



U.S. Small Business
Administration

Advisory Committee on Veterans Business Affairs (ACVBA) Meeting Minutes December 7, 2023

Members Present:

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

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

1. **Call To Order** – The regular meeting of the ACVBA was called to order at 9 a.m. ET on December 7, 2023, by Timothy Green.
2. **Welcoming Remarks** – Timothy Green, Acting Associate Administrator, Office of Veterans Business Development (OVBD), and Designated Federal Official, welcomed committee members and the public and introduced SBA Administrator Isabel Casillas Guzman.
3. **Opening Comments: Acknowledgement by Administrator Guzman** – Administrator Guzman thanked Timothy Green for his leadership as the Acting Associate Administrator for OVBD. She also shared kind words about the OVBD staff and their efforts in making this year's National Veteran Small Business Week (NVSBW) a great success. She highlighted the hundreds of events that were held around the country during NVSBW and shared information on the opening of new VBOCS in California and Nevada. Additionally,

Administrator Guzman thanked the ACVBA Chairman and the committee members for having her at the meeting and recognized their tireless efforts to make sure SBA delivers for our veterans. The Administrator also thanked Joe Sharpe and the American Legion for hosting the ACVBA meeting. She appreciates the advocacy the American Legion has always worked with the SBA to support VBOCs in every state, and even helped create the Office of Veteran Business Development. Administrator Guzman also thanked Scott Jensen for consulting and advising SBA with the launch of VetCert, but also recognized the members who provided insight to Larry Stubblefield and Tim Green, that enabled SBA to streamline VetCert and enable the program to certify service-disabled veterans and veterans from Veterans First. The Administrator pointed out that the one-year mark grace period for self-certification is coming up and that SBA will enforce this beginning on January 1, 2024. Administrator Guzman said that she views VetCert as a strong mechanism for future growth in contracting. The Administrator ended her comments by thanking everybody for the advocacy and insights that they provided.

4. Opening Comments by ACVBA Chairman – Chairman Bailey thanked the committee members for their presence. He also thanked Administrator Guzman for her leadership and her involvement with veteran-owned small businesses across the country. Her enthusiasm and leadership help the committee to advocate for veteran-owned small businesses. The Chairman stated that he hears veteran business owners discuss areas of strategic policy and initiatives, access to capital, rule of two, and subcontracting plans. He asked that committee members continue to focus on these areas. The Chairman also referenced a subcontracting outline on SBA’s website for those who need help with subcontracting. The Chairman asked that, moving forward, the committee looks at these focus areas, listens to business owners, and then recommends ways that policymakers can help veteran business owner overcome those barriers and make successful acquisitions within the federal space.

5. Presentation #1 Legislative Updates by the Madison Services Group, Elizabeth Sullivan, Madison Services Group, Inc. & Women Veterans Business Coalition

a. What’s Happening in Washington:

i. FY2024 National Defense Authorization Act (NDAA)

The 3,100 page Bi-Partisan Conference Report – The final bill was released December 6, 2023, and the Senate has likely taken a procedural vote on the NDAA on December 7, 2023. Ms. Sullivan said that this is the last must pass bill in Congress and it contains many of the small business contracting policies. Two important issues in the bill are raising the veteran small business contracting goal and empowering payment for subcontractors.

ii. New Speaker of the House Mike Johnson – A fourth term Congressman from Louisiana, Johnson replaced Kevn McCarthy as speaker. Prior to becoming speaker, he was Deputy Whip for the House Republicans in Congress.

iii. Funding the Government for FY2024 – Currently, the Government is operating on

two continuing resolutions. There are 12 appropriations bills that fund the entire federal government. All federal customers, whether they are an agency or a subagency, will receive funding through one of the 12 bills. To see if your agency is under one of the 12 appropriations bills, go to [appropriations.house.gov](https://www.appropriations.house.gov) and click on subcommittees, then click on the bills.

