

SMALL BUSINESS ADMINISTRATION
INTERAGENCY TASK FORCE ON VETERANS
SMALL BUSINESS DEVELOPMENT

PUBLIC MEETING

Thursday, September 11, 2014

9:00 a.m.

Eisenhower Conference Room
409 3rd Street, S.W.
Washington, D.C. 20416

Diversified Reporting Services, Inc.
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MEMBERS PRESENT:

Rhett Jeppson, Associate Administrator, Office of
Veterans Business Development, SBA

Barbara Carson, Deputy Associate Administrator,
Office of Veterans Business Development, SBA

Stanley Y. Fujii, Veterans Procurement

Jessica Milano, Department of Treasury

ON THE TELEPHONE:

James F. Wilfong, VET-Force

Ruth Maria Samardick, Department of Labor

Matthew Blum, Office of Management and Budget

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

2 I. OPENING REMARKS FROM RHETT JEPPSON

3 MR. JEPPSON: Good morning and welcome,
4 everybody.

5 We're a little thin this morning and we knew
6 we'd be that way. So what I'd like to do is just
7 introductions real quick. So if we could, let's just
8 do it a little backwards because it's that way.

9 So if we could, if we could start on the phone
10 with anybody on the phone that's there?

11 MR. WILFONG: Yes, it's Jim Wilfong.

12 MR. JEPPSON: Hey, Jim. How are you doing?

13 MR. WILFONG: Hi, Rhett. How are you?

14 MR. JEPPSON: Good, good. How's Maine right
15 now?

16 MR. WILFONG: Pretty good. It's been
17 beautiful weather. It's nice. It's down in the 40s,
18 39-40.

19 MR. JEPPSON: Okay. Perfect.

20 MR. WILFONG: Don't have any humidity. Great.

21 MR. JEPPSON: Great. Thanks for joining us,
22 Jim.

1 Okay. Anybody else on the phone?

2 MR. SIMPLE: This is Scott Simple with the
3 SCDO's B Counsel.

4 MR. JEPPSON: Great. Thanks, Scott.

5 MS. SAMARDICK: Ruth Samardick from DOL.

6 MR. JEPPSON: Hey, Ruth. How are you?

7 MS. SAMARDICK: Great. Thanks.

8 MR. JEPPSON: Good. Thank you for dialing in.
9 Okay.

10 MR. BLUM: Matthew Blum from OSPP.

11 MR. JEPPSON: All right. Oh, Matthew. Great.
12 Thank you, sir. All right.

13 Anyone else on the phone?

14 (No response.)

15 MR. JEPPSON: So we'll start at the table here
16 and first with Tony.

17 MR. EILAND: Tony Eiland, GSA Osman.

18 MR. JEPPSON: Okay.

19 MS. MILANO: Jessica Milano, Department of
20 Treasury.

21 MR. JEPPSON: Okay. So I think that that
22 gives us most of the members of the committee. We're

1 still waiting on DoD and VA. So anybody from VA on the
2 phone or DoD?

3 (No response.)

4 MR. JEPPSON: Okay. So just like yesterday at
5 our meeting, we'll probably have one or two still show
6 up.

7 If we could, just so we know who's in the room
8 here, it'd be great, so if we could start over on this
9 side with you, ma'am?

10 MS. HARRIS: I'm Melissa Harris. I'm from P&M
11 Companies and we're guests of (inaudible.)

12 MR. MUELLER: I'm Kirk Mueller. I'm with the
13 Advisory Committee for Veterans.

14 MR. JEPPSON: Why don't we go with you, Billy?

15 MR. JENKINS: Billy Jenkins, American Legion.

16 MR. FUJII: Stan Fujii, SBA.

17 MR. BAIRD: Brian Baird, Office of Veterans
18 Business Development.

19 MR. JEPPSON: Ed?

20 MR. FIELDER: Ed Fielder, Chairman of the
21 Advisory Committee on Veterans Business Affairs. We
22 met yesterday. I tried to coordinate our meeting so we

1 could sit in this morning.

2 MR. JEPPSON: Great. Thank you. So we'll
3 start with Brian.

4 MR. GOODROW: Brian Goodrow, Office of Field
5 Operations, SBA.

6 MR. WYNN: Good morning. Joe Wynn, Veterans
7 Entrepreneurship Task Force.

8 MS. TOLBERT: Good morning. Tyrenna Tolbert,
9 Office of Business Development.

10 MR. DRAKE: Good morning. Kyle Drake,
11 President.

12 MR. JEPPSON: Okay. Kirk?

13 MR. MUELLER: I did it. Kirk Mueller.

14 MR. JEPPSON: Oh.

15 MR. MUELLER: Advisory Committee of Veterans
16 Business Affairs.

17 MR. JEPPSON: Great. Okay. Well, thanks. So
18 just before we get started this morning, I just want to
19 take a moment, since it is the 11th, to just take a
20 moment, if we could, to remember those. You know, as I
21 reflected on this morning being the 11th here and I
22 look back on that time, what it meant to our nation and

1 our nation came together and how it affected us as a
2 nation, you know, so many times we have -- as we think
3 about this, as we think about the veterans, which is
4 certainly apropos for us here, but I think that for us
5 as a broader nation and what it meant to us, if you
6 reflect on that time, how we unified as a nation around
7 a single cause, I think that was important.

8 So I'd like to take just a moment to reflect
9 on the importance of this day, what it meant to us as a
10 nation and to us as service members.

11 (Moment of Silence.)

12 MR. JEPPSON: Okay. Thank you. So you'll
13 notice the first person on the Agenda is -- we had
14 hoped that the Administrator would be able to be here
15 today but scheduling change happened and she had to
16 leave town this morning. Had to leave? That sounds --
17 she had to get down to the SBDC Conference. We had
18 hoped that she'd be able to take -- with the scheduling
19 and some of the other events later in the week, it
20 caused a shuffle in the deck.

21 So we'll work to make sure that we have the
22 Administrator join us soon here, as she is, you know,

1 actually the chair of the committee by statute and by
2 Executive Order.

3 So we do have several updates from our office
4 and here at SBA and I'll actually cover those under the
5 Government Contracting component. So just to be
6 succinct, we don't have a lot of business today but we
7 did want to convene. We do have one presentation from
8 Baren Berg, who is a PMF, who is on rotation from VA to
9 my office. Then I'll give a quick update on some of
10 the things happening here with SBA. Then we'll just go
11 straight into Committee Reports here.

12 So it will be an abbreviated meeting this
13 morning but we certainly want to give plenty of time,
14 too, for Public Comments, Discussion, etcetera, at the
15 end of the reports here.

16 So, Baren, over to you.

17 II. BAREN BERG, PMF

18 MR. BERG: Okay. Thank you, Rhett, and again
19 glad to be in the presence of veterans here on Patriots
20 Day. Thank you all for your service and continuing to
21 move this country forward.

22 First of all, I'd like to talk about my

1 proposed VHA Community Integration Project. So as a
2 presidential fellow at the VA, there's community
3 integration and I saw a need, and as any entrepreneur
4 knows, when there's a need, you try to come up with a
5 solution to that need, and the need is information
6 succinct enough for the delivery to veterans.

7 So the project objective of the VHA Community
8 Integration was to accomplish a one-source
9 collaborative consortium advice and information for the
10 successful development of self-employment for all
11 veterans, leveraging existing resources with the VHA
12 and a 153 field facilities with a special emphasis and
13 focus on business formation.

