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U.S. SMALL BUSINESS ADMINISTRATION

INTERAGENCY TASK FORCE ON
VETERANS SMALL BUSINESS DEVELOPMENT

OPEN MEETING

WEDNESDAY, SEPTEMBER 4, 2019

1:00 P.M.

Reported by: Jennifer Razzino

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P R O C E E D I N G S

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(1:06 p.m.)

MR. STUBBLEFIELD: 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.

MS. PEREZ-WILHITE: Good afternoon. Fran Perez Wilhite for the North Carolina Military Business Center.

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

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

5 MR. PHIPPS: Michael Phipps, American Legion.

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

10 Okay, so we'll get started.

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

15 MR. STUBBLEFIELD: Okay. Thank you very much.

16 All right, let's go to the first slide here.
17 Okay, just an update on some of the things going on in
18 OVBD. The month of August was a very busy month. I
19 attended the American Legion national convention. Just
20 two points that I want to bring to the attention of the
21 Task Force. You know, I was there in an OVBD capacity,
22 pretty much talking about our programs and things that
23 we do, you know, for veteran business development.

24 But just to put it on your radar, there was
25 two things that came out of the convention that the

1 American Legion is focused on. Now, number one is
2 PriorityOne, and some of you may or may not be aware,
3 but, you know, PriorityOne had a memo that was signed
4 by several members of Congress, and it was directed to
5 Secretary Wilkie. And the memo asked that the VA look
6 at PriorityOne first and after you take a look at
7 PriorityOne companies and so forth for service from the
8 VA, then we would go to VetsFirst.

9 MS. PEREZ-WILHITE: Do you mean AbilityOne?

10 MR. STUBBLEFIELD: Oh, I'm sorry. What did I
11 say?

12 MS. PEREZ-WILHITE: Priority.

13 MR. STUBBLEFIELD: I'm sorry, AbilityOne.

14 MS. PEREZ-WILHITE: AbilityOne.

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

22 And then the second one American Legion
23 focuses on the predatory educational institutions. So
24 a lot of discussion about service members getting out
25 and using their GI Bill, attending educational

1 institutions that at some point fold and the service
2 member is, you know, holding their hands with, you
3 know, with nothing. So those were the two takeaway
4 points from the American Legion.

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

16 We had the VBOC conference here in DC, August
17 13th through the 15th. Our 22 VBOCs were all in town
18 and members of their staffs. We had quite an agenda
19 item. That's an annual conference.

20 And we also -- the American Legion hosted our
21 first ever Veteran Small Business Summit on the 25th of
22 July, and this is where we brought in Corporate
23 America, and we had four different panel discussions.
24 Corporate America was one panel discussion. We had our
25 internal SBA resource partner discussions. Then we had

1 some of our folks who have participated in SBA programs
2 that are now business owners, and so this was a very
3 good event.

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

14 The next bullet there just talks about the
15 Veteran-owned Small Business Growth Training Program,
16 and I think I've mentioned this before. You know, the
17 President donates his quarterly salary to federal
18 agencies, and in our particular case, he donated
19 \$100,000 to the Office of Veterans Business
20 Development. And we've taken that money and we're
21 partnering with an organization up in New England, the
22 Veteran Entrepreneur Training and Resource Network, to
23 bring on -- to have two cohorts of about 20 business
24 owners who are looking to scale from a startup to the
25 next level, which is something maybe a little bit under

1 our American Leaders program.

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

6 And then the last bullet there under Events
7 just talks about our National Veterans Small Business
8 Week. This year, it's going to be the 4th through the
9 8th of November, and we're already in the planning
10 stages, if you will, for that.

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

18 The next bullet there just talks about the SBA
19 Scorecard. So for service-disabled veteran-owned small
20 businesses, I think you're well aware that we exceeded
21 the goal once again this year, the goal of 3 percent.
22 It actually came out 4.27 percent, which is a good news
23 story. And in the last week, in our Office of Veterans
24 Business Development, we issued grants for four
25 programs for our Service-disabled Veteran Entrepreneur

1 Training Program. And that's another good news story.

2 And then the last three bullets there just
3 talks about legislation. I'll touch on these very
4 briefly. The Veterans Small Business Enhancement Act,
5 Public Law 115-416, is the law that allows veteran-
6 owned small businesses access to surplus government
7 property. We're looking to roll that program out in
8 the second quarter of FY20, but for now, if you go to
9 the SBA website and go to -- look for veterans --
10 OVBD, we have our -- the FAQs associated with that
11 program.

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

20 So SBA, we're working closely with the VA,
21 with -- okay, well, I'm being informed that you have a
22 copy of the FAQs in your -- with your material on the
23 table, but if we can get the FAQs out, and as you
24 engage veteran small business owners, you know, just to
25 let them know that we are working this, you know, we

1 get calls from the Hill, we get calls from veteran
2 small business owners, everyone wanting to get to the
3 property. We want them to get access to the property,
4 but we've just got to put the rules and procedures and
5 things in place.

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

17 And then that last bullet there, the
18 reauthorization of the Small Business Act, I think that
19 is something that maybe OBE, and I believe it's off the
20 plate at Congress right now, but there will be
21 additional information to follow on that, but under the
22 Reauthorization Act, it's just periodically Congress
23 looks at all of our programs across the board in SBA,
24 and then they -- you know, they kind of like codify, if
25 you will, in law. And in our particular case, we're

1 very interested in getting our Boots to Business
2 program codified, as well as our VBOCs.

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

5 (No response.)

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

10 MR. JACKSON: Shannon Jackson, DOD.

11 MR. STUBBLEFIELD: Okay, you captured that?

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

18 MR. EVERSOLE: Great. Thank you, Larry. And
19 thank you all for inviting me to today's meeting. And
20 I thought what I'd do is really give an overview of
21 what we've seen in the transition space to some extent.
22 While it's not directly relevant necessarily to the
23 creation of small businesses, I think there are some
24 observations that are quite valuable. And then I want
25 us to think a little bit about how there may be some

1 additional opportunities to really reach deeper into
2 communities, especially military communities, to create
3 more small business opportunities for veterans and
4 their families.

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

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

22 What we've learned, and part of as an
23 organization, you know, we started out with that
24 crisis, and we were just doing hiring events primarily
25 back in 2011. We did nearly 800 in the course of three

1 years between 2011 and 2014. We were doing triage at
2 the time, really just trying to find businesses and
3 local communities and connect them with unemployed
4 veterans.

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

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

21 I think the demand signal next year will
22 probably be somewhere in the neighborhood of probably
23 50 on-base events. And they've grown from something
24 that we're really -- I don't want to call them career
25 fairs, but they've gone as much from kind of that

1 hiring opportunity to as much of an education
2 opportunity.

