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U.S. SMALL BUSINESS ADMINISTRATION

ADVISORY COMMITTEE ON
VETERANS BUSINESS AFFAIRS

THURSDAY, SEPTEMBER 3 2020

9:00 A.M.

Recorded by: Jennifer Razzino

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P R O C E E D I N G S

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(Meeting called to order, 9:05 a.m.)

MR. STUBBLEFIELD: Okay, good morning, everyone. Welcome to our first ever virtual ACVBA Committee meeting. This meeting is officially convened.

I am Larry Stubblefield, and I am the Associate Administrator in SBA's Office of Veterans Business Development. Before I turn our meeting over to Chairwoman Perez-Wilhite, I'd like for Stan Kurtz to lead us through roll call.

MR. KURTZ: Thanks, Larry, and so Jim O'Farrell.

MR. O'FARRELL: Good morning. This is Jim O'Farrell from Advance Management Strategies Group and a member of the ACVBA.

THE REPORTER: I'm sorry, this is Jen, the court reporter. Someone needs to mute their phone. We're getting some feedback.

MR. KURTZ: Joe Sharpe, are you on the line?

(No response.)

MR. KURTZ: Fran Wilhite?

MS. PEREZ-WILHITE: Good morning. This is Fran Perez-Wilhite with the North Carolina Military

1 Business Center and also American Legion Post 1819.

2 Good morning.

3 MR. KURTZ: Thank you, Fran.

4 Mr. Lynn Lowder?

5 MR. LOWDER: Good morning. Lynn Lowder here,
6 Veteran Business Project.

7 MR. KURTZ: Thank you, Lynn.

8 Mr. Mike Phipps.

9 MR. PHIPPS: Mike Phipps is here, the
10 Millennium Group International.

11 MR. KURTZ: Thank you.

12 Ms. Valerie Lewis.

13 MS. LEWIS: Good morning. Valerie Lewis,
14 Valerie Lewis Janitorial, American Legion Post 1, and
15 VetForce.

16 MR. KURTZ: All right, thank you.

17 Mr. Eli Crane.

18 (No response.)

19 MR. KURTZ: Mr. Sean Gwinner.

20 MR. GWINNER: Good morning. Sean Gwinner here
21 with Bunker Labs.

22 MR. KURTZ: Mr. Evan Hafer.

23 (No response.)

24 MR. KURTZ: Ms. Kandis Porter.

25 MS. PORTER: Good morning. Kandis Porter is

1 here from Effective Flow Connections.

2 MR. KURTZ: And Mr. Mike Zacchea, who may not
3 be joining us this morning, but I'm just going to check
4 to see if he's on the line.

5 (No response.)

6 MR. KURTZ: Okay, so I think he'll be joining
7 us this afternoon.

8 Okay, Larry, I've done the roll call.

9 MR. STUBBLEFIELD: Okay, thank you very much,
10 Stan.

11 At this time, we will turn the meeting over to
12 our Chairwoman, Fran Perez-Wilhite. Fran, you have it.

13 MS. PEREZ-WILHITE: Good morning again,
14 everyone. I am Fran Perez-Wilhite, Chairwoman of the
15 ACVBA. As you well know, so much has transpired since
16 we last met in March at SBA Headquarters. The pandemic
17 has caused much change in our lives. Our board
18 members, our federal agency partners, and our veteran
19 business owners have not only lost revenue but also
20 friends and loved ones. However, we are all here
21 together now once again. It is a new day.

22 What has not changed is the resolve and
23 dedication of this Board. Not even a pandemic can slow
24 the ACVBA Board members down. Our Board is closer than
25 ever since March. We have actually increased our

1 communication and support to the OVBD and also to our
2 veteran-owned businesses. I am inspired with how much
3 this Board was still able to connect the dots, even
4 when other entities could not.

5 The ACVBA Board will not be distracted. We
6 are not dismayed, and we will not be deterred by this
7 virus. We will execute all of our tasks swiftly but
8 also with grace. This Board will not just have a
9 significant impact but rather a monumental impact on
10 veteran business concerns.