14 Due to the fact that there's barriers to
15 employment in the traditional conventional ways,
16 providing an alternative for special disadvantaged
17 service-disabled veterans as well as other veterans, as
18 we see the population of 2.8 million estimated
19 Iraq/Afghanistan veterans getting information out there
20 in a way, using decentralized approach with local
21 resources, I think, would be extremely beneficial to
22 the cause, and so who would the customer be? The

1 customer would be veterans interested in starting up a
2 small business, becoming a franchise owner or needing
3 assistance in business ownership, and utilizing the
4 Department of Veterans Affairs in a co-sponsorship with
5 the Offices of Small and Disadvantaged Business
6 Utilization and then working directly with the Veterans
7 Health Administrative social workers on the front
8 lines.

9 So throughout the VA, there's a large presence
10 of social workers, whether that's Master's in Social
11 Work or licensed clinical social workers, and that's at
12 the VHA, but, alternatively on the VBA side of the
13 house, you have vocational rehabilitation counselors,
14 and so for the end-state user, the veteran, often
15 they're deflected from the VBA to the VHA.

16 So how do we then get the message in the right
17 hands of the people who are directly engaged with
18 veterans and so maybe we could formulate the
19 partnerships with the Department of Labor, the Veterans
20 Employment and Training Service offices, and then the
21 SBA.

22 I just want to propose that as being a

1 solution and hopefully this task force will take on
2 that initiative and come up with a way to leverage
3 existing resources.

4 So the strategic alignment would hopefully
5 lead to improve job growth and business formation. The
6 result could be a national center for calls and
7 communications and easily navigatable 508 website with
8 tutorial and templates. Also, leveraging expert
9 leadership in a symposium for lessons learned and then
10 hopefully decreased mental health concerns by bringing
11 about meaningful employment in the lives of veterans in
12 the process of transitioning.

13 So what would be the measure of success? The
14 measure of success would be measured by an increase in
15 the quality and quantity of veteran-owned businesses
16 across the nation.

17 Additionally, a randomly-selected pool of
18 veterans at a pilot facility could be interviewed to
19 determine the effectiveness and the satisfaction with
20 the information given.

21 The SBA in 2004 released information stating
22 that "mentorship leads to a threefold increase in

1 successful business development." This information
2 exchange, a greater awareness, and the creation of jobs
3 and profits within a microcosmic scale of economies
4 will determine the success of a collaboration.

5 So what the risks? The risks would be
6 veterans' participation. It's estimated roughly 10
7 percent of veterans have an interest in small business
8 formation and then the time allocated for social
9 workers to be trained and preventing a duplication of
10 efforts would be critical to the success of the
11 project.

12 The support and implementation from existing
13 resources to work collectively instead of competitively
14 is also a barrier that needs consideration. By
15 effective advertising, marketing, and training, these
16 barriers can be overcome.

17 So what are the assumptions? The assumption
18 would be that the partnership would have a facility in
19 the VA, as well as state and local resources who want
20 to come together collectively to try to develop this
21 concept, and the effective brokerage of the resources
22 and information between government agencies and

1 different administration is currently not a goal or a
2 priority within local communities.

3 And so what are the constraints? And I'll
4 close on that. The constraints would be the approval
5 and support from a national and local level and a
6 decentralized model together, bringing in uniform
7 collaborative and truly synchronized synergetic
8 delivery of small business information.

9 I'll be happy to discuss and hear from others
10 in the room if they believe that that idea or project
11 could be successfully implemented and hearing what you
12 have to say.

13 MR. JEPPSON: So any questions for Baren right
14 now? It's unfortunate. I wish the VA was here because
15 I think that if the VA rep was here, because I think
16 that there's a lot of discussion that needs to happen
17 between us and them because there's a heavy VA
18 component there, but certainly, you know, I think that
19 there's a connection that we can make.

20 I think the one thing that you said that I
21 liked was the collective versus the competitive piece
22 on this and we see that a lot. You know, as I go to

1 different veteran service organizations that focus on
2 veteran small business, I do see a collaborative effort
3 among veterans and we need to foster more of that.

4 So, for example, when we go to Scott Simple
5 and his group there, we actually see the veterans do a
6 lot of networking in a very collaborative fashion. I
7 know that, Wayne, you and other veteran small
8 businesses have collaborated together for the benefit
9 of both businesses.

10 So, you know, there is that opportunity for
11 that collaborative versus competitive arrangement and
12 then also it's interesting, I think that applies to the
13 agencies, as well. We need to be competitive or
14 parochial and, you know, that's really kind of a sad
15 statement, if you would, something that I hope that,
16 you know, this agency, this task force can break down,
17 that we are focused on truly the collaborative.

18 So with that, thank you, Baren. I appreciate
19 it.

20 We're very fortunate to have Baren with us in
21 our shop. He's been with us about, what, three weeks
22 now, four weeks coming in. So he is a Marine Corps

1 veteran with Iraq and Afghanistan. So obviously did
2 well and equated himself with that and is now with us
3 after having worked at the VA as a GS employee and then
4 a PMF and taking his rotation with us. So we're
5 fortunate to have him here.

6 So the other person, since I'm kind of on that
7 roll, but I wanted to introduce real quick, is Tyrenna.

8 Tyrenna, could you just introduce yourself
9 real quick, please?

10 MS. TOLBERT: Good morning. I'm Tyrenna
11 Tolbert. It's my fourth day on the job. I'll be
12 working in the Business Development with the Boots-to-
13 Business Program, also still an Army Reservist,
14 Sergeant Major on the Enlisted side. Primarily, my
15 background is being a logistician for about 20 years,
16 doing HR, as well as operations, and, of course, I have
17 a big affinity to veterans.

18 I'm really happy about being assigned right
19 away to the meetings and being part of it and under
20 Rhett's team here. So I'm definitely going to be
21 picking your brains because I'm ready for information.

22 Thank you.

1 MR. JEPPSON: Okay. Thanks.

2 III. UPDATE: GOVERNMENT CONTRACTING & BUSINESS
3 DEVELOPMENT

4 MR. JEPPSON: So I just want to point them out
5 as we continue to grow the team down there with OEB.
6 That way, we can, you know, execute Boots-to-Business
7 in a more effective fashion and some of the other tasks
8 that we've got. We're pretty excited about that.

9 So with that, we actually had a little bit of
10 time here for the Government Contracting Update and so
11 I want to expand on that and give you a little bit of
12 -- since it's been awhile, just out of our office with
13 some of the things that have been going on because it
14 has been awhile.

15 So just in no particular order, I'll start
16 with the contracting piece. So as many of you may know
17 who are familiar with the SCORE Card, that for the
18 first time ever, we met the Small Business Goal of 23
19 percent as the Federal Government for small business.
20 So we're very excited about that.

21 Substantial and important to us is that for
22 the second year in a row, we met the three percent

1 statutory goal for veterans. There was a tenth of a
2 point, a tenth of one percent increase in veteran small
3 business lending. Lending -- excuse me. Contracting.
4 We grew from 3.03 percent to 3.13 percent or just over
5 \$13 billion in federal contracting dollars going to
6 service-disabled veteran-owned small businesses.

7 So that trajectory continues upward. We're
8 actually seeing it pick up just a little bit on that.
9 So we're very proud of that and considering that we did
10 it in some pretty tough economic times there,
11 especially in the federal contracting arena, we're very
12 excited about that and there's a lot of credit that
13 goes to the various agencies for leaning forward in
14 that and some of the ODSBUs that have just really
15 leaned forward. So that's on the contracting side.