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

17 So if we look at TAP and the small business
18 curriculum, if we look at the educational curriculum,
19 these are all things that are not only being used but
20 they're being used more frequently. And I think,
21 again, that's just an assessment as to where we are in
22 the space right now, which is, you know, from an
23 employment perspective, we're seeing fewer and fewer
24 service members who are coming to the events shrugging
25 their shoulders saying I don't know what I want to do.

1 Instead, they're coming with a much better game plan.

2 So that's part one.

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

16 There are still organizations and companies
17 that are popping up with fee-based services that, quite
18 honestly, you know, from an overall space perspective
19 have, from my perspective, very limited use at this
20 point given the number of free or no-cost services that
21 are available for service members. And so we still see
22 a lot of difficulty for service members navigating, you
23 know, where to go, how to get there, what are the best
24 resources for them. And so there's still a pretty
25 significant demand signal on that front.

1 We're seeing our career summits, these on-base
2 events, become more and more educational-based. The
3 importance of partnerships with these bases continued
4 to be ever important so that what service members are
5 seeing at these events aren't a singular program but
6 rather a community of programs. So we've, again,
7 continued to see opportunities working with the various
8 federal agencies to talk about the resources they have.
9 That's been great. But we've also seen new
10 partnerships and growth opportunities with companies
11 like Indeed.com. LinkedIn has been a very, very strong
12 partner of ours in creating some of the networks
13 associated with that. So there has been a nice,
14 healthy balance.

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

23 We're seeing a proliferation of Skillbridge-
24 related programs popping up on military installations.
25 That's good because it's creating opportunities. It's

1 bad because it's adding to the sea of goodwill, and
2 navigating that is still a challenge. But just to put
3 a finer point on how much these career skills programs
4 have grown in the last five years, they've gone from
5 what were less than a handful back in the 2014 time
6 frame -- I think we were one of the first to create a
7 program. Our corporate fellowship program, Veterans in
8 Pipefitting, were one of the first programs as well.
9 Most of them originated in the Northwest, with the
10 Army.

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

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

25 The success on it, just to put a finer point

1 on this, we are seeing an offer rate of 92 percent for
2 these service members that get the 12-week tryout as
3 part of that Skillbridge program, and an average salary
4 of \$94,000.

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

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

19 We're going to continue to see growth
20 opportunities there, both from private and public
21 sector opportunities. We're going to launch early next
22 year a program with the Department of Energy and the
23 Solar Foundation that helps create pathways for solar
24 technician jobs for more of the entry-level type
25 position. There's a company called Mears Group which

1 will train a service member of any skill set for six
2 weeks at no cost. They will house them. They will pay
3 them. They will feed them for that six-week program at
4 absolutely no cost to the service member. And they
5 will then place them in a job doing residential gas
6 installation for about \$70,000 a year starting out in
7 one of 22 states. So we're seeing a proliferation of
8 those programs.

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

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

25 If there's one area where Hiring Our Heroes

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

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

25 So that's kind of where we are from an overall

1 veteran employment space. Again, I still think from an
2 on-base perspective we're seeing good growth there. I
3 will add one other thing, and I think it's important
4 because we've certainly seen this from the growth of
5 our corporate fellowship program, the -- and this has
6 to do a little bit with the sea of goodwill.

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

9 (Brief pause to resolve music interference.)

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

19 And one thing that we have found as an
20 organization, nothing begets success like success
21 and service members willing to tell their brothers
22 and sisters in arms about the success. And then we
23 often have organizations that come to us and say,
24 well, we got this great program but nobody knows
25 about it. And we have found that no matter how much

1 we market something, whether it's through social media
2 or otherwise, it's really difficult as even some of
3 the biggest and brightest in this space have found
4 out, it's really hard to market programs to service
5 members.

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

18 Let me talk a little bit about kind of small
19 business because, you know, obviously with the
20 Interagency Task Force and with the SBA hosting this,
21 we have -- you know, I just had a couple reflections I
22 think really on kind of the small business front of the
23 military community and what we're seeing. And some of
24 this has to do with kind of the overall veteran
25 population, but I think a lot of it also has to do with

1 military spouses as part of the equation of the
2 military community and how we create business
3 opportunities for those service members and their
4 families as they transition.

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

14 We're seeing from a small business perspective
15 a pretty significant growth in small businesses as the
16 consulting-based services, especially with
17 professionals, the 1099 employees. There is a massive
18 growth of professional opportunities and small business
19 opportunities that are being created, especially in the
20 military spouse community, but I don't even think most
21 military spouses when we talk small businesses
22 necessarily think about the creation of the business as
23 an opportunity when they have, let's say, a
24 professional license or some other type of degree,
25 where they can get back to work, create a small

1 business, it's just not the one defined by a storefront
2 or, you know, traditional structures of what a small
3 business in a small town looks like.

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

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

20 The second thing I've mentioned, which is, you
21 know, who are we targeting as a primary audience for
22 the creation of small businesses. Again, we're seeing
23 at least around military communities that military
24 spouses are low-hanging fruit when it comes to economic
25 opportunity. There's a healthy demand signal to create

1 opportunities and helping military spouses understand
2 those economic pathways in a way that are different now
3 than what they were 30 years ago is going to be really
4 important.

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

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

25 All those things can be pretty daunting, but I

1 will tell you that I know that very senior officers who
2 have now retired from the military who are doing
3 consulting work for us are using their spouse's LLC as
4 a consulting vehicle. So, again, think about, you
5 know, from a targeting perspective how we're reaching
6 into those communities.

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

17 And I think helping those military families
18 understand what opportunities from a business
19 perspective exist in local communities and allowing
20 them to then target those opportunities could be
21 immensely valuable. I'll give one example of that
22 where there is a never-ending demand signal for small
23 business ownership, and that's daycare. On and near
24 military bases, it's probably the one thing we hear
25 from military families the most is I don't have enough

1 daycare, but the reality is is that notwithstanding the
2 need, setting up a daycare operation, especially at on-
3 base housing, can be really, really challenging.

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

20 You know, another area of opportunity is again
21 with the emergence of online retail platforms. A lot
22 of military spouses are turning to commercial
23 opportunities through companies like Amazon and Walmart
24 and other e-commerce platforms that are, again,
25 changing the dynamics of how militaries own and operate

1 small businesses. The rules surrounding that can be
2 somewhat challenging, especially if that service member
3 or spouse lives on base.

