle working on our National Veteran Small Business Engagement Initiative in Nashville, Tennessee. The date will be on December 10th through 11th, 2019, and our industry focus will be on OI&T, medical, professional services. The registration opens on September 15th for folks like you, Mr. Bey, who’s on the line that may be interested in learning more about how to become procurement-ready and to how to do business with the VA and how to become certified, that’s an opportunity for folks like you.

The focus will be on networking with business opportunity sessions, networking roundtables wherein our guests, our veteran-owned small businesses, will have an opportunity to meet directly, face-to-face, with procurement decision-makers. There will be receptions on the 9th and 10th in the expo hall.
There’s ad hoc one-on-one sessions as coordinated with the procurement decision-makers.

There will be key leader roundtables to talk about upcoming contracts and things like that will be available at VA. We have a buffet luncheon at the expo hall. No luncheon speakers at that time, so there will be plenty of opportunity to network and to just meet and greet and learn more about contracting. There will be no plenary sessions other than the opening ceremony at 8:30 on the 10th of December.

For more information, please go to www.nvsbe.com, or you can search us on Facebook.

In terms of our verification program, we have verified at this point 13,645 veterans. 10,390 of those are service-disabled veteran-owned small businesses; and 3,255 are veteran-owned small businesses. We’ve approved 5,159 applications to date; 493 in the month of August alone. We’ve only had one denial in the month of August. So a lot of veterans are really becoming verified in our program.

Our average processing time for the entire year is 37 days. For the month of August, it was 26 days. We’ve -- we’re working on veteran small business
-- veteran-owned small business initiatives with the support in our partner with SBA. We are having our initial, in-person session on September 10th, which is just a few days from now, in VA offices, VA OSDBU offices. And I believe we have approximately 20 women-owned veteran -- women veteran-owned small businesses that will be in attendance to learn how to become procurement-ready and to learn how to do business with VA. That’s my report for VA.

MR. STUBBLEFIELD: You have to come to the table. Please come to the table.

MR. FINCH: Okay.

MR. STUBBLEFIELD: And use a mic so we can hear in the field, hear on the phone.

MR. FINCH: David Finch, Talon Veteran Services. We’ve been in business probably about 11 years, and this is to both the SBA and the VA. One of the biggest issues we face, we do hospital construction, both in the VA and in the private sector. And the biggest constraint we face right now is the bonding issue. We’re in capture mode right now, and we could have captured probably three or four $10 million accounts.

Previous to me being in the SBA program, I had to jump back into it because I bought my business
partner out, so I had to go back in the SBA program. Before that, I had a $30 million aggregate program with a $20 million single. With the VA going from $10 million in minors to 20 million, you put the smaller folks that are in the SBA bond program were hamstrung because to go from 6.5 million above 6.5, .1 million, you have to get the approval by the KO to get that bond approved by the SBA.

So in capture mode right now, you have reduced the number of SDVs that have the capability to go in and bid on these $5 to $10 million contracts. I’ve had a number of consultants -- we’ve done a $12 million ICU addition; we can do $15 million jobs, no problem. We can go up to $20 million.

So the bonding capacity between the VA and the SBA, which is SBA-backed, just like the VA one, needs to be addressed. It was last addressed in 2014 with the Shovel-ready Program that the Obama Administration came out. Before that, it was $2 million with the $6.5 million.

We have 25 percent tariffs on steel. We have huge labor inflation, as you would expect, in the subcontractor market. So the $6.5 million contract that was in 2014 is $12 million today. So it’s not kept pace with inflation. So you have knocked out a
number of procurement-ready SDVOSBs that could go into both DOD, Corps of Engineers we’ve been knocked out of, as well as in the VA, and they don’t have enough, a lot of them being sole-sourced to those contractors that are only getting bigger and stronger at the expense of us.

And as soon as I can, six to eight months, I will be out of the SBA program, but I don’t know. But in the capture mode that we’re in now, we live until the next go-around, until July 1, if that happens. So I challenge both the SBA and the assistant director, whoever is in charge of that, but VA especially. I don’t think that was taken in consideration when you bumped the minors from $10 million to $20 million. They are now tiered in these programs for those of you who aren’t in the construction world within the VA, it’s a big deal.

So now they’re allowing big businesses now to dip down into the $20 million mode because they can’t get enough SDVOSBs with the bonding capacity but have the technical quals to do the work because the bonding capacity is not there. So they’re tiering them. They’re going SDVOSBs, women-owned, anybody that is a setaside is going to suffer from the same problem we’re suffering from.
So then what that does is now you’re seeing Clark, you’re seeing DPR, you’re seeing all these setups, SBUs, to dip into that $15 and $20 million range, they have the bonding capacity. So it’s defeating the purpose of what the VA is trying to do. And it’s something that the SBA could do, even if you went from $6.5 million to $10 million, I used to do bonding in the corporate world before I got -- I started my own business, and it’s a real, real present and real issue because there’s so many SDVs that aren’t bidding on these $5 to $10 million jobs because you can only go up to $6.5 million on a single job.