16 I mentioned on the access to capital side and
17 with the veterans advantage, as many of you know, SBA
18 waived the fee for all express loans between zero and
19 350. I say we waived the fee. We reduced the fee to
20 zero, I think that's the correct terminology, for those
21 express loans.

22 Beginning in October, we'll expand that

1 program to loans from -- all 7(a) loans from 350 up to
2 the cap of \$5 million and that fee will be reduced to
3 half of what all the other borrowers. So that applies
4 to what we call the expanded definition of veterans as
5 it is in statute which includes dependents, the term
6 spouses and children, and survivors of veterans. So
7 that benefit will be expanded and we continue to work
8 with our good friends in capital, Office of Capital
9 Access, to determine ways that we can reduce the cost
10 to capital for our veterans but also expand the
11 opportunity for capital to our veterans.

12 Next, the 3rd to the 7th, we're going to --
13 we've asked the President to declare that Veterans
14 Small Business Week. We have in works now a
15 Presidential Proclamation for that and so as we try to
16 highlight and recognize --

17 MR. EILAND: November 3rd through 7th?

18 MR. JEPPSON: Yes, November 3rd through 7th.

19 I'm sorry. Just so that will be the week prior to
20 Veterans Day. We figured that would be the most
21 amplification then.

22 So we planned a couple of things or are in the

1 process of planning a couple of things to amplify and
2 to highlight veterans' small businesses. First, we
3 asked all 68 district offices to hold events, whether
4 that meant roundtable discussions, visits to veteran-
5 owned small businesses with media, blogs and other
6 things in their community to highlight veteran small
7 businesses in each of their respective states and
8 geographical locations.

9 On a national level, as many of you know, we
10 had a Champions of Change event at the White House two
11 weeks ago where we recognized 12 veterans who have been
12 champions, if you will, in the veterans'
13 entrepreneurship space and accompanying the 12 veterans
14 was three of the sharks from *Shark Tank* and we had some
15 panels there and ABC was there and took footage of that
16 event.

17 Last week, the First Lady filmed the opening
18 segment for the *Shank Tank* that will air that week of
19 November 3rd through the 7th and so that should, if all
20 goes according to plan, will air just to open up that
21 segment and then the four entrepreneurs on *Shark Tank*
22 that week will be veterans.

1 So we're pretty excited about that. That will
2 really kind of help, you know, shine a spotlight on
3 veteran entrepreneurship, and we're working some events
4 around here, supply chain initiative, some planning,
5 some capital access events around the White House.
6 We'll disseminate that information to the task force as
7 we finalize dates and locations and we actual formalize
8 the events and make sure that you're invited to those
9 that are appropriate.

10 So Veterans Small Business Week should be --
11 this is the second time we've done it. You know, last
12 year, we had hoped to have a little bit bigger event.
13 Because of sequestration -- excuse me -- the shutdown,
14 it kind of delayed us and we didn't actually have --
15 get to pull it off in the fashion that we'd like to but
16 this year, I think we're well on the way to a good
17 week, highlighting Veterans Small Business Week, so
18 we're excited about that.

19 The fourth thing that I want to mention, and I
20 would love to have discussion on this either now or in
21 Public Comment, is that we are in the process of
22 getting ready to recompetete the VBOCs.

1 So, as you know, the Veteran Business Outreach
2 Centers, they are -- it's a five-year grant. Well,
3 it's a one-year grant with four options. I say grant.
4 It's actually -- I guess the technical legal term is
5 cooperative agreement with SBA and the entity and it's
6 a wide range of entities that currently hold grants or
7 cooperative agreements from private institutions to, in
8 some cases, the state VA. In some cases, it's the same
9 entity that holds the SBDC grant. So it's a wide range
10 that currently holds those, but we are in the fifth
11 year.

12 So that will be recompeted just after the
13 first of the year, end of this year, first of this
14 year, and we are in the process of examining how to
15 best shape that program as we go forward.

16 One of our concerns has been, is that we don't
17 want to be repetitive in what the SBDCs or the WBCs or
18 SCORE do and so, their role and function, how do we
19 distinguish them and make them a veteran-specific
20 resource in a connective element in their respective
21 communities without trying to replicate what the other
22 resource partners are resourced to do and, quite

1 frankly, resourced in a much bigger way than the VBOCs.

2 So we want to leverage them as a force
3 multiplier for veterans in their respective
4 communities. As we do that, we'll also examine the
5 locations of where the VBOCs are at, positioned them so
6 that we can best service the greatest number of
7 veterans in each of the regions.

8 So we will be looking at that as an office
9 very closely in the next coming weeks and we will
10 welcome input from members of the task force and the
11 veteran service organizations on what they may like to
12 see. I will try to incorporate those concerns into our
13 plan to award these.

14 One of the things that's absolutely key to
15 this is that we have a strong outreach and awareness so
16 that we get good proposals on this. In some cases in
17 the past, not just in our program but in other
18 programs, there's been a limited number of proposals
19 and in some cases not of the caliber that we really
20 need and so in some cases it's an awareness issue. So
21 we're really going to push awareness with the
22 association of -- the National Association of Veteran

1 State Affairs Directors to make sure that their
2 entities and then through each of the district offices
3 and regional offices to make sure that entities who are
4 in the entrepreneurship space, who have a veterans'
5 focus will submit grants to us here so that we can get
6 a wide range of people and actually have hopefully some
7 new and innovative partners with us and so we're
8 looking forward -- we look forward to that. We think
9 it's a chance to kind of reshape a program that's been
10 a good program but to make it even better.

11 So with that, those are the --

12 MR. EILAND: Quick question.

13 MR. JEPPSON: Yes, sir?

14 MR. EILAND: Tony Eiland, GSA. Do you already
15 have an idea of how many grants you'd like to do this
16 time?

17 MR. JEPPSON: That's part of what we're
18 discussing right now.

19 So here's the challenge that we face, is that
20 we have been flat-lined at 2.5 million. So we haven't
21 taken a hit, you know. We haven't been reduced but
22 we've been held to 2.5 million since '08 and so what

1 that means is that we can award about -- a baseline of
2 about a 150,000 per VBOC and there's no match
3 requirement in the VBOCs, unlike the WBCs and others
4 where there's a match requirement, and in that match
5 requirement, there's an in-kind and a cash requirement.

6 MR. EILAND: Mm-hmm.

7 MR. JEPPSON: So most of our VBOCs don't have
8 a match associated with them. So by the time you hire
9 a director, you pay the overhead, the rent, you know,
10 and some administrative support, it's pretty much the
11 150 is gone and so it doesn't provide a lot of
12 flexibility.

13 So part of our assessment's going -- has to
14 be, you know, under the current --

15 MR. EILAND: Existing infrastructure.

16 MR. JEPPSON: Yeah. The existing
17 infrastructure and the financial constraint, however,
18 what's the right number and how do we right-size it,
19 put them in the right locations?

20 You know, we do have some VBOCs who have great
21 track records and, you know, we want to make sure that
22 we continue to leverage those. In some cases, it may

1 be that we need to look at the location and the entity
2 that has that but what is the right number and I think
3 that really goes back to as we assess the role and the
4 function of the VBOC.

5 You know, we have some pretty big, in my mind,
6 some pretty big gaps that are uncovered right now about
7 where the veterans community is and we probably need to
8 have some resourcing in that region to cover that, but
9 it also goes back to the function, what we think the
10 function of the VBOC is.

11 You know, when you look at the VBOCs, a big
12 portion of what the VBOC has done to date is they have
13 been like an SBDC trying to train and counsel veterans
14 and we certainly think that there's value in that but
15 when you look at the SBDC network, they had a \$100
16 million a year. They've got 900 locations. The
17 chances are the veterans are probably going to be
18 closer to the VBOC.