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

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

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

23 MR. EVERSOLE: Yep.

24 MR. GREEN: Over at Small Business.

25 MR. EVERSOLE: It's good to see you, Tim.

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

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

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

1 I can't find any.

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

16 And so where the services and DOD have been,
17 you know, quite honestly very innovative, and where
18 we're starting to see greater connections is the
19 willingness in, let's say, Skillbridge or some of these
20 other opportunities. Right now, you know, most of the
21 services and most -- many commanders are willing to cut
22 -- to have no-cost temporary active duty orders to
23 where a service member wants to live and take that
24 Skillbridge opportunity, as compared to where they're
25 currently -- where they're stationed.

1 So we've had fellows in our corporate
2 fellowship program. I had one last year from Timbuktu.
3 He was stationed in -- literally, there is a place
4 called Timbuktu. It's in Mali. He was on embassy
5 detail in the Marine Corps and knew that being
6 stationed there was not the greatest thing for his next
7 career opportunity. So the Marine Corps cut him
8 temporary active duty orders. He got sent back to the
9 United States. Twelve weeks later, he had a job making
10 \$140,000 a year here in the DC area with no downtime
11 between transition and that civilian opportunity.

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

23 And what the concern is, and I don't want to
24 speak for them, but the concern I've heard voiced
25 across the services is we don't want to -- as we look

1 at programs, we don't want to create populations of
2 haves and have-nots when it comes to transition-related
3 services and economic opportunity because service
4 members won't take those assignments, or they're not
5 going to take them gladly. And that's going to impact
6 morale and manning. So we are seeing good growth in
7 that area. I think we're going to still see growth in
8 that area.

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

23 I think one of the biggest things we've seen
24 from the private sector in the last three or four years
25 is that most of the sophisticated companies recruiting

1 in the veteran space now -- Amazon is a good example of
2 this -- are actually treating these recruiting events
3 much like they do college campus recruiting. They're
4 going to these military installations with a large
5 portfolio of jobs that are geographically placed across
6 the United States and not limiting themselves to just
7 where that service member is stationed.

8 And we've seen opportunity -- I mean, one of
9 the greatest places to recruit is Hawaii because the
10 number of service members transitioning out of Hawaii,
11 90-plus percent of them are going to come back to the
12 mainland United States. Companies that are smarter
13 than this are going overseas and geographically placing
14 folks where they want them.

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

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

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

25 I'm curious if you have any examples of any

1 platforms or possible partnerships with the
2 universities or things like that that you've seen that
3 have been successful.

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

17 And the result of that is that your
18 traditional pathways of finding economic opportunity in
19 college -- internships -- aren't as readily available
20 for student veterans. And it's a real challenge, and
21 it's a real problem because if they're working -- I
22 mean, and here's the dilemma for -- you know, you take
23 the student veteran who's working 30 hours -- 25 or 30
24 hours a week, it's very hard to quit your 25-hour --
25 you know, 25-hour-a-week job to then go do a summer

1 internship to then find out after 12 or 14 weeks that
2 you're unemployed and you're looking for another job to
3 start the school year.

4 And so the dynamics of how most students do
5 their summer internships, you know, it's just changed.
6 And if we don't find a way for companies to start
7 thinking about creating those economic pathways and
8 remote work opportunities, as I tell companies, if you
9 want a student veteran intern, that's great, but you
10 have to think about, you know, what are the part-time
11 opportunities that may exist to continue engaging with
12 that person after the summer internship. That's how
13 you're going to be attractive to them is finding ways
14 to -- and that's how you're going to create the long-
15 term economic opportunity for them. But the current
16 way we're doing it is not going to yield the results
17 that we want, so we're going to have to find new
18 pathways to create these internships, fellowships for
19 student veterans.

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

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

24 MR. EVERSOLE: Well, they're for everybody.
25 You know, the limitations for these corporate

1 fellowship programs at least, you know, from a
2 Skillbridge perspective, has been the active-duty
3 service member population, but as these programs have
4 grown and we've seen success, we've also been able to
5 increase these fellowship opportunities for both post-
6 transition veterans, including disabled veterans, as
7 well as military spouses, as well as military
8 caregivers. We're going to make a big announcement
9 with the Elizabeth Dole Foundation next week and AARP
10 that we're creating more of these part-time work
11 opportunities for populations beyond the active-duty
12 service member population.

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

21 So we've been fortunate in the Maryland/DC
22 area as well as in places like Texas as well as the
23 Pacific Northwest where we've been able to leverage
24 some state workforce grants to help bring larger
25 populations into the fellowship program. The good news

1 is the success rate on those populations has been
2 nearly 80 percent, so there is a tremendous demand
3 signal there.

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

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

25 And I think that's especially important for

1 small businesses that hire veterans and military
2 spouses and disabled veterans. It's really hard if
3 you're a ten-person shop to take a chance on a resume
4 that looks like it may or may not fit. You like the
5 person; you think they're going to work hard; they're
6 talking the talk, but it's really hard to value talent
7 in that microcosm if you haven't been able to see it at
8 work.

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

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

24 MR. EVERSOLE: Well, you know, I think it's a
25 case-by-case basis. I mean, for -- you know, again,

1 from a -- as an organizational perspective, I want to
2 be careful not to recreate programs that others do very
3 well in this space. There are some great -- obviously
4 IVMF has great training programs. Where we've seen a
5 clear -- clear opportunity that we're as an
6 organization trying to be, you know, very careful as to
7 how we create programs that add value, we are seeing
8 great opportunities in the military spouse space as far
9 as creating training opportunities.

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

19 So if you look at the placement of a lot of
20 our fellows, over half of them are going to small
21 businesses, where small businesses are able to leverage
22 this talent source for a period of time. They get to
23 try out. And so our piece of this is really focusing
24 on the spouse piece of it, providing training, helping
25 them with, you know, those opportunities, connecting

1 them with the SBA and IVMF, and then looking at how do
2 we help leverage some of the talent pipelines we have
3 at no cost to those businesses.

4 Yes.

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

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

22 Our focus now has been, again, and it is
23 contingent on funding, is that rather than try to do
24 massive hiring events in these communities where 50
25 veterans may show up is to really look at how we can

1 expand on certain federal funding so we can put them in
2 fellowship opportunities so that it's more the one-on-
3 one, direct placement, six-week tryout. We pay them a
4 stipend. Here in the DC area, we're paying them a
5 stipend of \$15 an hour. They go do six weeks of --
6 here in the National Capital Region, but primarily the
7 Southern Maryland area. They do six weeks of on-the-
8 job training, and at the end of that time period, a
9 company can hire them. That's where -- for us, as we
10 serve that older veteran population, that's where we're
11 seeing the most bang for our buck.