And you might have $10 million, $15. It all depends on your financials. I mean, we’re financially very sound, but I can’t go above a $6.5 million contract. When I have consultants from architect and engineering firms say, hey, we want you to bid on this because you can do the work, I say I can’t do it because we don’t have the bonding capacity to do that $10 million job. But you guys have done a $12 million job; well, we can’t do it because we can only go up to $6.5.

And you get one time a year an exception to go up to $10 million. And last year, the SBA issued 10 of those exceptions. It’s a real issue. For those that
are on the phone or in the United States listening to this, you know what I’m talking about. I don’t know if you guys were aware of that, but it’s something that we’re in capture mode. We’ve had to turn down a lot of opportunities when the VA has asked us because we’re a performing contractor for them, we’ve done over $80 million in construction for the VA. That’s my question.

MR. PHIPPS: What’s the limiting factor in getting to the six-point and going above the 6.5 million?

MR. FINCH: The SBA rules. It also has to go through -- I’ve contacted my congressman’s veteran liaison, and I used to do some lobbying on the Hill, and he -- unfortunately it’s a current fund issue, so it has to go the House Oversight for the -- who oversees the SBA, and then it has -- the rules and regulations have to be written, as it was said earlier, and then it has to be voted on by the House to go up to the 10 million. So last time, during the Obama years, they put in an omnibus reconciliation and said, okay, we’re going to do, you know, Shovel-ready jobs, and the SBA, you said, okay, we’re going to go to 6.5 million. So that’s the real issue right now, is the legislative process. But, you know, we all know that
the SBA and the VA get together, the rules committee
can write those rules and work with the liaison of the
veteran committees within the House and then the
oversight committee for SBA to do that, but it’s a real
issue. So it’s something that is near and dear to my
heart.

    The other thing that I will say for those of
us in construction is the SBA requires a compilation
financial accounting report. As when I’m at the SBA
program, Clark Construction, they do not -- they’re
not even required for a compilation accounting report
for their bonding company. Everybody in this room is
in the DC market. I’m out of Richmond, and we see
DPR, they’re up here, you know, the bigger companies
don’t -- aren’t -- their bond companies don’t require
compilation reports. That costs me $5,000 to get that
to the SBA, when just a standard reviewed financial
works for a bond company. And the SBA is doing
overkill on that, and they haven’t killed that
particular frictional cost component to what we’re
trying to accomplish.

    And that’s something that should be addressed
as well, and it’s an old rule that’s hung around in the
SBA because most of you in here either maybe haven’t
run a business or you’ve been in a business but you’ve
not been in the construction business. And the
Infrastructure Bill’s going to be coming out. That’s
going to be up and coming. It’s going to happen. So I
just challenge both the SBA and the VA, and DOD for
that matter, to look at these matters because it’s not
just setasides; it’s small businesses that suffer,
especially for when the Infrastructure Bill comes out.

Any other questions?

MR. STUBBLEFIELD: I’ll say right now I don’t
have the right people sitting in this room right now to
address it. I remember you were at the Vets Summit.

MR. FINCH: I was.

MR. STUBBLEFIELD: At our first Vets Summit.

So what I want to do is get your contact information
and then set up a conference call where I have the
right people here to address your concerns. And we’re
capturing this on the record now, so we’ll move forward
in that regard.

MR. FINCH: It’s very important. It’s not
only important just for SDVs, but it’s important for
small businesses, women-owned, setaside, anybody that’s
in the SBA. And the SBA program is great. It’s a
great place to start off from, but you’re constraining
those companies. I mean, we could hire 15 to 20 more
people if I could get some more runway on that bonding.
MR. STUBBLEFIELD: Right.

MR. FINCH: So it would fulfill the role of the SBA in promoting employment and growing businesses, and we could have another reflection point within our company, maybe two or three, and not just in the VA but in DOD, the Corps of Engineers, we’ve had to turn on some jobs as well.

MS. RIDLEY: Larry, I was thinking the exact same thing, to follow up. Would you please include VA in those future discussions?

MR. FINCH: Yeah, I’ll give you my cards.

MS. RIDLEY: And especially me and Ruby.

MR. STUBBLEFIELD: Okay, all right. We’re up to OMB.

MR. BLUM: Thank you very much. All right, a couple of things. One, very happy to announce that just today our administrator had his confirmation swearing-in, so he became the 15th administrator for the Office of Federal Procurement Policy. And during his confirmation and again during remarks he made -- he emphasized his awareness of the importance of a robust industrial base of small businesses.

I should mention, by the way, his name is Michael Wooten. He has a military background in the Marines. And also has worked in operational
contracting and spent a number of years in DAU, so also
learning how to teach people to understand the
procurement system.