19 Now you won't convince me that they'll get the
20 same service at a VBOC because the VBOC will be focused
21 on the veteran but in many cases, the veterans aren't
22 going to travel two to three states over to get that

1 specialized, even if we have some remote capabilities,
2 but I believe that the veterans, though, can -- the
3 VBOCs can be the duty experts in their region and
4 understand what's available from the VA in each of the
5 states, what the VSOs are doing in that area, and make
6 sure that we -- and access to capital and make sure
7 that we have some synergy there.

8 So I don't want to jettison or suggest that it
9 doesn't count for counseling of clients but if we look
10 at how we make them a force multiplier there, it may
11 mean more emphasis on their ability to maybe -- well,
12 we need to resource them so they can travel and be more
13 proactive and interactive with the rest of the SBA
14 network and the VSO and veteran network in their
15 respective areas there because when you -- there's just
16 no way those 15 centers can provide the same level of
17 service those 900 SBD centers and thousands of people
18 will, you know.

19 If you go to an SBD, the time at just an SBD,
20 the time you'll just spend prepping for just one client
21 is a couple of hours and if we truly apply that in only
22 15 centers to the veterans, you know, we're not going

1 to be able to service as many as we could. By ensuring
2 that the SBD -- all the SBDC network, that the SCORE
3 chapters know all of the veteran-specific things,
4 whether it's all about veterans advantage or how to
5 leverage voc rehab, you know, or the state contracting
6 entity, you know.

7 For example, we have a VBOC in New York that's
8 doing great things and they do do some training and
9 counseling but there is a lot of philanthropic activity
10 for veterans in the State of New York and if that VSO
11 -- if that VBOC is aware of that, participating in
12 those meetings and is that connective tissue for our
13 veterans business community, I think they can be a
14 force multiplier but they've got to be proactive and
15 engaged but we've also got to get the right entities
16 involved, as well.

17 So we want to, with the constraints we've got
18 as far as dollars and locations, make them as effective
19 as possible.

20 MR. EILAND: Have you ever thought about the
21 concept of promoting a virtual VBOC?

22 MR. JEPPSON: Well, we think all of those

1 should have a virtual capability.

2 MR. EILAND: I mean at a national level that
3 could work out of your office in connection with your
4 staff.

5 MR. JEPPSON: I think that's a good idea.
6 Absolutely. We thought about having the virtual
7 capability for each. They do have some web presence
8 but they could receive more. But we also like the idea
9 of some centers of excellence or some regional focus.

10 We know that in the D.C. area here, there's a
11 huge focus on government contracting, you know.

12 MR. EILAND: Right.

13 MR. JEPPSON: It's a small component of what
14 the veterans do nationally but here, it's a very, you
15 know, high percentage of what they do. You know, New
16 York and California, very, very tech-centric. So we've
17 looked at how we might tailor those a little bit but,
18 so, we're going to study the problem more.

19 So I think the real ask here is just kind of
20 forecasting a little bit. We're going to recompute the
21 grants, we have to, but as we start to shape the VBOC,
22 how do we make them more effective, and we're certainly

1 looking at searching for input on how we might be able
2 to do that.

3 We think that the status quo has been
4 effective but we certainly could be more effective and
5 have less time replicating what other services are
6 already being provided.

7 MR. EILAND: If I could make a recommendation,
8 that might not be a bad idea for you to delegate down
9 to our committee and ask us to help you develop a
10 couple of thoughts and ideas to wrap around and maybe
11 to help you kick it down the road.

12 MR. JEPPSON: Okay. Sounds great. Thank you.
13 Okay.

14 Okay. So that's kind of my quick update on
15 OBDE, Government Contracting & Business Development, as
16 we've got here.

17 So any questions to this point on that?

18 (No response.)

19 MR. JEPPSON: All right. Hearing none, I'd
20 suggest that we go ahead and let's run through the
21 Committee Reports with the committee members here and
22 then we'll go to Public Comments.

1 So, Ruth, if we could start with you?

2 IV. SUBCOMMITTEE REPORTS

3 Training, Counseling & Outreach for Access to Capital

4 MS. SAMARDICK: Yes. Sorry. I've been on
5 here.

6 So I think our big news is we are just about
7 to finally promulgate the final rule for the 4212,
8 which is the Federal Contractor Reporting on their
9 Workforce of Covered Veterans.

10 The proposal had proposed that rather than
11 report veterans in each of the subcategories of
12 protected veterans, that you would have one block for
13 protected veterans and that would allow us to have
14 unique counts of protected veterans rather than
15 potentially duplicative.

16 So we're very excited about this proposal
17 getting out. It would be -- about the final rule
18 getting out. It will be in place for the next year's
19 filing season, which starts in September, and so we're
20 in good shape. Let me take that back. I think it
21 starts in August. So we're in very good shape for
22 that.

1 The current filing season is underway. Right
2 now, people are filing both the VETS-100 and the VETS-
3 100-A and so far, knock on wood, the filing season
4 seems to be going pretty easily.

5 We also have the data available to the public
6 that is filed on those. It is up on data.gov. It's a
7 little difficult to get at. You have to download some
8 sort of API filter or something like that but the data
9 is available if you have a minor program and can access
10 that data, and that's all I've got.

11 MR. JEPPSON: Okay. Great. And so just since
12 you're on the phone, Ruth, one thing that -- if I could
13 ask you to kind of help keep us in the loop with the
14 champion and we'll do it through the ESC, as well, but
15 as you guys work on the -- remind me what the
16 appointment website's called now. Is it the VEC?

17 MS. SAMARDICK: The VEC, correct.

18 MR. JEPPSON: The VEC. Yeah. That I believe
19 that, you know, you're working with a lot of large --
20 that VA and DOL are working with a lot of large
21 employers. You know, one out of every two small
22 businesses created in the nation is created through

1 small business.

2 So, you know, we have the listserv here for,
3 you know, hundreds of thousands of small business. So
4 as you guys develop a way for them to leverage the VEC
5 to do hiring locally, we want to make sure that we're
6 included in the messaging and we think we can help
7 there, too. So if you could help champion us in that,
8 I would appreciate it.

9 MS. SAMARDICK: I will do that. I was going
10 to point out that they should be. Even small
11 businesses, unlike large businesses, can have
12 concentrated hiring practices there locally that they
13 should absolutely access the job centers.

14 MR. JEPPSON: Great. Okay.

15 MS. SAMARDICK: So we will pursue that as well
16 as the VEC.

17 MR. JEPPSON: Thank you. Thank you, Ruth.
18 Okay.

19 Jessica?

20 FEDERAL PROCUREMENT & CONTRACTING PROGRAMS

21 MS. MILANO: Hi. So I guess briefly, we
22 worked with the task force last year to develop some

1 outreach about our State Small Business Credit
2 Initiative Program to be distributed through SBA's
3 Field Network.

4 For the most part, veterans or any small
5 business owner are not allowed to take down loans from
6 both programs simultaneously. However, there is a
7 unique situation where SBA's 504 bridge loan could use
8 -- sorry -- 504 Loan Program, SSBCI funds could be used
9 for 504 bridge loan while waiting the final loan to
10 come through and so we developed some outreach around
11 that and sent that out through SBA's networks. We're
12 not than happy to do that again, if you guys are
13 interested, but that's all I have for an update on this
14 go-around.