11 Veteran business owners, please know that we
12 are by your side during this challenge. We wish you
13 much strength and fortune as we wade through these
14 moments together. It's truly an honor to work with our
15 fellow veterans during this time. We urge you to keep
16 building your empires. Therefore, Mr. Stubblefield and
17 other members of the OVBD, this Board is ready to
18 continue our mission right now. Thank you.

19 MR. STUBBLEFIELD: Thank you, Chairwoman, for
20 those inspiring opening remarks.

21 Now I would like to just provide an update on
22 what we've been doing at OVBD since the pandemic hit
23 back in March. I'll start with our VBOCs. You know,
24 our VBOCs have been very actively engaged with the
25 veteran small business community. Since March, the

1 VBOCs have conducted over 3,700 counseling sessions,
2 over 100 training events. They've answered 200-plus
3 inquiries and sent out 173 mailing list items to
4 veteran small businesses. So the VBOCs have been very
5 engaged, working along with the district offices, the
6 other resource partners in helping the veteran small
7 business community through the PPP process, as well as
8 the economic injury disaster loans.

9 In terms of our Boots to Business Program, we
10 had to pivot Boots to Business to a virtual
11 environment. Happy to share with the Committee that we
12 have done 270 online either Boots to Business or Reboot
13 classes, to include a Navy-wide virtual offering here
14 recently for the entire Navy that had close to 100
15 participants in that Boots to Business session as well.
16 So our Boots to Business, we're in the virtual
17 environment, but as the installations begin to
18 transition back to in-person, we're beginning to do in-
19 person classes as well.

20 We've talked before about the POTUS gift. All
21 of you know that OVBD received the POTUS gift, and we
22 used that funding to partner with the Veteran
23 Entrepreneurial Training and Resource Network, a
24 nonprofit up in the Boston area, providing training
25 support for veteran small businesses. I'm proud to

1 tell you that our first cohort graduated back in March,
2 17 small business owners who graduated at that time.

3 Our second cohort, which is going to be a
4 virtual cohort, as you would well expect, kicked off on
5 the 12th of August. That cohort will run from 12
6 August to 12 December. There is 19 business owners and
7 20 businesses involved. And in addition to the normal
8 curriculum, there's going to be a focus on those
9 businesses being resilient.

10 And then the last area that I want to just
11 touch base with here is on the 19th of August, we
12 partnered with the Second Lady, Karen Pence, and the
13 Chamber of Commerce, Hiring our Heroes, and presented a
14 nationwide military spouse summit. The purpose of the
15 summit was to introduce military spouses to SBA
16 resources, networking opportunities, and in that light,
17 we had two panels. Again, one panel focused on SBA
18 resources; one focused on networking opportunities. We
19 have close to 1,500 military spouses who signed up for
20 the summit, and we had close to 1,000 military spouses
21 who participated in the summit. So that was actually
22 very successful.

23 I'll stop right now and turn this over to my
24 colleague, Amy Garcia, who is going to continue the
25 OVBD update.

1 MS. GARCIA: Thanks, Larry. This is Amy
2 Garcia with the Office of Veterans Business
3 Development. Just a few updates on the procurement
4 side. Use of federal surplus property for veteran-
5 owned small business final rule is expected to be
6 published in the upcoming days. The proposed rule,
7 which was published early in the spring, received about
8 30 or so comments of support, and it's on its way to
9 being finalized. I believe it has finally circulated
10 through interagency clearance, and it's back at SBA for
11 the Administrator to sign off. And as soon as she does
12 that, then it gets sent over to the Federal Register
13 for publication.

14 So I can't get in front of that actually, but,
15 you know, as noted in the proposed rule, veteran-owned
16 small businesses verified with the Department of
17 Veterans Affairs Center for Veterans Enterprise, or
18 CVEE, will be eligible to be considered to receive the
19 surplus personal property distributions. Once the
20 final rule is published, our office, in coordination
21 with key stakeholders, will focus on providing guidance
22 on how to receive property distributions. That's going
23 to be a big part of our work, we expect, especially in
24 Q1 of the next fiscal year.