We also, since we last met, had a very
impactful meeting with the President’s management
council. These are folks, deputy secretaries,
assistant secretaries responsible for management in the
departmental agencies, and the July meeting was largely
focused on strategic procurement issues, a fair amount
of discussion on innovation, and actually some
interesting themes that dovetailed with what we heard
earlier from the Chamber of Commerce in the procurement
space where we heard Eric, for example, talking about
how important it is to test and share stories of
success, and this was showcased by the Department of
Homeland Security that has really been a thought leader
in procurement innovation in both recognizing that when
you test in small amounts, even if you fail and you
fail fast, it can be constructive and you learn well.

And I think this can be very helpful to the
small business community for many of the smaller-dollar
requirements that small businesses provide. And also
to accelerate the pace at which we share information
with each others on strategies that work well in
increasing opportunities for all of our different types
of small businesses, including veteran-owned small businesses and our service-disabled veteran-owned small businesses.

Also talked about using data as an asset, not just government data but also how to consolidate government information and commercial information to make smarter buying decisions. I know we had a lot of work in the past that I think DOD and GSA were leaders on in how to analyze your own buying trends to figure out where there are opportunities to increase small business participation based on your mission and the type of spending.

So I’m hoping coming out of this discussion with the PMC that we can do some greater focus on knowledge management and how we can reinvigorate some of the stories that we shared in the past and provide a simple way for people to share procurement information moving forward.

On the regulatory front, we’re hoping that we have 25 or more FAR cases issues for the fiscal year by -- just for context, last year, there were 17. And in Fiscal ’17 as agencies and the FAR Council got up and running on how to do better analysis of regulatory burden, the numbers were very small.

What’s sort of important for this group is we
have a number of cases, one that came out on overseas
and giving credit for work that’s done overseas, but we
also have two cases that are on the verge of being
issued, one finally is to complete the work on multiple
award setasides. This goes back to the Jobs Act and
recognizes the increasing amount of spend that occurs
through task orders on these multiple award contracts,
so we’re looking forward to having that finalized.

And you’ll also see some discussion in the
preamble about related work in the Federal Procurement
Data System to be able to track that work in a more
granular fashion so that we can be more sophisticated
in how we give credit to agencies and not just be
limited to the predominant activity but also if you
have small businesses, for example on a partial
setaside, doing work that’s not predominant, being able
to capture that in our system so that that can be
reflected in SBA’s goaling work.

And also a rule that I think is very popular
in the community on the subcontracting limitations and
exceptions where small businesses are using small
business subcontractors of like nature, so I think
that’s a great way to increase the capacity of our
veteran-owned and service-disabled veteran-owned small
businesses to get larger requirements.
And we’re also following with interest the ongoing work at VA on the implementation of refinements to your VetsFirst policies. And, finally, and I think I may have mentioned at the last meeting, we will soon have a report issued by the FAR Council on the implementation of Section 839 of the FY19 NDAA, and this provision includes a requirement for the FAR Council to look at how to reduce the number of government-unique requirements that the FAR Council has imposed through its own discretion on commercial item contracting and subcontracting.

And just for those that like numbers, I think we’ve calculated that there are a total of 168 separate requirements that can apply to a commercial item contract; 106 are statutorily required; 62 are nonstatutorily required. A report that’s going to be issued in hopefully a year future will talk about the methodology that the FAR Council is using to analyze all of those requirements. But equally important also explain instances where, although they have the discretion to eliminate the requirement, they would retain them, and that would include areas that support important socioeconomic policy objectives.

So clearly there may be ways, and we’re continually looking for ways in which we can implement
our small business requirements in a manner that’s easier and less burdensome for both contractors and the agencies, but the basic requirements and the framework, even if it’s government-unique, it’s important that that stay in place in a solid fashion. So we have delineated this in a way that the community will then understand moving forward, you know, that we are ultimately a rules-based system in federal procurement, and there is a value played by the rules that we have, but we want to look at where, you know, there are rules that no longer are having a beneficial impact or not necessary and when we can reduce them, especially in the commercial item space.

And, finally, I would mention that we’re also following with interest the work, I guess, on the House side and a draft Chairman’s mark of the SBA Reauthorization Improvement Act. For example, I think in Section 703 they talked about contract cap amounts and sole source authority and raising that. And the Administration shared some of its comments with the Chairman as they worked through the process, and we talked about, you know, our support and our recognition of the importance, you know, of the ability to do sole source setasides, including for service-disabled veteran-owned small businesses and maybe having a
standardized cap for all of the programs rather than
the differing amounts that we have.

We did raise some concern with respect to the
way that the language is written in that the level of
the increase, while we want to see a healthy increase
in the cap, the amount that -- it’s hard to tell
because of the way that it’s articulated and it doesn’t
include, for example, all the options of the contract.
You can’t tell what the outer bounds is. And at some
point, we think that, you know, we do want to continue
to find ways to have simplified competition and bring
in new entrants, so we’re looking for a way in our
conversations with the Hill to achieve a balance in the
increased use of this, recognizing the benefit of this,
but also, you know, an ongoing need for bringing new
entrants into the marketplace.

MR. STUBBLEFIELD: All right. So I was just
going to ask real quick, you mentioned 839. Is that
kind of tied to the 809 panel and those 98
recommendations?