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

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

20 MR. EVERSOLE: Thank you.

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

24 MR. EVERSOLE: My pleasure.

25 MR. STUBBLEFIELD: Thank you.

1 MR. EVERSOLE: Thanks.

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

6 MR. EVERSOLE: A couple minutes.

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

9 MR. EVERSOLE: Absolutely.

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

12 (Meeting in recess.)

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

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

18 MR. GAVINO: Okay, good afternoon again,
19 everyone. I'm Amando Gavino. I'm the IT services
20 director. I work within Federal Acquisition Services
21 in GSA, and one of my responsibilities is the owner of
22 the small business IDIQ. We call them GWACs,
23 government-wide acquisition contracts, three of them.
24 Ultimately, they are within my purview. One of them is
25 8(a) STARS, VETS 2, and a portion of the other one, the

1 Alliant 2 small business, also falls within my purview,
2 but that's under protest as we speak. So next slide.

3 All of the contracts that we manage from
4 within my office are BIC-designated, best-in-class
5 contracts. First thing, just briefly go over 8(a)
6 STARS. This is the third generation 8(a)s. The first
7 one was called FAST, which was awarded in 1999. The
8 second was STARS I, awarded in 2004. And STARS II,
9 which was awarded in 2011, that will be expiring August
10 2021. The current program has a ceiling of \$12
11 billion. Currently, 8(a) STARS II has about 4,800-plus
12 task orders and about \$9 billion in obligations to
13 date. That's from 2011 to 2019. And orders may be
14 placed through August of 2021 with a performance
15 through August 30th of 2024.

16 There are 782 industry partners from within
17 8(a) STARS II. There are 54 agencies that are
18 currently using 8(a) STARS II. The majority of users
19 of 8(a) STARS II are DOD, Department of State, and
20 Department of Agriculture. Next slide, please.

21 VETS 2, as you already know, VETS 2 is about
22 the only GWAC set-aside exclusively for SDVOSB. The
23 period of performance is what you see there, it's five
24 years, all the way up to 2023, with one five-year
25 option. The type of services that VETS 2 offers are

1 just, for example, it's pretty popular, data
2 management, information systems, cybersecurity,
3 software development, system design, communications
4 technology.

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

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

22 The original small business order period
23 expired in February of 2019, and has over -- about \$8.7
24 billion obligated to date. The performance of that
25 contract will continue through February 2nd, 2024.

1 Again, the feedback we have received closed out
2 yesterday, and we will get back to the team here as
3 soon as we have further information on that one.

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

14 That's it very briefly for GSA. Any
15 questions?

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

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

22 MR. GAVINO: The current ceiling for VETS 2?

23 MR. BLUM: Yes.

24 MR. GAVINO: \$5 billion.

25 MR. BLUM: Gotcha. And it's for five years

1 with potential five-year extension.

2 MR. GAVINO: Yes, sir.

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

6 MR. GAVINO: Correct.

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

10 MR. GAVINO: Right.

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

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

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

25 MR. GAVINO: Right.

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

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

15 We're hiring new people to actually help in
16 that area, so bottom line is, you know, I will get my
17 \$3 billion. Not projection.

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

21 MR. GAVINO: Yeah, actually --

22 MS. PEREZ-WILHITE: Because I remember when it
23 went from CCR to SAM. The extra information we
24 received from GSA and also from IBM, I believe, was the
25 contractor that helped everything go smoothly, if we

1 could help get the word out to the veteran business
2 owners if there's anything that's needed to be known.

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

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

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

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

19 MR. GAVINO: I'll get that information to you.

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

21 MR. GAVINO: Thank you.

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

25 MR. GAVINO: I can email it to Amy.

1 MR. STUBBLEFIELD: Okay, all right, great,
2 great.

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

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

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

14 BEY: Bey, B E Y.

15 THE REPORTER: What's his last name?

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

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

19 THE REPORTER: B E Y.

20 BEY: And you mentioned about, you know, the
21 IT and how things are going and trying to get his
22 money, and I want to know as far as contracts is
23 concerned, how are they planning to help the veteran in
24 that effort. That's what the call is supposed to be
25 about, how making veterans first, correct?

1 MR. STUBBLEFIELD: I guess we'll capture that
2 question on the record and I'll guess we'll work with
3 GSA to figure out what the answer might be, unless you
4 want to comment on it.

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

8 BEY: Yeah, you mentioned that -- you
9 mentioned that you're trying to get the -- there's \$3
10 billion out there and you're making -- in reference to
11 the IT is concerned, and my question is making veterans
12 first, are there any contracts that you're soliciting
13 out there in reference to IT.

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

24 MR. PHIPPS: Bey, this is Mike Phipps. To
25 answer your question, what Amando is saying is that

1 entire vehicle is for veterans.

2 MR. GAVINO: That is correct.

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

5 MR. GAVINO: That is correct.

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

10 MR. GAVINO: That is true.

11 MR. PHIPPS: -- Amando?

12 MR. GAVINO: That is correct. That's the VETS
13 2 is specifically for service-disabled veterans.

14 BEY: It's terrible.

15 MR. PHIPPS: That's terrible? Why is that
16 terrible?

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

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

25 BEY: Yes. That's what the call -- that's

1 what these calls are supposed to be about, right?

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

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

9 MR. PHIPPS: No. That's not true.

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

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

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

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

22 MS. RIDLEY: Yes, absolutely. So we have a
23 lot of initiatives under way to assist veterans, and we
24 actually assist veteran-owned small businesses as well
25 as service-disabled veteran-owned small businesses.

1 What I'd like to do is give you our main number, where
2 you can call and we can have someone work to give you
3 additional information. Would that be satisfactory to
4 you?

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

7 MS. RIDLEY: Okay. Dial (202).

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

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

11 BEY: Bey, B E Y.

12 MS. RIDLEY: B U Y.

13 BEY: No, B E Y.

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

20 BEY: And I don't have to be disabled to work
21 (inaudible).

22 MS. RIDLEY: That's correct, sir.

23 BEY: All right.

24 MS. RIDLEY: Thank you.

25 MR. STUBBLEFIELD: Thank you, Sharon.

1 All right, we're going to go to Department of
2 Defense.

3 MR. JACKSON: Shannon Jackson, deputy director
4 of the Office of Small Business Programs. As you know,
5 the Department continues to maintain its focus on its
6 performance and achieving its yearly goals. One of the
7 things we're -- you know, right now, we're currently --
8 our goal is about 22.2 percent. We're right now at
9 about 21.8, and that was as of last week, with about
10 \$53 billion that we have in prime con. to small
11 business contracts.

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

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

23 MR. STUBBLEFIELD: Any questions for DOD?

24 (No response.)