25 But just remember in this rule that veteran-

1 owned small businesses are being added to the list of
2 eligible recipients, which is similar to firms
3 certified under 8(a) -- SBA's 8(a) Business Development
4 Program. So VOSBs' access to and use of the property
5 will likely mirror those of the 8(a) firms.

6 Regarding the Small Business Procurement
7 Scorecard, a reminder that SBA released its Small
8 Business Procurement Scorecard several weeks ago. The
9 annual Scorecard is an assessment tool that measures
10 how well federal agencies reach their small business
11 and socioeconomic prime and subcontracting goals and
12 includes targets for socioeconomic categories,
13 including service-disabled veteran-owned small
14 businesses.

15 Each year, SBA works with federal agencies to
16 set their prime and subcontracting goals, and their
17 grades are based on the agreed-upon goals. Each
18 federal agency has a different small business prime
19 contractor goal, and SBA ensures that the sum total of
20 all the goals exceeds the 23 percent target established
21 by law.

22 Contracts awarded to small businesses overall
23 reached \$132 billion in Fiscal Year 2019 in prime
24 contracts, were 26.5 percent, which exceeds the
25 mandated government-wide small business goal of 23

1 percent. So I believe that's the highest we've ever
2 reached. So SBA's very happy about that number, and so
3 are the agencies as well. Everybody did a great job in
4 making that happen. The Government's prime contracting
5 achievement for SDVOSBs in Fiscal Year 2019 was 4.39
6 percent, or 22 billion, which slightly surpassed the
7 prior years' achievement of 4.27 percent. The
8 government-wide prime contractor achievement for
9 SDVOSBs has exceeded the mandated goal of 3 percent for
10 8 consecutive years now.

11 The government-wide performance report can be
12 found on SBA's website by -- really, the easiest way is
13 to navigate to SBA.gov and type "Scorecard" in the
14 search bar. That will bring you right to the list,
15 which has that page one or two down. Individual agency
16 Scorecards are also viewable on the Scorecard webpage.
17 And just to pull out a few agencies that are
18 procurement-heavy that we work with as SDVOSBs
19 regularly, the VA reached 23.39 percent of their SDVOSB
20 goal, or \$6.4 billion. DOD's SDVOSB achievement was
21 3.25 percent, or about \$10 billion. And GSA's SDVOSB
22 achievement reached about 5 percent, or \$285 million.

23 So just a reminder, it's really important to
24 please connect with the small business offices at the
25 agencies you wish to do business with. Getting on

1 their mailing list to receive invites to industry days
2 and other engagements will help you be informed of
3 their procurement forecasts and requirements. So that
4 connectivity, networking with those agencies is really
5 helpful to, you know, elevating your procurement
6 readiness. So strong suggestion to connect, connect,
7 connect.

8 Also, which we'll be hearing about a little
9 bit later on in the agenda is SBA's new women-owned
10 small business certification. It's under way, so
11 please visit [SBA.gov/wosbready](https://www.sba.gov/wosbready), or W O S B ready, for
12 more information. Alise will give us some updated
13 information, so I won't take time with that right now.

14 Just a few things on the legislation updates.
15 Public Law 116-92 below, or the NDAA 2020, had a
16 provision that permits the surviving spouse of a
17 veteran with a service-connected disability rated at
18 less than 100 percent who does not die as a result of
19 service-connected disability to maintain ownership
20 status of the SDVOSB for three years, so we're happy
21 for that support. That's found in Section 876, again,
22 of Public Law 116-92 or NDAA 20.

23 We're still watching some legislation. The
24 House VA/SBA Act, which is H.R. 1615, that would
25 transfer SDVOSB and VOSB certification to SBA and

1 requires certification government-wide. Included in
2 that piece of legislation is a transfer date of two
3 years after enactment with a six-month extension. SBA
4 would take on VOSB certification on a reimbursable
5 basis for VA, and current SBA self-certified firms
6 would retain self-certification for one year. Again,
7 that's just legislation that we're watching, and it's
8 passed in the House.