MR. BLUM: So it isn’t directly tied, but I
think it is, Larry, in general spirit. The 809 panel
that you’re referring to was created, I think, in 2016
by Section 809 of the NDAA, and it included government
and industry luminaries that have been looking
primarily at the Department of Defense in how to make
some bold transformation of the procurement system.

And Section 839 was actually, I think,
inspired by the Administration that was saying in the
commercial space we know that our regulatory system is
pretty complex. And, you know, when we can rely upon
commercial practice and not impose government-unique
requirements we want to do so so that we don’t have
unintended barriers to entry, which is a theme that I
think you’re right in pointing out the 809 panel worked
on in many of its recommendations.

MR. STUBBLEFIELD: All right. All right,
thank you very much.

Any questions or comments for OMB?

(No response.)

MR. STUBBLEFIELD: If not, we’re going to go
to Student Veterans of America.

MR. HUBBARD: Nothing further to add. Thank
you so much.

MR. STUBBLEFIELD: All right. Well, thank you
again for being here. And finally, North Carolina
Military Business Center.

MS. PEREZ-WILHITE: Good afternoon. For those
of you on the line, once again, I’m Fran Perez-Wilhite
with the North Carolina Military Business Center. I’d
like to discuss some of our latest veteran business
development activities. The Medical, Biomedical and
Biodefense Symposium in Chapel Hill in June was a huge
success with over 500 veteran attendees. We capped it
out at 500 so our veteran-owned small businesses could
speak to the prime decision-makers.

Day one was comprised of private, one-on-one
meetings with our vetted veteran-owned small businesses
and the VA and Owens & Minor, who is a prime vendor to
the VA. I would like to personally thank the VA OSDBU,
VISN 6, and the VA Health Administration for making
this a huge success.

Day two was comprised of more private
meetings, business development sessions, and exhibit
hall. Thanks again to the VA, DOD, US Army MEDCOM,
USASOC, Second Marine Division, Womack Army Medical
Center, U.S. Army Medical Research, et cetera. They
shared their upcoming projects and business forecasts.
If you would like to be a part of the medical event in
2020, let me know. It’s scheduled for the 17th and
18th of June.

In August, we teamed up with NAVFAC and
conducted the NAVFAC Industry Day, Hurricane Florence
Recovery. This free event was in Charlotte, North
Carolina, and had over 550 companies in attendance, the
majority of which were veteran-owned. And they were vetted by my team. The event discussed 31 upcoming construction opportunities at Camp Lejeune and Cherry Point due to Hurricane Florence. This was followed by private, one-on-one meetings between the companies and NAVFAC decision-makers. If you would like to team up with us for an industry day event, please let me know.

And, lastly, our largest event of the year, the 2019 Southeast Regional Federal Construction Summit, formerly known as FEDCON, will be held 23 and 24 October in Wilmington, North Carolina. This business development event will have dialogue with upcoming construction projects from the following federal agencies: VA, Coast Guard, GSA Public Building Service, multiple military bases, et cetera. Attendees will be able to meet prime contractors as well. There will also be private, one-on-one meetings for our veteran-owned businesses.

We will limit the event to 1,000 attendees so all can talk to the prime decision-makers and primes. I handed out palm cards for the summit at each seat here today. If you would like to join us, please let me know. My phone number is (704) 806-6858. Once again, that’s (704) 806-6858. Thank you.

MR. STUBBLEFIELD: Okay. Any questions for
MR. STUBBLEFIELD: If not, we’re going to roll over into our Task Force annual report. And for that, we bring to the table Amy Garcia.

MS. GARCIA: Good afternoon. Thank you all for being here. Each year, the Task Force is responsible for drafting and submitting a report to the President on progress made toward interagency coordination of federal support for veteran-owned small business development. During this portion of the meeting and for the next half-hour, if not sooner, Task Force members have an opportunity to discuss the proposed timeline and mechanics of compiling a consolidated report for Fiscal Years 2016 through 2019.

The report will cover interagency accomplishments made by the Task Force members to support veteran entrepreneurship. Each Task Force member has been sent an email with a copy of the draft. We’re not going to go into the draft today, just really to focus on the timeline and the best way to get to the end product.

As today’s time is very limited, I’ve prepared a few materials that outline a suggested time frame to complete the report, which OVBD hopes to be able to
submit to OMB for final interagency clearance in December before we break for the holidays, so that would mean our final draft -- yeah, not quite yet -- no not yet.

Also, for today’s exercise, we’ll do a brief run-through of the recommendations with emphasis on making sure agencies or members are listed appropriately under their respective recommendations. As we go through each recommendation and rationale, please ask any questions or request any clarifications before moving on to the next recommendation.

In addition to the timeline outlined in today’s deck, OVBD suggests periodic check-ins via teleconference over the next couple of months to offer support in meeting the December deadline.