15 MR. JEPPSON: By the way, congratulations on
16 the new position.

17 MS. MILANO: Thanks.

18 MR. JEPPSON: Okay. Great. So for those of
19 you that know, Jessica was promoted to Don Graves'
20 place at Treasury. So we're awfully proud of her.
21 Always happy to see her.

22 MS. MILANO: Thank you.

1 MR. JEPPSON: So okay. Next, Tony.

2 MR. EILAND: I guess DoD and VA aren't here.
3 Well, I have nothing to add because I guess they had
4 the brief today but I will tell you one thing that we
5 do have going on at GSA.

6 Bill Webster, who was our Senior Executive
7 under Executive Order 13360, to establish a Senior
8 Executive that would oversee veterans small business
9 initiatives, he retired and we are in the process of
10 appointing a new person.

11 I was hoping that person would be appointed
12 and I could bring them here today but that hasn't been
13 completed yet. So hopefully at the next function, I'll
14 be able to bring that person here.

15 MR. JEPPSON: Okay. Great. Okay. So I think
16 next up is Matt.

17 COORDINATION OF FEDERAL SUPPORT

18 MR. BLUM: Rhett, on personnel news, I think I
19 had mentioned at the last meeting that Ann Wrung, who
20 was the Chief Acquisition Officer at GSA and also
21 Senior Policy Official at Commerce before that, had
22 been nominated to become Administrator of the Office of

1 Federal Return Policy. He had a confirmation hearing
2 and was voted out of committee at the end of July just
3 before Congress went on recess and we are keeping our
4 fingers crossed that she will be confirmed maybe even
5 today but certainly by the time that we next convene.

6 In terms of updates, I wanted to mention three
7 or four things.

8 One actually happened just two months ago
9 today but just to remind folks about the Quick Pay
10 Initiative to accelerate payment to small business
11 prime contractors and subcontractors. Back on July
12 11th, OMB extended that policy. Usually we've been
13 doing it on an annual basis but we've extended it until
14 the end of December 2016, and I think those people --
15 some may know at the Department of Defense because of
16 challenges coming out of sequester and other fiscal
17 considerations had to turn Quick Pay off and it has
18 turned Quick Pay back on as part of this renewal of
19 this program.

20 And, in addition, the President had announced
21 Prior Pay, which is, if you will, the private sector's
22 equivalent where companies commit to pay small

1 suppliers faster or help them get access to lower-cost
2 capital and there are, I think, about 25 pretty large
3 companies that signed on to this initiative.

4 For those of you who were not aware of this,
5 you can find more information on the White House
6 website and if anybody has difficulty finding it, just
7 let me know and I'm happy to share that information.

8 Second, I wanted to mention that we have been
9 taking a number of steps to identify ways in which we
10 can promote greater innovation, privatization in
11 acquisitions, which we think is an important way to
12 also include small business participation by the many
13 entrepreneurial companies that are small and we have
14 developed a legislative proposal which the Senate
15 Financial Services Committee has adopted. So we're
16 keeping our fingers crossed that it will move forward.
17 That would authorize OMB, working with SBA, to conduct
18 an innovation set-aside program.

19 It is not in any way meant to compete with or
20 replace any of the important existing small business
21 programs but, rather, to provide an additional
22 authority for those instances where there are small

1 businesses that are not currently participating in
2 government contracting because they lack the capacity
3 to compete, having not -- not lacking experience, I
4 should say, familiarity with government contracting
5 rules.

6 This pilot would essentially allow an agency
7 that has requirements for new methods, processes, or
8 technologies or improving technologies, basically
9 innovations, to make an award either -- which would
10 limit competition to one or more businesses with a
11 preference to small businesses for purposes of giving
12 these new entrants an opportunity to learn the ropes.

13 So in some ways, it's a simple but a more
14 expansive business development opportunity, again not
15 in any way meant to compete or replace, for example,
16 the 8(a) Program that obviously is a very important
17 component of our work, but we certainly understand that
18 not every small business gets into that program and
19 we've had discussions about that, you know, with this
20 task force.

21 So, again, we'll be working with Congress and
22 hope that they will -- the House will join and we'll

1 have this pilot authority which we think will be very
2 productive at getting some new small businesses that
3 are not currently in federal contracting into the
4 federal marketplace.

5 I also wanted to very briefly mention that
6 last month, the Administration announced a number of
7 steps to improve our delivery of IT services, which
8 included the release of a tech bar handbook, the Tech
9 Bar Handbook, which focuses on some of the
10 flexibilities in the Federal Acquisition Regulations
11 that we don't always take full advantage, one of which
12 would be to support agile software development
13 processes using modular contracting where we have lots
14 of grid work into smaller chunks that are virtually
15 customer-driven.

16 So I mention this because we think that the
17 emphasis on affordability and buying in smaller chunks
18 is something obviously that is a way in which to help
19 small businesses in competing for this work and
20 obviously dovetails with, you know, requirements for
21 justifying when you consolidate and looking to contract
22 working that facilitates access for small businesses.

1 And, finally, I mentioned last time that the
2 national dialogue that OMB conducted on procurement and
3 we believe that very shortly we will be releasing a
4 memorandum with some additional steps that we will be
5 taking as follow-up to help reduce barriers on
6 differences, including barriers to innovation for small
7 businesses, and more to come on that in the coming
8 weeks.

9 MR. JEPPSON: Okay. Great, Matthew. Thank
10 you. Thank you very much.

11 You mentioned this supplier pay initiative.
12 We're engaged with that, as well, over here and aware
13 of that. So that's great information. Thank you.

14 MR. BLUM: Sure.

15 MR. JEPPSON: Okay. So just how about Mr.
16 Ferguson? Are you online, Bill?

17 (No response.)

18 MR. JEPPSON: Okay. So next, I think we've
19 got Jim Wilfong on the line. Jim? Hello, Jim?

20 (No response.)

21 MR. JEPPSON: Okay. We heard him earlier.
22 Hey, Jim. There you are.

1 MR. WILFONG: I'm back on.

2 MR. JEPPSON: Okay. Thank you, sir.

3 MR. WILFONG: Yeah. I was on mute. I hit the
4 wrong button and I disappeared. Sorry.

5 MR. JEPPSON: That's called pulling a rat
6 right there.

7 MR. WILFONG: You know, I really don't have
8 much to report.

9 I sent to you, I think, some time in May or
10 June, whenever we were -- the request was for more
11 ideas for the reports to the President and so I was
12 really going to -- one of my questions was going to be
13 where do we kind of stand on all that and have we sent
14 off the report? Is it being vetted?

15 MR. JEPPSON: It's being vetted and we're
16 waiting on one agency that we can talk about offline.

17 MR. WILFONG: Okay.

18 MR. JEPPSON: So it is there and there's been
19 several requests made at some pretty high level to get
20 it back from them. So we're waiting on that.

21 The good news, though, is we do have an
22 administrator. We couldn't sign one out without the

1 administrator by statute. The administrator signs it
2 out. So once we get that back, we'll forward it to her
3 for signature. So we've vetted it in the building, you
4 know, done the legal sufficiency review in the
5 building. We've had comment from all agencies, just
6 waiting on one. So as soon as we get that back, we'll
7 be ready to press forward.

8 MR. WILFONG: Okay. And I do have a question
9 maybe Matthew Blum could answer. You know, I've been
10 interested in how to get equity into the hands of small
11 businesses as opposed to just vets and I was wondering,
12 the authority that was provided under the Jobs Act,
13 Matt, and it was sent to -- sort of cloud-funding
14 equity program that the Securities and Exchange
15 Commission has been working on writing the rules for.