9 Also, H.R. 561, which is Protecting Business
10 Opportunities for Veterans Act of 2019, that applies to
11 small business subcontracting limitations to VA's
12 SDVOSB set-aside contracts. And Senate Bill S3282 adds
13 limitations on subcontracting to the VA VOSB program
14 under 38 U.S.C. 8127.

15 Please remember to connect locally with your
16 SBA district office, SBA's veteran business outreach
17 centers, and agency small business offices for more
18 information on events and opportunities near you. So
19 that's all I have. Back over to you, Larry.

20 MR. STUBBLEFIELD: Okay. If there's no
21 questions for Amy and I, we'll turn the meeting back
22 over to the Chairwoman.

23 MS. PEREZ-WILHITE: I have no questions at
24 this time. We can go on to the next item.

25 MR. KURTZ: This is Stan Kurtz. So our next

1 person is going to present from the U.S. Department of
2 Veterans Affairs, VA small business update, Sharon
3 Ridley, who is the Deputy Executive Director for the
4 Office of Disadvantaged Business Utilization, or OSDBU.

5 Sharon?

6 MS. RIDLEY: Thank you. Good morning. I am
7 the Deputy Director for VA OSDBU, and I'm responsible
8 for the daily operations of the organization with a
9 primary focus on encouraging the use of small business,
10 especially service-disabled veteran-owned small
11 businesses and veteran-owned small businesses in VA
12 contracts. Thank you, Stan and SBA, for extending an
13 invitation for VA to update the Committee on our latest
14 activities.

15 Today, we'll be reviewing the agenda items
16 shown on this slide -- next slide, please -- increasing
17 procurement opportunities for veteran-owned small
18 businesses, VA acquisitions, COVID-19 initiatives, and
19 Center for Verification and Evaluation. Next slide.

20 Throughout the pandemic, VA continues to
21 prioritize service-disabled veteran-owned small
22 businesses and veteran-owned small businesses in our
23 procurement activities. Current information in the
24 Federal Procurement Data System as of August 6th shows
25 VA exceeding its small business SDVOSB/VOSB and SDB

1 goals for Fiscal Year 2020.

2 Notable on this chart is our women-owned small
3 business performance. Current numbers are running low,
4 as has historically been the case for VA small business
5 goal performance; however, our office is making a
6 concerted effort to improve our women-owned small
7 business participation in VA contracts.

8 We have been performing extensive outreach to
9 woman veteran-owned small businesses. Our woman
10 veteran-owned small business initiative is the first
11 program of its kind in the Federal Government focused
12 on woman veteran entrepreneurs in the federal and
13 commercial marketplace. The program enables access to
14 economic procurement and learning opportunities for
15 woman veteran-owned small business through focused and
16 strategic efforts and provides opportunities for woman
17 veteran-owned small businesses to increase business
18 sustainability.

19 We are very proud of this program. So far,
20 we've had five woman veteran-owned small business
21 initiative events held in FY 2020, with seven events
22 still planned. We have collaborated with commercial
23 firms, other federal agencies, as well as education and
24 nonprofit entities. Some of our collaboration partners
25 include Verizon, Deloitte, PennFed, and Kaiser, to name

1 a few.

2 Thirty female entrepreneurs participated in
3 our woman veteran cohort program in 2019. The program
4 received positive feedback, and 100 women are expected
5 to graduate from our upcoming program in October 2020.
6 If you are interested in learning more about this
7 program, you may contact Michelle.Gardner-Ince@va.gov.
8 Next slide, please.

9 Small businesses have been huge contributors
10 to the VA's COVID-19 response. AS the slide depicts,
11 43 percent -- that's \$482 million of our COVID-19
12 contract actions -- involved small businesses. 31.9
13 percent -- that's \$358 million -- was awarded to
14 service-disabled veteran-owned small businesses. And
15 32.5 percent -- that's \$364 million -- was awarded to
16 veteran-owned small businesses.

17 Total COVID-19 spend through August 11 was
18 \$1.119 billion. These numbers indicate that VA
19 contracting officers are still prioritizing the
20 Veterans First contracting program. Next slide,
21 please.