Lastly, as we look ahead in preparation for the Fiscal Year 20 report, the Task Force has an opportunity to yet again refine the recommendations. One way to formulate meaningful recommendations is keeping them current and relevant. As you go through the exercise in the next few months of providing feedback to the consolidated report, to be sure you will notice that we’ve accomplished quite a bit toward our stated current recommendations, so think about how we might change, eliminate, or propose a recommendation
as we move forward. So we can go ahead and get started
with the overview here.

So just a quick background. We have -- oh, my
gosh, my glasses aren’t working -- this is from the
charter, the Task Force charter. This outline -- I
just wanted to highlight a few things from the charter
that are relevant to the report. Charter Number 3,
Objectives and Scope of Activities, outlines that we
focus on improving capital, business development
opportunities, and pre-established federal contracting
goals for small business concerns owned and controlled
by veterans and service-disabled veterans. Next slide.

Number 4 of the Charter, and we won’t read all
of this today, but this is for your reference, outlines
a description of duties, one of which includes a
report. Next slide.

We are responsible to send a report to the
President, so that’s what we’re going to do. Next
slide.

And so here’s where we can talk about the time
line. We have a report framework that we’ve used over
the years. It’s pretty standard. We’re not tied to
this, and this is something that perhaps we can discuss
as we’re talking offline on the best way to present the
information that we’re going to report out this year,
but generally the framework includes an introduction, an executive summary.

We like to include information about veteran-owned small businesses. We call it By-the-Numbers. We want to make sure that each agency has an opportunity to highlight their own administration priorities, some real top-level accomplishments, for example. And then we get into the recommendations, rationale, and member responses, which would be your input.

So for the report timeline, we suggest that -- okay, so you’ve received your draft framework. That’s gone out already, and within 30 days, initial input due to SBA, OVBD, and working through October and November, we can work together to finalize the draft. And then just skipping down real quickly here, December 31st, we’d like to have a consolidated report draft ready for interagency clearance.

Snuck in that timeline is our December 4th meeting. So we’d like for everyone to come prepared to the December 4th meeting to talk about the work that we’ve done so far on the consolidated report and then shift the conversation to how we’re going to present new revised recommendations. So we’ll have more time to discuss that at the December meeting. So that’s kind of where we’re headed on this.
So I was wondering if everyone -- if anyone has any questions about the timeline, if anyone has any problems meeting that deadline.

Yes.

MR. METHENY: This is Bill Metheny at DOL Vets. The time period covered in the report, which -- what’s the window that we want to make sure we’re addressing?

MS. GARCIA: Fiscal Year -- Fiscal Year 2016 through 2019.

MR. METHENY: 16 --

MS. GARCIA: And just a quick reminder, in Fiscal Year 2016, this committee revised our recommendations, and so there’s a bit of draft language included already in the report about that. Thank you.

MR. METHENY: And then just one other note, as I’m thinking about the next few weeks of fiscal year closeout, if I invite comment from my colleagues at the Department of Labor, I might get interesting responses. So it may be that we’re pretty close as it is, but just to acknowledge that I might come back and ask for a little bit of a window.

MS. GARCIA: Understood. Thank you.

MR. METHENY: Okay, thanks.

MS. GARCIA: Okay, then -- next slide, please,
talking about the report itself. The report has four key priority areas, and this comes out of the charter, and -- from the law itself or the executive order that authorizes this committee, this Task Force. Increase growth -- increase opportunities for growth is a key priority area; improve and expand counseling and training services; reduce barriers to growth and improve coordination and efficiencies; and other, which we’ve designated as identify and address research and policy issues.

So just looking at those four key priority areas, I mean, just in conversation today, I’m sure you can come up with a short list of things that you could, you know, think of moving forward in our ‘20 report for the new recommendations. A lot has been done since 2016, so I guess through our conversations offline we can talk about how we want to address the history of the different initiatives and things that we follow in our work. But those are the four key priorities -- areas of priority. Thank you. Next slide.

Okay, so we’re going to use this opportunity just to quickly go over each recommendation and make sure that each agency who feels that they have something to contribute to this area, to this recommendation, is noted. Let’s see. Just a second.
I’m going to refer to my copy of the draft report, which I know not everybody has it with them, but it should be okay.

Okay, so Recommendation 1.1 is increase awareness, access, and utilization of microloans in the veteran-owned small business community. That’s -- we had that listed as an SBA due-out. Is there anyone else who feels they need to be included in that?

(No response.)

MS. GARCIA: All right. Recommendation 1.2, facilitate agency alignment and/or awareness in the use of already developed government-wide tools and information to support buying activities based on market research sources, industry statistics, supplier base requirements, and success stories. So I’ve got DOD, GSA, VA, OMB.

All right.

MR. STUBBLEFIELD: They have the slides, right? You have the slides?

UNIDENTIFIED MALE: Yeah, and we have the report, too.

MR. STUBBLEFIELD: Okay, all right.

MS. GARCIA: Recommendation 1.3, review the policies of all Federal Departments and Agencies to investigate or identify the types or classes of
contracts, et cetera, that are currently excluded from the base against which the 3 percent required goal for awarding contracts to SDVO SBCs is computed. So I have that really as an SBA due-out as a primary need.