16 Has that progressed very far? Do you know?

17 MR. BLUM: That's a good question. I haven't
18 been working on that one, that provision directly.

19 MR. WILFONG: Right.

20 MR. BLUM: If you can remind me of the
21 provision number, I can check with our friends in the
22 Office of Information Regulatory Affairs on the status.

1 MR. WILFONG: I don't know if I know what the
2 provision number is right offhand.

3 MR. BLUM: Tell me offline.

4 MR. WILFONG: Sure.

5 MR. BLUM: Are you familiar with what the
6 status of that is?

7 MR. WILFONG: There may be somebody in
8 Treasury.

9 MR. BLUM: Okay.

10 MS. MILANO: So this is Jessica Milano,
11 Department of Treasury.

12 I am not familiar with the status of this
13 specific example that James raised. I can take it back
14 and see if I can find out a little more but I did want
15 to offer up an alternative, if I may.

16 There are two -- Treasury operates two small
17 business credit programs through my office at Treasury,
18 the Small Business Lending Fund and the State Small
19 Business Credit Initiative.

20 SSBCI, which is the one I discussed earlier,
21 actually provides a wide latitude to states that have
22 their own small business support programs but they can

1 be both debt or equity and so a number of states have
2 developed venture capital programs targeted to small
3 businesses and helping to fill the BC gaps around the
4 country and so we'll be happy to connect you offline,
5 James, with the staff at SSBCI just -- they have a
6 rundown of the list of states that have BC programs.

7 MR. WILFONG: That would be terrific, Jessica.
8 Thank you.

9 MR. JEPPSON: Yeah. This is Rhett here. Let
10 me just kind of dovetail on what to you said. Two
11 things that we've seen recently. One is that I will
12 obviously defer to the duty experts on that but it is
13 my understanding that they still have not promulgated
14 formal rules for, you know, the cloud-funding equity
15 style, if you will.

16 MS. MILANO: In terms of implementing rules
17 from the Jobs Act that passed a few years ago, again
18 this is the Office of Capital Markets at Treasury, so I
19 hope I'm not speaking out of line for them, I believe
20 that it is entrained. Some have been formalized and
21 some are still being developed and I don't know which
22 are which in terms of what your specific interests are

1 but they're working on it.

2 MR. JEPPSON: But more relevant -- not more
3 relevant but tangentially, if you will, right now,
4 we've done a couple of things in that arena a little
5 bit that are interesting and we'll see where it goes
6 from here.

7 So in the past two months, we've done two what
8 we call VET CAP, working with VETS and TECH. We did
9 the first one in California and the second one in New
10 York and we plan to do the third one here in D.C.,
11 where we actually bring a panel of venture capital
12 angel investors, cloud funders, which are debt cloud
13 funders or gift funders, if you will, like Kick Starter
14 or Indigo Go, traditional lending, in one case
15 corporate venture, together as a panel and talk to the
16 veterans and then take questions and actually hear the
17 pitches from the different veteran small businesses.

18 It was a very interesting evening both times
19 and we'll do one here but it's -- so we are trying to
20 do a few things to work to connect venture to the
21 veterans who are in that space. You know what I mean?
22 There is a segment of the veterans community, I can

1 tell you, a very exciting segment of the veterans small
2 business community with fantastic ideas that really are
3 after the venture capital that, you know, whether it's
4 seed money or, you know, in some cases we've seen Round
5 A and Round C, you know, money that they're after, and
6 I will tell you that going to San Francisco and in New
7 York, the quality of the business ideas and plans,
8 concepts they had were absolutely fantastic.

9 Some had fully-developed business plans and
10 ready to go to, you know, for Round C. Others -- we
11 had one Marine sergeant show up there, younger Enlisted
12 guy, and didn't have a business plan, pretty much had
13 it on the back of a cocktail napkin, but it was a
14 fantastic idea and so, you know, he was actually able
15 to connect with some of the venture capitalists there
16 and they were helping him put him in the right
17 direction to get his IP, intellectual property,
18 protection that he needed and then to go on. So that's
19 kind of exciting.

20 The other thing that I'd mention, we actually
21 had a brief yesterday. We're starting to see some
22 veteran-specific people come in to this space here. We

1 actually had the folks from Street Share come in, which
2 is kind of -- it's still debt funding but it's kind of
3 a reverse auction EBay type of thing, and we're seeing
4 more and more veteran-specific or affinity group-
5 specific lending in those areas come online.

6 So that is an area that we're starting to see
7 some movement in, which will, I think, help shape the
8 future of veteran lending.

9 MR. WILFONG: That's great. I do have one
10 final thing that I might mention and that has to do
11 with the G.I. Bill and being able to use some of the
12 G.I. Bill as start-up capital and I did have several
13 conversations with Angus King's office and so they have
14 some folks working on that and there were two people
15 that were working on it but I don't have the names
16 right here but King's office was not only interested,
17 they were very interested in perhaps offering up some
18 legislation, and I have not -- I was -- I had planned
19 to come down but something came up and prevented me
20 from coming this trip.

21 I was going to go over and talk to them and I
22 tried to get ahold of them yesterday to find out what

1 the status was and I will try to do that and perhaps
2 send an e-mail to both once I find out what the status
3 of their interest is.

4 MR. JEPPSON: Yeah. You know, we've heard
5 this -- we've heard from other senators, as well, the
6 same interest and some variation of use of the G.I.
7 Bill, either as a stipend, as a lump sum, or as an
8 equity guarantee or a guarantee, rather, on debt.

9 So it's -- you know, it's still one thing that
10 I will tell you that in the veterans community remains
11 very, very interesting. You know, when I talk to my
12 friends that's always one of the questions we get asked
13 by the veterans. But the Legion actually has a
14 resolution on that right now.

15 Bill, you want to mention anything about that
16 resolution?

17 MR. JENKINS: The resolution is to support
18 that program and as far as I know, we're going to move
19 forward with proposing legislation in order to get that
20 done.

21 MR. JEPPSON: Okay. Great. Okay.

22 MR. WILFONG: Great. Thank you, Billy.

1 MR. JEPPSON: I think that's good and, you
2 know, let me just put that down and we'll put that down
3 as an agenda item. Let me just kind of, if I could,
4 scope that real quick.

5 So we have seen it as three potential uses of
6 the G.I. Bill cap. There's three different ways that
7 we've got. So we'd look at other ways that this may be
8 used.

9 One is, and I believe that the Legion's
10 position is they would like to see a lump sum upfront
11 that you could take the cash value of the G.I. Bill, so
12 you would forego the educational benefit and receive a
13 dollar amount of cash, a check for that.

14 There's also been the idea proposed that you
15 could use it as a guarantee against a loan. So it
16 would act as -- so on an SBA loan, say if you took out
17 a \$200,000 loan, the additional guarantee to the bank
18 would be there. So it relieves you of kind that debt
19 position difference.

20 The other would be that if you were in a new
21 business start-up, that you would leverage it just the
22 same way you would as -- rather than being in school,

1 you'd be in a small business start-up phase. So, in
2 other words, once you had an approved business plan
3 with an SBDC or, you know, SCORE counselor, that just
4 like enrolling in school, they would begin your tuition
5 assistance, which you could actually pay for account,
6 marketing, accounting, those type of things. Then each
7 month that you are in business for -- and you'd be
8 approved, pre-approved, just like you are for a
9 semester, you know, semester's four months long.

10 You receive that E5 housing allowance and
11 you'd get that each month. You'd go back in for your
12 next check-up or check-in with -- you know, it'd be
13 like enrolling another semester. They'd give you the
14 next round of the tuition and the next four to six
15 months of that E5 housing allowance for your area.