- iv. **Continuing Resolution** – As of December 7, 2023, all 12 of the appropriations bills had yet to be passed. Four bills will provide funding through January 19, 2024, and eight bills will provide funding through February 2, 2024. Ms. Sullivan discussed the possibility of a partial government shutdown. House Speaker Mike Johnson has stated that when he crafted the current resolutions, he was not going to agree to any more short-term CRs. He would only bring another CR to the floor if it funded the rest of the fiscal year.
- v. **Senate- Small Business Committees in Congress** – Timothy Green and veteran small businesses owners testified at a recent hearing on veteran entrepreneurship. The topics of discussion at the hearing included access to capital, counseling, and technical assistance, as well as success of SBA programs. As a result of this hearing, bill 3302, the Heroes Business Opportunity Act of 2023, was introduced. It requires the SBA to permanently waive its guaranteed fee, also known as an up-front fee, for 7(a) loans, up to \$1 million made to veteran-owned small businesses. SBA has a current waiver for FY24 on up-front fees for loans up to 1 million. To view the hearing, go to www.sbc.senate.gov
- vi. **Senate Veterans Affairs Committee** – Two bills were introduced in this committee:
 - **The Veterans Business Act of 2023** – Requires the VA to submit a report to Congress about competition among VA suppliers. For example, the number of contractors in the Defense Industrial Base that support the VA areas of competition that needed improvement and recommendations of other administrative and legislative actions.
 - **Veteran Affairs Opportunity for WOSB Act of 2023** – Recognizes women-owned and veteran-owned small business program, women veterans within the small business, and preference hierarchy at the VA.
 - **Fair Pay for Federal Contractors Act** – Would provide federal contract workers, specifically low-wage service workers, with backpay and restored paid leave benefits if used after a government shutdown. The bill proposes covering costs associated with backpay for workers and asks the Office of Federal Procurement Policy at OMB to submit a report on how contractors can access backpay.
- vii. **House – Cybersecurity** – The FAR Council published two rules: Cyber Threat Incident Reporting and Standardizing Cybersecurity Standards for Unclassified Information Systems. DoD will be publishing their rule to implement the Cybersecurity Maturity Model Certification (CMMC). The goal is to secure

information handled by DoD contractors and access the entire Defense Industrial Base. The proposed rule will be out soon. Ms. Sullivan encourages any contractors that works for DoD to familiarize themselves with the rule.

- viii. **Artificial Intelligence (AI)** – AI continues to be a focus for both Congress and the Administration. Chuck Shumer has tasked all Senate committees to think about how they can work AI and ways to help AI work for businesses, government, and Congress. At the end of October, President Biden released an Executive Order that had OMB publish guidance requiring agencies to designate a Chief AI Officer. There are requirements for agencies to conduct AI impact assessments that may include ways monitor and mitigate risk and to train AI Operators.
- ix. **FAR Council** – There is a proposed rule requiring small businesses to re-represent their size or socioeconomic status on orders placed under multiple award contracts. This rule is an adaptation of an October 2020 SBA final rule.
- x. **6320: The Increase Small Business Utilization Act of 2023** – Expands the rule of two. The rule of two states that if there are two or more small businesses that could do the work for a fair price, the contract should be set aside exclusively for small businesses to compete.
- xi. **House- HR5454: Fairness in Shaping Small Business Contracting Policies Act of 2023** – This will align the rulemaking and the lag time between the SBA and the FAR Council. It comes out with a rule and how the acquisition workforce should follow it. The bill also requires SBA to submit a report to Congress with recommendations on reducing lag time between rulemaking.
- xii. **House- HR 4480: The Serv Act** – Requires the SBA’s Interagency Task Force to develop an action plan on outreach and promotion of veteran’s programs. GAO is required to report on access to credit for veteran-owned small businesses, reservists, and spouses.

6. Presentation #2 Sharon Ridley, Executive Director, Office of Small Disadvantage Business Utilization (OSDBU), Department of Veterans Affairs (VA)

a. VA’s Current Small Business Goal Performance and Updates on Fiscal Year 2024

Outreach Efforts: Ms. Ridley stated that the VA’s total procurement reported for fiscal year 2023 is roughly \$36.7 billion dollars. She highlighted the aggregate dollar amount the VA spent with small firms. The VA spent \$12.6 billion with small businesses in fiscal year 2023, \$10.3 billion with Service-Disabled Veteran Owned Small Businesses (SDVOSB), \$10.5 billion with Veteran Owned Small Businesses (VOSB), and \$4.8 billion with Small Disadvantaged Businesses (SDB).