Recommendation 1.4, conduct an analysis of the benefits and drawbacks of creating a business development program for economically disadvantaged SDVO SBCs modeled on the SBA’s 8(a) program. And that is an SBA due-out. Okay next slide, please.

Recommendation 2.1, facilitate outreach and training when identifying new opportunities for mapping the landscape of state and federal programs. On my list, I have SBA, DOD, DOL, and VA. I guess -- is there anyone else who should be included on that? Let me know.

Recommendation 2.2, add to the curricula used in Boots to Business, Reboot, and other veteran entrepreneurship training programs such as available through PTACs and other SBA partners, to use them in their -- as their HR support for staffing. I have DOL and SBA on that due-out. Okay, thank you, next slide.

3.1, find and reduce barriers that impede service-disabled veteran-owned small businesses from contracting with the U.S. Government. I have GSA, OMB, SBA, and VA. I guess DOD could probably be included.
MR. JACKSON: On 3.1?

MS. GARCIA: Yeah, what do you think about that 3.1? Is that a --

MR. JACKSON: It ties along with what Congress asked us to do in 2019 in the NDAA, reducing the barriers, so...

MS. GARCIA: Okay, thank you. DOD. Thank you, Shannon.

Recommendation 3.2, promote use of innovative practices that reduce burden for veteran-owned and service-disabled VOSBs and increase access to new technologies produced by these entities. I have OMB primarily on this.

MR. BLUM: And that probably would include, like, DOD and GSA.

MS. GARCIA: DOD, right, because of the -- all the category management.

MR. STUBBLEFIELD: You said GSA as well?

MS. GARCIA: Yeah, so OMB, DOD, and GSA.

Recommendation 3.3, coordinate and centralize information on veteran and service-disabled veteran-owned small business contracting opportunities across the federal government. So really I have GSA and VA as the primaries on this. We all have a part to play in that, however, so...
All right. Recommendation 3.4, produce an agency-led assessment of VOSB achievements and contracting goals to increase VOSB utilization in prime contracting. That was an agency-led assessment that SBA committed to at the time we created that, so I didn’t have anyone else listed on that recommendation, unless anybody thinks they have something to offer.

3.5, increase collaboration on federal contracting opportunities between national veterans’ advocacy groups and SBA’s Office of Veterans Business Development. So SBA for that.

Recommendation 3.6, conduct an analysis of the benefits and drawbacks relating to having a single Government-wide program to certify SDVO SBC status and recommendations on how such should be -- could be established. I have SBA and VA on the hook for that.

And then Recommendation 3.7, provide information to veteran-owned and SDVO SBs that will help them understand and meet existing and emerging requirements for cybersecurity protections in federal acquisitions.

MR. JACKSON: Who do you have for that?

MS. GARCIA: I have DOD on the hook for that.

MR. JACKSON: On the hook for it?

MS. GARCIA: Yeah, and, I mean, you’ve
presented -- DOD presented cybersecurity information at
the December 2016 meeting.

And then moving to Recommendation -- other
priority recommendations. That’s the GI Bill benefits
as a property right, allowing veterans to use funds
both for educational and small business creation
activities such as counseling and business financing.
I have SBA on the hook for that.

Recommendation 4.2, identify and provide
potential data sources that support research to
evaluate the effectiveness of veteran entrepreneurship
programs and potential areas for policy or programmatic
changes to meet current and emerging veteran
entrepreneur needs. I have SBA on the hook for that.

Recommendation 4.3, develop unemployment
insurance outreach collateral that addresses existing
support at the state level. And that would be a DOL
due-out.

And Recommendation 4.4, analyze existing
evaluation criteria in federal procurements that
include veterans’ employment and certification of firms
who submit offers and examine the feasibility of
broadening veterans’ employment evaluation criteria
across federal agencies’ procurement policies.
Initially, that was a -- we had talked about VA
including criteria in requirements for veterans employment.

MR. PHIPPS: Amy, is this about veteran employment?

MS. GARCIA: This was including -- okay, so this is evaluation criteria in procurements that would -- I think generally it’s, you know, offering, I don’t know, evaluation criteria points, as it may, to companies that can show that they employ veterans as well.

MR. BLUM: Like a certain percentage.

MS. GARCIA: Like a certain percentage, yeah.

MR. PHIPPS: Right. Yeah, I remember that.

MR. BLUM: I think we did -- SBA and OMB also did some work on it with VA.

MS. GARCIA: Okay. Okay, so does everyone feel comfortable with where they are going to participate on input of the report?

MR. PHIPPS: Amy, this is Mike Phipps. So we were discussing at one point about a veteran business development program, bringing everything under one umbrella like the 8(a) program. And we’ve been discussing this for a long time. This is something that we’ve been briefed on for a long time in the veterans community that, you know, since the ’70s. I
didn’t see that particular topic addressed.

MS. GARCIA: I think we’ve got that in here for sure.