16 So, in essence, you wouldn't get a lump sum
17 upfront but it would be to offset your costs during
18 start-up and provide that cash. That way, you know,
19 unfortunately, some businesses, small businesses do
20 fail, that you would still preserve whatever was
21 remaining of your G.I. Bill, so you could use it that
22 way.

1 So those are three courses of action that
2 we've had discussed in the way that you could leverage
3 the G.I. Bill. We'd certainly be interested in any
4 others but if that's what you want the discussion --

5 MR. WYNN: Yeah. That's the gist of the
6 discussion and having folks participate in that
7 discussion, either for or against the use of the G.I.
8 Bill for that purpose, so that we could try to move
9 this along, move it forward, and because, you know,
10 obviously it would take congressional approval to
11 change the use of the G.I. Bill.

12 The other thing, too, I want to see about
13 adding -- you know, first of all, let me premise my
14 next comment with the fact that, you know, I'm with the
15 Veterans Entrepreneurship Task Force and we have been
16 following this Interagency Task Force along since its
17 inception and from the legislation and from our
18 understanding, you know, it's been -- the purpose of it
19 primarily was it came about because agencies were not
20 meeting the minimum three percent contracting
21 requirements for service-disabled veteran-owned
22 businesses.

1 So to try to find ways to improve that, to
2 increase those percentages, this Interagency Task Force
3 was formed. So wherein we know that, you know, all
4 businesses not Federal Government contracting still we
5 come back to what is the real focus and purpose of the
6 Interagency Task Force was to increase that three
7 percent?

8 So when we talk and hear these other agencies
9 speak, what we want to hear about and hear them tell us
10 after, you know, doing their analysis within their
11 agency is what kinds of programs, what kinds of things
12 they can do within those agencies or within the Federal
13 Government marketplace that will increase these
14 opportunities for service-disabled veteran and veteran-
15 owned businesses and along the way, it's kind of gotten
16 a little bit -- you know, the conversation on this
17 topic has gotten a little vague from my view and from
18 the view of other members of our group.

19 And so if it's to continue, if this task force
20 is to continue now with the new Administrator going
21 forward, you know, we would just hope that we can find
22 a way to get it a little more focused on point.

1 One of the things that has come up as an
2 issue, which has not even been discussed by this task
3 force, is Federal Strategic Sourcing Initiative. This
4 is beginning to impact small businesses tremendously by
5 them putting these large procurements under these like
6 GWACs and, you know, different procurement vehicles.
7 They're calling it strategic sourcing and they're
8 lumping it all together and only a few companies are
9 selected to compete for these opportunities but
10 probably the unintended consequences of that is that
11 there are a lot of other service-disabled vet and other
12 small businesses who are left out of that equation and
13 there's a severe impact.

14 Now the Government will argue that there's a
15 benefit to lumping it together. It's supposed to save
16 the taxpayers money but if you look at the consequence
17 on the other side of how many businesses lose contract
18 opportunities as a result, how many employees they have
19 to lay off, how many then are not able to pay for this,
20 that, and the other because they don't have the income,
21 you have to weigh that and see what is the real
22 benefit.

1 Is it really a benefit or is it a detriment to
2 the majority?

3 And so I just think that this should be again
4 one of those topics since we've got these different
5 government agencies and almost all of them are using
6 this vehicle, Federal Strategic Sourcing vehicle, to
7 have some discussion of it, you know, at this
8 particular forum.

9 Another topic that I wanted to bring before
10 the task force was also to support, see if we could get
11 some support for the inclusion of service-disabled
12 veteran-owned businesses and Hub Zone businesses in MAP
13 21.

14 Now for those of you that are not familiar
15 with MAP 21, that's an acronym for Moving Ahead for
16 Progress in the 21st Century, and it's a federal
17 construction program managed by the Department of
18 Transportation through a trust fund and it's awarded.
19 The monies is used within the different states to, of
20 course, use for labor and to build, you know, roadways,
21 highways, bridges, infrastructure in each of the
22 states.

1 And right now and for the past -- well, for
2 probably the past 10 years or more, only disadvantaged
3 businesses in the category of women-owned and, say,
4 like the 8(a) minority disadvantaged businesses are
5 inclusive in that program and so, again, we're here
6 talking about how can we increase opportunities for
7 veteran-owned businesses. Here's a program that's
8 existed for some time.

9 It's come up this year for renewal of the
10 bill, for reauthorization, and so there's an
11 opportunity to try and get -- well, can we include
12 service-disabled vets to be in this category and Hub
13 Zones, as well? They're also asking could they be
14 included, as well.

15 Now the time table on this has already moved
16 from the House. It's over to the Senate in the
17 National Defense Authorization Act and it may not be an
18 opportunity to get any language to insert service-
19 disabled vets in it now but the bill will open again in
20 February. So we still have time, if we have some
21 discussion about this now and we find that there is a
22 lot of support for it, either among the agencies or

1 among -- I can't imagine any other service-disabled vet
2 businesses not wanting to be included in other contract
3 opportunities.

4 So we need to bring this to, you know, the
5 level of awareness so that people realize that this is
6 an opportunity. It also creates jobs because, of
7 course, as more businesses, more veteran-owned
8 businesses have contracts, who's more likely to hire
9 other veterans than veteran-owned businesses?

10 So I wanted to bring that to your attention.
11 We're going to be talking about it more at our upcoming
12 monthly VET-Force Veteran Small Business Forum on
13 September 16th for this month. We do these each month.
14 We talk about these types of topics at our forums and,
15 of course, agency representatives are there, as well.

16 This month, hopefully Mr. Gudger from DoD,
17 who's not here today, will be with us next Tuesday to
18 talk about some of these topics, as well, and I have
19 some notice flyers for those who may be interested.

20 So those are just a few of the comments that I
21 wanted to make and one last one with regard to the
22 VBOCs.

1 You know, you pointed out something, Rhett,
2 about the budgetary constraints with those VBOCs. Now,
3 again, VET-Force and members of our group and other
4 veteran business owners and the VSO for years have been
5 supportive of veteran business outreach centers. We
6 felt that there should be a strong network of veteran
7 business centers throughout the country. Just like you
8 have women business centers, there should be veteran
9 centers but, of course, again as you mentioned, the
10 budget that was, you know, authorized just won't allow
11 a real robust center exclusively for veterans and it
12 sounds like, as you mentioned, that budget still isn't
13 destined to increase any time soon.

14 MR. JEPPSON: But at least in the '15 budget,
15 there is legislation that was proposed on the Senate
16 side that increased. I think you saw that, too.

17 MR. WYNN: Yeah.

18 MR. JEPPSON: I think it had support from the
19 Legion and others, which would have gotten us probably
20 -- I don't recall the exact number. I think it doubled
21 the amount. Yeah. That certainly would have given us
22 more flex.

1 There's actually some other legislation we saw
2 that did not get turned in that would have taken it to
3 10 million which would have made parity with the WBCs.

4 MR. WYNN: So, anyway, what I was alluding to,
5 though, was under the present budget structure is the
6 concern possibly viewing this just slightly a little
7 bit different. Instead of trying to create a veteran
8 business center with a very limited budget, why not
9 create a veterans business development coordinator
10 position where that person would be stationed at small
11 business community centers and with that budget, they
12 could probably function quite well if they're already
13 utilizing, you know, the infrastructure of that
14 existing small business center, and I'm not saying that
15 the SBDCs be the only consideration.