22 The senior procurement executive memorandum
23 for the COVID-19 emergency increased the micro-purchase
24 thresholds to 20,000 for COVID-19 actions. It also
25 increased the simplified acquisition threshold to

1 750,000. Actions not specifically for COVID-19 remain
2 at the 10,000 threshold for micro-purchases. The
3 higher COVID-19 threshold was set to expire June 30th;
4 however, it was extended until September 30. When
5 contract actions are reported to the Federal
6 Procurement Data System, they will be tagged as COVID-
7 19 actions to enable greater transparency and
8 visibility in identifying these specific actions.

9 The VA Form 2268 review process ensures
10 compliance with veteran-priority contracting
11 considerations and has set a goal to return all reviews
12 within 24 hours. Next slide, please.

13 We are happy to report that COVID-19 has had
14 minimal impact on our total application time, which
15 remains low at 34 days. This is well below the 90-day
16 regulatory time frame. When veteran response time is
17 rapid, we've had success at approving cases in as few
18 as 14 days. Next slide, please.

19 As of August 4, there have been 12,124 cases
20 processed through the Center for Verification and
21 Evaluation this fiscal year. The vendor information
22 pages show a total of 14,322 total verified firms. The
23 new simplified reverification process requires no
24 documentation and can take as little as two business
25 days for approval. Next slide, please.

1 The simplified renewal process asks veterans
2 to answer a short battery of questions without the need
3 to submit documentation. This leads to significant
4 efficiencies and has been well received by veteran
5 applicants. Full federal processing has also increased
6 overall efficiency. Even with all the recent
7 efficiencies and challenges associated with COVID-19,
8 we have maintained an excellent personal customer
9 service standard and robust risk program.

10 The status of CVE transfer to SBA. The VA/SBA
11 Act H.R. 1615 was passed last year by the House. Since
12 then, it was referred to the VA and Small Business
13 Committees of the Senate, where it has remained;
14 however, OMB requested quarterly joint updates from VA
15 and SBA on what is being done to smooth any possible
16 transition if the bill passes the Senate and is signed
17 by the President.

18 On August 10, a companion bill was introduced
19 in the Senate and assigned to the Senate VA Committee.
20 Where previously the Senate did not show any outward
21 interest in the transfer, the introduction of this bill
22 shows that there is mounting interest. The VA/SBA bill
23 is not included in the Senate version of the National
24 Defense Authorization Act. The conference committee
25 had not scheduled meetings to work out the differences.

1 The NDAA is a bill that needs to pass to keep the
2 Department of Defense authorized, so it is possible
3 that the differences could be reconciled before the end
4 of the fiscal year, or postponed until after the
5 election. Next slide, please.

6 To keep updated on the latest in small
7 business news, I encourage all of you to visit our
8 website and social media accounts. The links can be
9 found on this slide. Thank you.

10 MR. KURTZ: Thanks, Sharon. Great information
11 as always. We appreciate your partnership with the VA
12 and your presentation today.

13 So our next presentation will be the women-
14 owned small business, or WOSB, federal contracting
15 program, and we have Alisa Sheard that will be
16 presenting.

17 Alisa?

18 MS. PEREZ-WILHITE: Are we going to give any
19 questions to VA at all?

20 MR. KURTZ: Oh, great point, great point. Are
21 there any questions for Sharon before we get to the
22 WOSB presentation?

23 MR. O'FARRELL: Hey, Fran, this is Jim
24 O'Farrell, Committee member. Thank you for opening the
25 door to ask questions. Would it be possible to Slide

1 Number 8 in the presentation, CVE 2020 efficiencies and
2 process highlights? I apologize, I'm seeing the slide
3 deck kind of on my own. I'm not seeing what you're
4 seeing, so I just want to know if that's...

5 And if you can let me know when those that are
6 seeing the screen version, the online version, on Slide
7 8.

8 MR. STUBBLEFIELD: Jim, it's up. Yeah, it's
9 up, yeah.

10 MR. O'FARRELL: It's up, okay. I had a
11 question. First of all, thank you so much for coming
12 before the Committee and providing us with this
13 information. We've really enjoyed the partnership over
14 the past year or so. There was -- we all have noticed
15 a significant change in the responsiveness, the
16 transparency, and the willingness to share information,
17 specifically about the CVE process.