- b. Business Training** – The OSDBU is expanding the scope of business training to include topics that addresses the life cycle of federal contracting. This training includes market research, proposal development, and legal and financial compliance. Ms. Ridley stated that the trainings will benefit small business owners who are seeking to identify, win, and successfully perform on VA contracts. It is essential in developing strategies to pursue federal procurement opportunities.

c. Outreach

- i. **October 9, 2023** – The OSDDBU participated in the Association of the U.S. Army Annual Meeting and Exposition. Staff provided guidance to attendees and conducted individualized counseling. This engagement supported military families and veterans interested in entrepreneurship.
- ii. **October 11, 2023** – OSDDBU staff participated on a panel and provided an exhibit at the 2023 Small Business Symposium: Meet the Experts. The OSDDBU presenters discussed the procurement process, small business resources, and contracting opportunities.
- iii. **November 6-9, 2023** – The VA hosted the National Veteran Small Business Engagement (NVSBE) in Kissimmee, FL. The NVSBE is the largest VA event for veteran-owned small businesses and underserved firms. The theme of the event was dismantling barriers and creating access for firms in federal contracting.

7. Presentation #3 Timothy Green, Acting Associate Administrator, Office of Veterans Business Development Highlighted events of Administrator Guzman participated in 2023:

The events highlighted in this presentation included:

- a. National Veterans Small Business Week held in Washington, D.C.
- b. Chamber of Commerce Veteran Roundtable at the U.S. Chamber of Commerce-Washington, D.C.
- c. VetCert Roundtable-Washington, D.C.
- d. Veterans Business Outreach Center (VBOC) opening ceremony in Los Angeles, CA and in Las Vegas, NV.
- e. Veterans Growing America-Woodbridge, VA
- f. Urban Dwell-Washington, D.C.

8. Subcommittee Reports:

- a. **Federal Procurement Policy: Scott Jensen** – Reports on the increased set-aside from 3 to 5 percent and subcontracting self-certification removal passing the conference through the NDAA. Mr. Jensen said that they will be going back to the floors of each chamber of Congress for approval. Mr. Jensen reminded the committee that the prime certification program that the SBA assumed responsibilities of has a 1-year grace period which ends the last week of December. Starting January 1, those seeking to be a prime contractor in any one of the federal agencies are required to certify through the SBA. Mr. Jensen said committee members need to continue getting out to the small businesses that we represent and to the federal agencies, like SBA. He reminded the committee that there's an enforcement requirement to make sure those agencies are adhering to that law and make sure elimination of that element of certification is being enforced.
- b. **Rule of Two: Comprehensive Data- Glenett Hannah** – Ms. Hannah states that they are still trying to figure out what challenges in data utilization affect the rule of two,

and to secure the evaluation of this impact on SDVOSBs and VOSBs. It remains uncertain how effectively the VA is applying the rule of two, tracking the outcome of the rule, and fostering opportunities for veteran business owners. Questions are still arising regarding the tracking mechanism, the extent of the application, the percentage of contracts awarded, and the accountability framework overseeing the rule of two.

- c. **Access to Capital Part 1: Contracting- Jorge Rodriguez** – Reports the frustration and complexity of applying for a loan, especially if it involves SBA loans. Mr. Rodriguez expressed that there seems to be a frustration on the part of some veterans in obtaining access to capital and the complexity of obtaining a loan to include SBA backed loans. They are trying to find a way to ensure that veterans have these opportunities. Whether through micro-purchases or other types of contracts, they are trying to assess what will best help veterans continue the financial sustainment to keep moving forward.
- d. **Access to Capital Part 2: General Business- Isaac Belden** – Talked about financial literacy that we teach veterans and veteran spouses, the tools that they need to overcome the bias, and how to overcome concerns of the bank that there may be a default. Financial literacy is the primary tool we can use to better prepare these veterans and veteran spouses to be successful business owners. Mr. Belden stated that the solution he proposes is partnering more closely with local boots-on-the-ground organizations like the Community Navigator Pilot Program. He states that having resources who live in veteran communities, get to know them, their specific problems and struggles and background is a huge help. For example, Mr. Belden’s organization created a pilot program- an eight-week financial literacy cohort that provided one-on-one assistance with eight veteran businesses. Spouses also attended, if available. They saw some great success with veterans and veteran spouses being better prepared for funding. He felt that leaning into the tools that the committee has, but also trying to create better collaboration with local organizations that are on the ground with these business owners, could go a long way.
- e. **Subcontracting Compliance: – Dan Clare** – Mr. Clare said he would like for the committee to reach out to people we serve and find out what they identify as obstacles for subcontracting. He said that they are going to look at a survey and ask for a coalition to be involved in the process to see if the committee can get information out. They want to ask the veteran business owners for feedback on the specific challenges they are facing. He hopes that the data collected from that survey will be used to construct policy.

9. Next meeting: March 7, 2024, at 9 a.m. ET.

10. Adjournment: The meeting was adjourned at 11:31 a.m. ET by Timothy Green.

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