25 MR. STUBBLEFIELD: If not, we'll move to the

1 Department of Labor.

2 MR. METHENY: Again, this is Bill Metheny with
3 the Department of Labor, Veterans Employment Training
4 Service. Eric Eversole earlier opened up with some of
5 his remarks with the great numbers that we're seeing in
6 veteran unemployment rates. So in July, we released
7 the unemployment rate for veterans for that month of
8 3.4 percent. That was up slightly from June, but the
9 nice number to compare it to is that 3.4 compared to
10 their nonveteran counterparts of 3.6 percent
11 unemployment.

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

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

1 those updates when they're fresh.

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

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

23 So just like we've got to prepare workers for
24 jobs, it's nice to have employers to provide those jobs
25 as Eric was sharing earlier. So one of the things that

1 we've talked about for about a year now is the Hire
2 Vets Medallion program, and by the time this Task Force
3 meets the next time, we will have announced the winners
4 of the Hire Vets Medallion program, which will come out
5 about Veterans Day each year. So watch for that to
6 come out.

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

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

21 Part of what we're trying to do at Department
22 of Labor is integrate with all of our partners and
23 colleagues around federal agencies to make sure that
24 we're all aware of what resources are available and
25 sharing each others' good news and getting folks to the

1 right folks, just like Sharon was able to provide some
2 assistance just a few minutes ago with the person on
3 the phone.

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

16 In some cases, one state will honor another
17 state's license or credential. Another state it might
18 be we will honor it for a period of time while you meet
19 our requirements. And there are all kinds of different
20 combinations. The nice part about the map is the
21 military spouse can find out before the move and can go
22 armed with the information as opposed to having to go
23 with hearsay in a new location. So we're very excited
24 about that, and we continue to update that map so that
25 it's accurate whenever a military spouse uses it.

1 So those are some highlights from some of the
2 things that we're doing, and I'd be happy to answer any
3 questions as they come up, and you can obviously find
4 me on emails for followup. So thank you.

5 Yes.

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

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

23 MS. PEREZ-WILHITE: Thank you.

24 MR. METHENY: You're welcome.

25 MR. STUBBLEFIELD: Okay, we are going to go to

1 Department of Treasury.

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

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

6 Okay, Department of Veterans Affairs.

7 MS. RIDLEY: Good afternoon again, everyone.
8 I'm Sharon Ridley. I'm the deputy executive director
9 for VA OSDBU, and I'm excited to share with you that we
10 are in full throttle working on our National Veteran
11 Small Business Engagement Initiative in Nashville,
12 Tennessee. The date will be on December 10th through
13 11th, 2019, and our industry focus will be on OI&T,
14 medical, professional services. The registration opens
15 on September 15th for folks like you, Mr. Bey, who's on
16 the line that may be interested in learning more about
17 how to become procurement-ready and to how to do
18 business with the VA and how to become certified,
19 that's an opportunity for folks like you.

20 The focus will be on networking with business
21 opportunity sessions, networking roundtables wherein
22 our guests, our veteran-owned small businesses, will
23 have an opportunity to meet directly, face-to-face,
24 with procurement decision-makers. There will be
25 receptions on the 9th and 10th in the expo hall.

1 There's ad hoc one-on-one sessions as coordinated with
2 the procurement decision-makers.

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

11 For more information, please go to
12 www.nvsbe.com, or you can search us on Facebook.
13 Again, www.nvsbe.com, or you can look up NVSBE on
14 Facebook.

15 In terms of our verification program, we have
16 verified at this point 13,645 veterans. 10,390 of
17 those are service-disabled veteran-owned small
18 businesses; and 3,255 are veteran-owned small
19 businesses. We've approved 5,159 applications to date;
20 493 in the month of August alone. We've only had one
21 denial in the month of August. So a lot of veterans
22 are really becoming verified in our program.

23 Our average processing time for the entire
24 year is 37 days. For the month of August, it was 26
25 days. We've -- we're working on veteran small business

1 -- veteran-owned small business initiatives with the
2 support in our partner with SBA. We are having our
3 initial, in-person session on September 10th, which is
4 just a few days from now, in VA offices, VA OSDBU
5 offices. And I believe we have approximately 20 women-
6 owned veteran -- women veteran-owned small businesses
7 that will be in attendance to learn how to become
8 procurement-ready and to learn how to do business with
9 VA. That's my report for VA.

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

12 MR. FINCH: Okay.

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

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

24 Previous to me being in the SBA program, I had
25 to jump back into it because I bought my business

1 partner out, so I had to go back in the SBA program.
2 Before that, I had a \$30 million aggregate program with
3 a \$20 million single. With the VA going from \$10
4 million in minors to 20 million, you put the smaller
5 folks that are in the SBA bond program were hamstrung
6 because to go from 6.5 million above 6.5, .1 million,
7 you have to get the approval by the KO to get that bond
8 approved by the SBA.

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

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

21 We have 25 percent tariffs on steel. We have
22 huge labor inflation, as you would expect, in the
23 subcontractor market. So the \$6.5 million contract
24 that was in 2014 is \$12 million today. So it's not
25 kept pace with inflation. So you have knocked out a

1 number of procurement-ready SDVOSBs that could go into
2 both DOD, Corps of Engineers we've been knocked out of,
3 as well as in the VA, and they don't have enough, a lot
4 of them being sole-sourced to those contractors that
5 are only getting bigger and stronger at the expense of
6 us.

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

18 So now they're allowing big businesses now to
19 dip down into the \$20 million mode because they can't
20 get enough SDVOSBs with the bonding capacity but have
21 the technical quals to do the work because the bonding
22 capacity is not there. So they're tiering them.
23 They're going SDVOSBs, women-owned, anybody that is a
24 setaside is going to suffer from the same problem we're
25 suffering from.

1 So then what that does is now you're seeing
2 Clark, you're seeing DPR, you're seeing all these
3 setups, SBUs, to dip into that \$15 and \$20 million
4 range, they have the bonding capacity. So it's
5 defeating the purpose of what the VA is trying to do.
6 And it's something that the SBA could do, even if you
7 went from \$6.5 million to \$10 million, I used to do
8 bonding in the corporate world before I got -- I
9 started my own business, and it's a real, real present
10 and real issue because there's so many SDVs that aren't
11 bidding on these \$5 to \$10 million jobs because you can
12 only go up to \$6.5 million on a single job.

13 And you might have \$10 million, \$15. It all
14 depends on your financials. I mean, we're financially
15 very sound, but I can't go above a \$6.5 million
16 contract. When I have consultants from architect and
17 engineering firms say, hey, we want you to bid on this
18 because you can do the work, I say I can't do it
19 because we don't have the bonding capacity to do that
20 \$10 million job. But you guys have done a \$12 million
21 job; well, we can't do it because we can only go up to
22 \$6.5.