MR. STUBBLEFIELD: It’s under increased growth opportunities.

MS. GARCIA: What’s the number on that?

MR. STUBBLEFIELD: 1.4.

MS. GARCIA: 1.4? Okay, I’m not sure if I skipped it, but Recommendation 1.4, conduct an analysis of the benefits and drawbacks of creating a business development program for economically disadvantaged SDVO SBCs modeled on the SBA’s 8(a) program.

MR. PHIPPS: Yeah, perfect.

MS. GARCIA: Okay, that’s in there.

MR. PHIPPS: Thank you.

MS. GARCIA: That will be reported out on, too. Well, all of them will.

Okay, so those are the recommendations. I think we’ve heard back on a few where members think that they can add additional input. Setting up the next meeting to discuss that, what -- so hearing that and understanding it’s the end of the fiscal year and having an October 1st deadline for initial input, I’d like to stick with that as much as possible, but we have a few months to work through it and add and, you
know, refine and continue to edit until we’ve got that last, final draft.

MR. METHENY: I just want to make sure it was on the record for my --

MS. GARCIA: Absolutely. So noted.

And then I don’t know what the members’ thoughts are on having regularly scheduled calls, if it would be helpful just to set aside a designated time each week. I’m certainly available to be -- open up a conference line for members if that helps your calendar. I mean, it’s really -- you know, it can be very challenging to schedule time when we all can get on the phone call together, especially as we work through this process.

So is that something that makes sense, just to have a designated time each week where folks can initially kind of call in until we hear back on more information and have it a little bit more together, and then set up some, you know, designated -- maybe an hour-long call to really go over everything with a fine-toothed comb. What are thoughts?

MR. METHENY: I would propose initially we dig in and work it by email for a little bit, and then when we do get to a point where we have to have live conversations with specific threesomes or foursomes per
recommendation, maybe that would be an opportunity to
do that.

MS. GARCIA: That sounds fantastic. Also, one
thing that I’ve noticed that’s kind of dropped off a
little bit is our focus on the priority areas. I know
sometimes it’s helpful to have groups, you know,
members working in their priority area versus, you
know, everybody meeting on the whole report. Maybe we
can break it up in priority areas as well if we see
that there’s some kind of pattern or that makes it
easier. But moving forward into 2020, as if you’re
going through, you’re going to see that I think we can
check the box on a lot of these recommendations.

Some of them can be refined to reflect what’s
currently going on with administration priorities and
policies and tweak those to get us to a good place at
the end of -- you know, we want to make them
actionable, things that make sense, that are
reasonable. Sometimes we put recommendations together
of ongoing work that we’re just expected to do on a
regular basis. So as we’re going through the input for
this report, think of how we can make, you know, create
some actionable and meaningful recommendations going
forward into 2020. So we’ll look for emails throughout
the next month and then get together -- decide what
works best for the group for conference calls and teleconferences and that sort of thing. Thank you. If anybody else has any questions? Are there any questions in the room? Any questions on the phone? (No response.) MS. GARCIA: Fantastic. Thank you all so much for your time today.

MR. STUBBLEFIELD: Okay. Thank you very much, Amy. All right, so we’re now to the public comment period. So the floor is open for public comments.

MR. GAVINO: Larry, I just want to go on the record. Some of the questions that were asked of me earlier, I was busy chatting with my folks on the VETS 2 contract. There was a question about basically the ceiling, and I said $5 billion. That is still a true statement, but it’s based on our yearly -- or what we would call yearly sales. It’s between $200 to $400 million per year. Currently, VETS 2 is only a year and a half that’s been alive. It’s already -- the yearly sales are already pushing to $400 million, hence the $4 billion projected business sales over the life of the contract. That’s why we put it up to $5 billion for
VETS 2. I just wanted to make sure that that was clear when someone asked that earlier.

MR. STUBBLEFIELD: All right.

MR. GAVINO: And I’ll plan to respond also by -- through Amy Garcia. I’ll put that in writing.

MR. BLUM: I think I asked the question, and so that -- that’s over a ten-year period, right?

MR. GAVINO: That is correct.

MR. BLUM: Okay.

MR. GAVINO: Yeah, so $5 billion would be -- we put it to $5 billion, but the initial projected value of the contract is at $4 billion, but we pushed it up to $5 billion. Right now, again, only a year and a few months, we’re already at $400 million in business sales in VETS 2.

MR. BLUM: Right, and you stand to hit the ceiling.

MR. GAVINO: Right.

MR. STUBBLEFIELD: Okay, thank you for that clarification.

MR. PHIPPS: Larry?

MR. STUBBLEFIELD: Go ahead, Mike,

MR. PHIPPS: Larry, this is Mike Phipps. I have a couple of updates from the American Legion. One of the updates is something you hit on earlier. The
Legion is going to be leading a draft that’s going to go to Congress about AbilityOne, and it’s going to go to the Secretary of VA about basically AbilityOne taking priority over SDVOSBs and the violation of the rule of two. And so that draft is being putting together and will be signed by veteran service organizations and military service organizations.