16 We have other community-based small business
17 centers around the country where -- it's almost similar
18 to the model where you have at the American Job
19 Centers, you have DVOPs and LVRs. For those that don't
20 know what DVOPs and LVRs are, it's a veterans facility,
21 veterans outreach specialist is actually stationed at
22 each job center around the country and that is funded

1 differently. They're paid out of a different pot than
2 some of the other folks at that center.

3 And so veterans come to the centers seeking
4 job assistance, employment assistance, you know, they
5 can go to that veteran specialist. So it would be
6 similar, you know, to that model where you would have a
7 veterans business development specialist located in
8 various locations and it probably ends up being sort of
9 like that now.

10 MR. JEPPSON: I think this is -- I mean, maybe
11 it's a little bit different an approach but the idea is
12 kind of the same, I think, Joe, where we have this and
13 so, you know, we'll look forward to talking with you
14 more about that because I think you're really on to
15 something there.

16 MR. WYNN: Okay. All right. So that
17 concludes my comments for today.

18 Thank you.

19 MR. JEPPSON: So, Joe, thank you. Thank you,
20 as always, thank you, and we'll take these back. We'll
21 make sure we get the G.I. Bill Capital on the
22 discussion point there, some slide discussion, and

1 we'll actually have a call for, you know, input and
2 comment on that and then it'll be interesting what the
3 body does. We make a recommendation in the report but
4 we provide a forum for the larger committee to talk
5 about they may engage with the decision-makers to
6 influence that. We will be interested in that
7 conversation.

8 MR. WYNN: Go ahead, Jim.

9 MR. WILFONG: This is Jim Wilfong. I just
10 wanted to echo the support for that being included on a
11 future meeting of the group.

12 I think that the committee I chaired back at
13 the beginning of this whole thing, we put that forward
14 in April of 2011, that idea. So it's been awhile and
15 it was in the first report that we sent to the
16 President and what I will do is follow up with Angus
17 King's office again and then if they're still on that,
18 whatever meeting it is that we put that, have it for a
19 discussion, I would like to invite them.

20 MR. JEPPSON: Perfect. Okay. Senator Rand's
21 office has also been very interested. They've had a
22 lot of inquiries to us about that, as well.

1 MR. WILFONG: Okay. Great.

2 MR. WYNN: All right. I just wanted to
3 conclude right quick with the fact that I'm glad that,
4 you know, I was here yesterday for the Veterans Small
5 Business Advisory Committee Meeting and I'm glad to see
6 that some of the committee members are here today and
7 that the scheduling of this meeting allowed that, so
8 that you were able to be here.

9 We've also offered, as you know, to schedule
10 our Veterans Small Business Forum the day before the
11 committee meeting, so, you know, you can also try to
12 attend that, as well, and so once you decide on your
13 schedule, we're willing to take that Tuesday before, if
14 space is available here.

15 MR. JEPPSON: Joe, let's talk about the
16 possible scheduling maybe offline and we'll get with
17 Cheryl but I think that there's a way that we --
18 because theirs is normally a day and we usually meet
19 for half a day and you have half a day. There may be a
20 way where we can get all of them to kind of happen
21 within a two-day period and at least align that three
22 times a year or four times a year and I'd like to see

1 that.

2 Additionally, you know, you never -- knock on
3 wood. At some point, we're going to get our deputy
4 back here in the agency and when we do, that will
5 increase the visibility of this. I mean, it's an
6 important committee and, you know, I'm glad that I can
7 do what I do but I don't carry the same gravitas as the
8 deputy. So that will be helpful when we have that
9 within the building, outside the building. So we're
10 looking forward to that.

11 MR. EILAND: Joe, you brought up FSSI.

12 MR. WYNN: Yes.

13 MR. EILAND: It's ironic. I had a meeting
14 with them Tuesday. They did a workshop for us there at
15 GSA. It was very well attended. But I was able to sit
16 back with the individual that's running FSSI right now.
17 It's going to be up for recompetete. It's got less than
18 two years before they reissue it.

19 I asked for our office to be included on that
20 and I was told we would be. So I just thought you'd
21 like to know that.

22 MR. WYNN: Yeah. Thanks.

1 MR. BLUM: This is Matthew Blum. Just to kind
2 of dovetail on that, and I know that our good
3 colleagues at SBA are kind of very plugged in to the
4 whole issue of how to, you know, reconcile and properly
5 balance leveraging and strategic sourcing with small
6 business contracting rules. It's been the subject
7 actually of hearings in the last couple of years.

8 So even if it hasn't been discussed
9 specifically within this task force, it definitely is
10 on our collective radar screen and we continue, as I
11 think was reflected probably in the feedback given to
12 Tony, to be very committed in any strategic sourcing
13 effort to making sure that there is real small business
14 consideration.

15 In fact, the Guidance Document that OMB issued
16 back in 2012, M1302, expressly requires for all
17 strategic sourcing initiatives that the agreements have
18 to baseline current small business usage under current
19 strategies and set goals that meet or exceed the
20 baseline participation.

21 We have seen increases in, for example, office
22 supplies and other areas where we've applied strategic

1 sourcing but we do appreciate this is a hard issue that
2 needs continued attention.

3 One other point is our nominated Administrator
4 Ann Wrung has talked very much about commodity
5 management, which is, I think, a broader concept than
6 strategic sourcing and I think why it's important to
7 the conversation is to remind people that you can get
8 better pricing and quality because everything doesn't
9 require, that your every event doesn't require
10 leveraging, and having expertise within the Government
11 in how a category of goods or services are acquired and
12 also having better visibility into the prices the
13 Government is paying can also be a very powerful way in
14 which to get better prices, even if we're doing an
15 increased amount of open market purchasing.

16 So my point, Joe, is just to simply point out
17 that, you know, this isn't about just figuring out how
18 much we can consolidate through leveraging but really
19 how we can be smarter buyers and, you know, within that
20 larger frame, there's obviously a lot of room for not
21 only continued participation with the small businesses
22 in the market currently but building that and getting

1 new entrants in.

2 MR. WYNN: Thanks, Matt.

3 MR. JEPPSON: Joe, as always, thank you very
4 much, sir.

5 MR. WYNN: Mm-hmm.

6 MR. JEPPSON: Okay. So additional comments
7 from anybody in the office -- office -- in the room
8 here or on the phone?

9 Joe?

10 MR. WYNN: Just a question.

11 MR. JEPPSON: Yes, sir?

12 MR. WYNN: About the report that was due out
13 in November. I think you said it was being on hold
14 because of one of the agencies. I mean, why do we -- I
15 mean, this report -- you know, obviously we've been
16 waiting for it for some time and how long are we going
17 to let one agency hold it up?

18 MR. JEPPSON: That's a great question. Thank
19 you. Okay.

20 VII. CLOSING COMMENTS/QUESTIONS

21 MR. JEPPSON: So we'll call it a quick meeting
22 today then.

1 So I want to thank everybody for joining us on
2 the phone. I know that each of you are busy,
3 especially this time of year, as we go to the end of
4 close-out. I'll tell you it's eating my lunch right
5 now. So I'm sure it's tough for the rest of you guys
6 but thank you for making time for being here and
7 participating.

8 We'll probably look at having the next meeting
9 some time in December time, between Christmas --
10 November and -- Thanksgiving and Christmas. We'll try
11 and find a time to wedge it in there. I think that
12 we'll try and focus around when you guys can be here so
13 we can do it.

14 All right. Thank you.

15 (Whereupon, at 10:30 a.m., the meeting was
16 concluded.)

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