23 And you get one time a year an exception to go
24 up to \$10 million. And last year, the SBA issued 10 of
25 those exceptions. It's a real issue. For those that

1 are on the phone or in the United States listening to
2 this, you know what I'm talking about. I don't know if
3 you guys were aware of that, but it's something that
4 we're in capture mode. We've had to turn down a lot of
5 opportunities when the VA has asked us because we're a
6 performing contractor for them, we've done over \$80
7 million in construction for the VA. That's my
8 question.

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

12 MR. FINCH: The SBA rules. It also has to go
13 through -- I've contacted my congressman's veteran
14 liaison, and I used to do some lobbying on the Hill,
15 and he -- unfortunately it's a current fund issue, so
16 it has to go the House Oversight for the -- who
17 oversees the SBA, and then it has -- the rules and
18 regulations have to be written, as it was said earlier,
19 and then it has to be voted on by the House to go up to
20 the 10 million. So last time, during the Obama years,
21 they put in an omnibus reconciliation and said, okay,
22 we're going to do, you know, Shovel-ready jobs, and the
23 SBA, you said, okay, we're going to go to 6.5 million.

24 So that's the real issue right now, is the
25 legislative process. But, you know, we all know that

1 the SBA and the VA get together, the rules committee
2 can write those rules and work with the liaison of the
3 veteran committees within the House and then the
4 oversight committee for SBA to do that, but it's a real
5 issue. So it's something that is near and dear to my
6 heart.

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

22 And that's something that should be addressed
23 as well, and it's an old rule that's hung around in the
24 SBA because most of you in here either maybe haven't
25 run a business or you've been in a business but you've

1 not been in the construction business. And the
2 Infrastructure Bill's going to be coming out. That's
3 going to be up and coming. It's going to happen. So I
4 just challenge both the SBA and the VA, and DOD for
5 that matter, to look at these matters because it's not
6 just setasides; it's small businesses that suffer,
7 especially for when the Infrastructure Bill comes out.

8 Any other questions?

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

12 MR. FINCH: I was.

13 MR. STUBBLEFIELD: At our first Vets Summit.
14 So what I want to do is get your contact information
15 and then set up a conference call where I have the
16 right people here to address your concerns. And we're
17 capturing this on the record now, so we'll move forward
18 in that regard.

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

1 MR. STUBBLEFIELD: Right.

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

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

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

12 MS. RIDLEY: And especially me and Ruby.

13 MR. STUBBLEFIELD: Okay, all right. We're up
14 to OMB.

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

23 I should mention, by the way, his name is
24 Michael Wooten. He has a military background in the
25 Marines. And also has worked in operational

1 contracting and spent a number of years in DAU, so also
2 learning how to teach people to understand the
3 procurement system.

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

20 And I think this can be very helpful to the
21 small business community for many of the smaller-dollar
22 requirements that small businesses provide. And also
23 to accelerate the pace at which we share information
24 with each others on strategies that work well in
25 increasing opportunities for all of our different types

1 of small businesses, including veteran-owned small
2 businesses and our service-disabled veteran-owned small
3 businesses.

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

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

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

25 What's sort of important for this group is we

1 have a number of cases, one that came out on overseas
2 and giving credit for work that's done overseas, but we
3 also have two cases that are on the verge of being
4 issued, one finally is to complete the work on multiple
5 award setasides. This goes back to the Jobs Act and
6 recognizes the increasing amount of spend that occurs
7 through task orders on these multiple award contracts,
8 so we're looking forward to having that finalized.

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

19 And also a rule that I think is very popular
20 in the community on the subcontracting limitations and
21 exceptions where small businesses are using small
22 business subcontractors of like nature, so I think
23 that's a great way to increase the capacity of our
24 veteran-owned and service-disabled veteran-owned small
25 businesses to get larger requirements.

1 And we're also following with interest the
2 ongoing work at VA on the implementation of refinements
3 to your VetsFirst policies. And, finally, and I think
4 I may have mentioned at the last meeting, we will soon
5 have a report issued by the FAR Council on the
6 implementation of Section 839 of the FY19 NDAA, and
7 this provision includes a requirement for the FAR
8 Council to look at how to reduce the number of
9 government-unique requirements that the FAR Council has
10 imposed through its own discretion on commercial item
11 contracting and subcontracting.

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

24 So clearly there may be ways, and we're
25 continually looking for ways in which we can implement

1 our small business requirements in a manner that's
2 easier and less burdensome for both contractors and the
3 agencies, but the basic requirements and the framework,
4 even if it's government-unique, it's important that
5 that stay in place in a solid fashion. So we have
6 delineated this in a way that the community will then
7 understand moving forward, you know, that we are
8 ultimately a rules-based system in federal procurement,
9 and there is a value played by the rules that we have,
10 but we want to look at where, you know, there are rules
11 that no longer are having a beneficial impact or not
12 necessary and when we can reduce them, especially in
13 the commercial item space.

14 And, finally, I would mention that we're also
15 following with interest the work, I guess, on the House
16 side and a draft Chairman's mark of the SBA
17 Reauthorization Improvement Act. For example, I think
18 in Section 703 they talked about contract cap amounts
19 and sole source authority and raising that. And the
20 Administration shared some of its comments with the
21 Chairman as they worked through the process, and we
22 talked about, you know, our support and our recognition
23 of the importance, you know, of the ability to do sole
24 source setasides, including for service-disabled
25 veteran-owned small businesses and maybe having a

1 standardized cap for all of the programs rather than
2 the differing amounts that we have.

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

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

21 MR. BLUM: So it isn't directly tied, but I
22 think it is, Larry, in general spirit. The 809 panel
23 that you're referring to was created, I think, in 2016
24 by Section 809 of the NDAA, and it included government
25 and industry luminaries that have been looking

1 primarily at the Department of Defense in how to make
2 some bold transformation of the procurement system.

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

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

14 Any questions or comments for OMB?

15 (No response.)

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

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

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

23 MS. PEREZ-WILHITE: Good afternoon. For those
24 of you on the line, once again, I'm Fran Perez-Wilhite
25 with the North Carolina Military Business Center. I'd

1 like to discuss some of our latest veteran business
2 development activities. The Medical, Biomedical and
3 Biodefense Symposium in Chapel Hill in June was a huge
4 success with over 500 veteran attendees. We capped it
5 out at 500 so our veteran-owned small businesses could
6 speak to the prime decision-makers.