Another note is that Congressman Gabbard’s office is drafting a bill to allow post-9/11 veterans to use their GI Bill for veteran entrepreneurship. The Legion’s been working on similar legislation with -- for what’s called the Vet Act. We’re not tied -- we’re not tied specifically to any piece of legislation, but that being the idea, and it’s something that we’ve talked about in our committee about letting veterans use their GI Bill if they’re not going to use it for education to use it for entrepreneurship and some of the parameters that might be put around those factors.

And so I think we’re going to be seeing some of that come out, and we’re working with the legislative director for the Reserve Organization of America on that. They’re working with Congressman Gabbard’s office, but the Legion is staying involved.

There is a -- there’s another concern that a number of service-disabled veterans and veteran-owned
business owners have voiced about the medical/surgical prime vendor 2.0 contract at the VA. It looks like that may be delayed, which means that the Defense Medical Logistic Center support contract will be a stopgap and so there’s concern right there that the veteran entrepreneurs are not going to be able to participate in some of the staged medical support transition contracts that the VA has. So that’s just on our radar as well.

MR. STUBBLEFIELD: Okay, Mike. Thank you very much for that update. You have a lot going on at the American Legion, as always. So thank you.

MR. PHIPPS: Okay.

MR. STUBBLEFIELD: Okay, any other public comments or any other comments, period, from anyone?

MR. FINCH: I have one comment.

MR. STUBBLEFIELD: Sure. Come to the table. And just state your name again for the record.

MR. FINCH: Yes, David Finch, Talon Veteran Services. I have a question. I know this is in the federal space, but has the SBA ever thought about going to the state governments and talking to them about SDVOSB or veteran setaside programs? We’ve started a chapter of the National Veteran Small Business Coalition down in Virginia Beach, the peninsula.
We’ve got a number -- probably about 25 companies now, and it’s growing. I’m the president, and we’ve talked about -- there is feedback from a number of these companies saying, hey, can the state help support this process. And I know that Florida has come out with some legislation looking at promoting veteran-owned companies to be set aside for work in Florida.

I don’t know if this is something the SBA can advocate on. There’s a lot of people in this room with a lot of experience surrounding veteran issues, and I’d love to see the states come out with some form of at least looking into that process and supporting veterans, especially North Carolina where they have a big veteran community, Virginia, Florida, California, so these states where a lot of this stuff that we’ve talked about today. I don’t know if that’s something you can do, but that’s feedback I’ve gotten from a number of veteran-owned companies. Thank you.

MR. STUBBLEFIELD: Okay, thank you. Thank you for that question. Again, we’ve got it captured now on the record. I will definitely take this up with our Office of Government Contracting and Business Development as a question and then report back out to the Committee and give you a call as well.
MR. FINCH: Okay, thank you.

MS. PEREZ-WILHITE: Was the question concerning state contracts or federal government contracts?

MR. FINCH: State.

MS. PEREZ-WILHITE: Okay.

MR. GAVINO: Simply put, the way I translated your question is since, for example, VETS 2 is doing well in the federal sector, you’re expecting something, that type of contract, to be available via state? Is this an experience with states?

MR. FINCH: There’s more, yes. That’s a clarifying question. That’s a good question. What I’m looking at in my mind and the feedback I’ve gotten from other veteran companies is the Federal Government has done a very good job, combined with the SBA, the VA, and all the people around this table that support veteran entrepreneurs.

So the question I have is can the SBA, particularly with its advocacy, cascade this down to the state level and ask the states to provide some similar support for -- because there’s a tremendous amount of work that comes out from the state level for state projects to support veterans in North Carolina, huge veteran marketplace, VISN 6, we’re down in Durham.
You have Virginia.

You take some of these bigger -- so when you talk about transitioning labor into the labor market, it would benefit the states equally as well as the veteran for high-paying government jobs or for jobs that the veterans’ companies, entrepreneurs, can perform on behalf of the state, the exact same -- the exact same IT contracts, construction contracts, medical contracts mimic the federal contracts. So what you have here is the states would be a microcosm of what you have here. That’s really what I’m advocating for.

MR. STUBBLEFIELD: No, totally understand.

And, in fact, we’re getting ready to wrap up here in a minute. I’ll speak with you a little bit off the record, but for an official SBA position, yeah, I really need to get our Office of Government Contracting and Business Development involved.

MR. FINCH: Thank you.

MR. STUBBLEFIELD: All right, any other comments? If not, we’re actually wrapping up a little early. So I want to thank everyone here in the room for being here. I think this is the -- I’ve been here a little over a year. I think this is the most people we’ve gotten. As far as the Committee, everybody is
here, and we had a great visit with Eric.

Thank all of you on the phone for being there,
and for some of you, I look forward to seeing you
tomorrow for the ACVBA meeting. So, again, thank you
very much, and this officially closes today’s meeting.

(Whereupon, at 3:46 p.m., the meeting was
adjourned.)
CERTIFICATE OF REPORTER

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