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

13 Day two was comprised of more private
14 meetings, business development sessions, and exhibit
15 hall. Thanks again to the VA, DOD, US Army MEDCOM,
16 USASOC, Second Marine Division, Womack Army Medical
17 Center, U.S. Army Medical Research, et cetera. They
18 shared their upcoming projects and business forecasts.
19 If you would like to be a part of the medical event in
20 2020, let me know. It's scheduled for the 17th and
21 18th of June.

22 In August, we teamed up with NAVFAC and
23 conducted the NAVFAC Industry Day, Hurricane Florence
24 Recovery. This free event was in Charlotte, North
25 Carolina, and had over 550 companies in attendance, the

1 majority of which were veteran-owned. And they were
2 vetted by my team. The event discussed 31 upcoming
3 construction opportunities at Camp Lejeune and Cherry
4 Point due to Hurricane Florence. This was followed by
5 private, one-on-one meetings between the companies and
6 NAVFAC decision-makers. If you would like to team up
7 with us for an industry day event, please let me know.

8 And, lastly, our largest event of the year,
9 the 2019 Southeast Regional Federal Construction
10 Summit, formerly known as FEDCON, will be held 23 and
11 24 October in Wilmington, North Carolina. This
12 business development event will have dialogue with
13 upcoming construction projects from the following
14 federal agencies: VA, Coast Guard, GSA Public Building
15 Service, multiple military bases, et cetera. Attendees
16 will be able to meet prime contractors as well. There
17 will also be private, one-on-one meetings for our
18 veteran-owned businesses.

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

25 MR. STUBBLEFIELD: Okay. Any questions for

1 Fran?

2 (No response.)

3 MR. STUBBLEFIELD: If not, we're going to roll
4 over into our Task Force annual report. And for that,
5 we bring to the table Amy Garcia.

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

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

23 As today's time is very limited, I've prepared
24 a few materials that outline a suggested time frame to
25 complete the report, which OVBD hopes to be able to

1 submit to OMB for final interagency clearance in
2 December before we break for the holidays, so that
3 would mean our final draft -- yeah, not quite yet -- no
4 not yet.

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

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

16 Lastly, as we look ahead in preparation for
17 the Fiscal Year 20 report, the Task Force has an
18 opportunity to yet again refine the recommendations.
19 One way to formulate meaningful recommendations is
20 keeping them current and relevant. As you go through
21 the exercise in the next few months of providing
22 feedback to the consolidated report, to be sure you
23 will notice that we've accomplished quite a bit toward
24 our stated current recommendations, so think about how
25 we might change, eliminate, or propose a recommendation

1 as we move forward. So we can go ahead and get started
2 with the overview here.

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

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

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

20 And so here's where we can talk about the time
21 line. We have a report framework that we've used over
22 the years. It's pretty standard. We're not tied to
23 this, and this is something that perhaps we can discuss
24 as we're talking offline on the best way to present the
25 information that we're going to report out this year,

1 but generally the framework includes an introduction,
2 an executive summary.

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

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

18 Snuck in that timeline is our December 4th
19 meeting. So we'd like for everyone to come prepared to
20 the December 4th meeting to talk about the work that
21 we've done so far on the consolidated report and then
22 shift the conversation to how we're going to present
23 new revised recommendations. So we'll have more time
24 to discuss that at the December meeting. So that's
25 kind of where we're headed on this.

1 So I was wondering if everyone -- if anyone
2 has any questions about the timeline, if anyone has any
3 problems meeting that deadline.

4 Yes.

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

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

11 MR. METHENY: 16 --

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

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

23 MS. GARCIA: Understood. Thank you.

24 MR. METHENY: Okay, thanks.

25 MS. GARCIA: Okay, then -- next slide, please,

1 talking about the report itself. The report has four
2 key priority areas, and this comes out of the charter,
3 and -- from the law itself or the executive order that
4 authorizes this committee, this Task Force. Increase
5 growth -- increase opportunities for growth is a key
6 priority area; improve and expand counseling and
7 training services; reduce barriers to growth and
8 improve coordination and efficiencies; and other, which
9 we've designated as identify and address research and
10 policy issues.

11 So just looking at those four key priority
12 areas, I mean, just in conversation today, I'm sure you
13 can come up with a short list of things that you could,
14 you know, think of moving forward in our '20 report for
15 the new recommendations. A lot has been done since
16 2016, so I guess through our conversations offline we
17 can talk about how we want to address the history of
18 the different initiatives and things that we follow in
19 our work. But those are the four key priorities --
20 areas of priority. Thank you. Next slide.

21 Okay, so we're going to use this opportunity
22 just to quickly go over each recommendation and make
23 sure that each agency who feels that they have
24 something to contribute to this area, to this
25 recommendation, is noted. Let's see. Just a second.

1 I'm going to refer to my copy of the draft
2 report, which I know not everybody has it with them,
3 but it should be okay.

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

9 (No response.)

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

17 All right.

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

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

22 MR. STUBBLEFIELD: Okay, all right.

23 MS. GARCIA: Recommendation 1.3, review the
24 policies of all Federal Departments and Agencies to
25 investigate or identify the types or classes of

1 contracts, et cetera, that are currently excluded from
2 the base against which the 3 percent required goal for
3 awarding contracts to SDVO SBCs is computed. So I have
4 that really as an SBA due-out as a primary need.

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

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

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

22 3.1, find and reduce barriers that impede
23 service-disabled veteran-owned small businesses from
24 contracting with the U.S. Government. I have GSA, OMB,
25 SBA, and VA. I guess DOD could probably be included.

1 MR. JACKSON: On 3.1?

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

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

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

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

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

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

18 MR. STUBBLEFIELD: You said GSA as well?

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

20 Recommendation 3.3, coordinate and centralize
21 information on veteran and service-disabled veteran-
22 owned small business contracting opportunities across
23 the federal government. So really I have GSA and VA as
24 the primaries on this. We all have a part to play in
25 that, however, so...

1 All right. Recommendation 3.4, produce an
2 agency-led assessment of VOSB achievements and
3 contracting goals to increase VOSB utilization in prime
4 contracting. That was an agency-led assessment that
5 SBA committed to at the time we created that, so I
6 didn't have anyone else listed on that recommendation,
7 unless anybody thinks they have something to offer.

8 3.5, increase collaboration on federal
9 contracting opportunities between national veterans'
10 advocacy groups and SBA's Office of Veterans Business
11 Development. So SBA for that.

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

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

22 MR. JACKSON: Who do you have for that?

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

24 MR. JACKSON: On the hook for it?

25 MS. GARCIA: Yeah, and, I mean, you've

1 presented -- DOD presented cybersecurity information at
2 the December 2016 meeting.

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

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

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

19 And Recommendation 4.4, analyze existing
20 evaluation criteria in federal procurements that
21 include veterans' employment and certification of firms
22 who submit offers and examine the feasibility of
23 broadening veterans' employment evaluation criteria
24 across federal agencies' procurement policies.
25 Initially, that was a -- we had talked about VA

1 including criteria in requirements for veterans
2 employment.

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

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

11 MR. BLUM: Like a certain percentage.

12 MS. GARCIA: Like a certain percentage, yeah.

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

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

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

19 MR. PHIPPS: Amy, this is Mike Phipps. So we
20 were discussing at one point about a veteran business
21 development program, bringing everything under one
22 umbrella like the 8(a) program. And we've been
23 discussing this for a long time. This is something
24 that we've been briefed on for a long time in the
25 veterans community that, you know, since the '70s. I

1 didn't see that particular topic addressed.

2 MS. GARCIA: I think we've got that in here
3 for sure.

4 MR. STUBBLEFIELD: It's under increased growth
5 opportunities.

6 MS. GARCIA: What's the number on that?

7 MR. STUBBLEFIELD: 1.4.

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

13 MR. PHIPPS: Yeah, perfect.

14 MS. GARCIA: Okay, that's in there.

15 MR. PHIPPS: Thank you.

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

18 Okay, so those are the recommendations. I
19 think we've heard back on a few where members think
20 that they can add additional input. Setting up the
21 next meeting to discuss that, what -- so hearing that
22 and understanding it's the end of the fiscal year and
23 having an October 1st deadline for initial input, I'd
24 like to stick with that as much as possible, but we
25 have a few months to work through it and add and, you

1 know, refine and continue to edit until we've got that
2 last, final draft.

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

5 MS. GARCIA: Absolutely. So noted.

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

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

22 MR. METHENY: I would propose initially we dig
23 in and work it by email for a little bit, and then when
24 we do get to a point where we have to have live
25 conversations with specific threesomes or foursomes per

1 recommendation, maybe that would be an opportunity to
2 do that.

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

14 Some of them can be refined to reflect what's
15 currently going on with administration priorities and
16 policies and tweak those to get us to a good place at
17 the end of -- you know, we want to make them
18 actionable, things that make sense, that are
19 reasonable. Sometimes we put recommendations together
20 of ongoing work that we're just expected to do on a
21 regular basis. So as we're going through the input for
22 this report, think of how we can make, you know, create
23 some actionable and meaningful recommendations going
24 forward into 2020. So we'll look for emails throughout
25 the next month and then get together -- decide what

1 works best for the group for conference calls and
2 teleconferences and that sort of thing. Thank you.

3 If anybody else has any questions? Are there
4 any questions in the room?

5 Any questions on the phone?

6 (No response.)

7 MS. GARCIA: Fantastic. Thank you all so much
8 for your time today.

9 MR. STUBBLEFIELD: Okay. Thank you very much,
10 Amy.

11 All right, so we're now to the public comment
12 period. So the floor is open for public comments.

13 MR. GAVINO: Larry, I just want to go on the
14 record. Some of the questions that were asked of me
15 earlier, I was busy chatting with my folks on the VETS
16 2 contract. There was a question about basically the
17 ceiling, and I said \$5 billion. That is still a true
18 statement, but it's based on our yearly -- or what we
19 would call yearly sales. It's between \$200 to \$400
20 million per year.

21 Currently, VETS 2 is only a year and a half
22 that's been alive. It's already -- the yearly sales
23 are already pushing to \$400 million, hence the \$4
24 billion projected business sales over the life of the
25 contract. That's why we put it up to \$5 billion for

1 VETS 2. I just wanted to make sure that that was clear
2 when someone asked that earlier.

3 MR. STUBBLEFIELD: All right.

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

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

8 MR. GAVINO: That is correct.

9 MR. BLUM: Okay.

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

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

18 MR. GAVINO: Right.

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

21 MR. PHIPPS: Larry?

22 MR. STUBBLEFIELD: Go ahead, Mike,

23 MR. PHIPPS: Larry, this is Mike Phipps. I
24 have a couple of updates from the American Legion. One
25 of the updates is something you hit on earlier. The

1 Legion is going to be leading a draft that's going to
2 go to Congress about AbilityOne, and it's going to go
3 to the Secretary of VA about basically AbilityOne
4 taking priority over SDVOSBs and the violation of the
5 rule of two. And so that draft is being putting
6 together and will be signed by veteran service
7 organizations and military service organizations.

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

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

24 There is a -- there's another concern that a
25 number of service-disabled veterans and veteran-owned

1 business owners have voiced about the medical/surgical
2 prime vendor 2.0 contract at the VA. It looks like
3 that may be delayed, which means that the Defense
4 Medical Logistic Center support contract will be a
5 stopgap and so there's concern right there that the
6 veteran entrepreneurs are not going to be able to
7 participate in some of the staged medical support
8 transition contracts that the VA has. So that's just
9 on our radar as well.

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

13 MR. PHIPPS: Okay.

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

16 MR. FINCH: I have one comment.

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

19 MR. FINCH: Yes, David Finch, Talon Veteran
20 Services. I have a question. I know this is in the
21 federal space, but has the SBA ever thought about going
22 to the state governments and talking to them about
23 SDVOSB or veteran setaside programs? We've started a
24 chapter of the National Veteran Small Business
25 Coalition down in Virginia Beach, the peninsula.

1 We've got a number -- probably about 25
2 companies now, and it's growing. I'm the president,
3 and we've talked about -- there is feedback from a
4 number of these companies saying, hey, can the state
5 help support this process. And I know that Florida has
6 come out with some legislation looking at promoting
7 veteran-owned companies to be set aside for work in
8 Florida.

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

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

1 MR. FINCH: Okay, thank you.

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

5 MR. FINCH: State.

6 MS. PEREZ-WILHITE: Okay.

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

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

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

1 You have Virginia.

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

13 MR. STUBBLEFIELD: No, totally understand.
14 And, in fact, we're getting ready to wrap up here in a
15 minute. I'll speak with you a little bit off the
16 record, but for an official SBA position, yeah, I
17 really need to get our Office of Government Contracting
18 and Business Development involved.

19 MR. FINCH: Thank you.

20 MR. STUBBLEFIELD: All right, any other
21 comments? If not, we're actually wrapping up a little
22 early. So I want to thank everyone here in the room
23 for being here. I think this is the -- I've been here
24 a little over a year. I think this is the most people
25 we've gotten. As far as the Committee, everybody is

1 here, and we had a great visit with Eric.

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

6 (Whereupon, at 3:46 p.m., the meeting was
7 adjourned.)

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