18 Just as you put in front of us, the numbers,
19 the dollar amounts, the percentage of contracts being
20 awarded to service-disabled veteran and veteran-owned
21 small business is a tremendous achievement. And, so,
22 when I ask questions, as I have in the past, and folks
23 like Mike Phipps have done as well, it is not in any
24 way to diminish the effort that you're putting forward.
25 It is very much just simply an attempt to continuous

1 process improvements, this function that you provide
2 and this service that you provide to us as veteran
3 business owners.

4 So I am frequently asked by other veteran
5 business owners in the community, you know, what's
6 going on, what are you hearing these days, Jim, about
7 the CVE verification process. And, you know, try to
8 take in information from them. A lot of it is
9 anecdotal, but we are seeing a change -- and have seen
10 a change.

11 And, so, my question on Slide 8 has to do with
12 these process improvements that you are mentioning.
13 And, you know, for example, when you say in the second
14 bullet, full federal processing program of cases has
15 led to a 2 percent increase in efficiency in the CVE
16 process. What is the numerator and the denominator
17 that comes up with 2 percent increase? Or what are you
18 using there to -- you know, is there background
19 material that you could send us -- send the Committee
20 that would justify or substantiate each of these claims
21 that are being made?

22 MS. RIDLEY: Yes, that is information that we
23 can provide in greater detail in terms of how we derive
24 at that process, but simply stated, for the second
25 bullet that you referenced, before, we've had

1 contractors that managed every aspect until the
2 approval process where federal staff would verify all
3 the information that's been submitted, but then we've
4 looked in terms of efficiencies and determined that
5 there are some phases of the process that federal
6 employees could process from cradle to grave. And, so,
7 the numbers that we've processed helped us to derive at
8 that 2 percent. And it just requires that -- less
9 handling of the cases as they come through.

10 But if that's information that you'd like in
11 terms of more detail, we could provide that. And,
12 actually, the Director of CVE is also on the call,
13 John, if you care to elaborate.

14 MR. PERKINS: Yes, ma'am. So I can pull those
15 numbers back and get them to the Committee. In basic
16 fact, all those -- the 2 percent number is derived from
17 the total amount of cases that we process in a year for
18 all the processes versus exactly what Mrs. Ridley
19 described being full federal processing, where only a
20 federal worker touches the case, no contract help at
21 all.

22 So this is more of an efficiency. It's kind
23 of transparent to anybody else. There is -- it's just
24 an efficiency in how we spend government dollars, which
25 is a really great thing. We're teaching federals to do

1 the entire process, as she said, cradle to grave. It
2 really is transparent to anybody that is in this
3 process. They would still get the same customer
4 service. A case analyst, then, would be just a federal
5 reviewer, instead of a contractor at the beginning of
6 the process, if that makes sense.

7 MR. O'FARRELL: Yeah, this is Jim O'Farrell
8 again. That makes complete sense. I will tell you
9 that over the years, I have definitely had feedback
10 from individuals who own veteran businesses -- veteran-
11 owned businesses that have said to me they don't
12 understand. They understand, obviously, that the VA
13 does a tremendous job at awarding contracts to veteran-
14 owned businesses, service-disabled veteran and veteran-
15 owned; however, there seemed to be an inherent conflict
16 of interest to have veteran and service-disabled vet
17 companies evaluating or being part of a process that
18 may prevent other veteran businesses from participating
19 in the VA's contracting process.

20 So probably not the intent that you had, but a
21 side benefit of what you are telling me that you're
22 doing is that you're starting to vacate the
23 contractors' involvement in some of this. And I know
24 that you'll say that, well, they never were involved in
25 the final decisions or anything like that, but it's

1 just the perception, and then with some people
2 perception is reality. So that's one comment I'd like
3 to make.

4 And then the second one is if you could
5 provide some additional information to the Committee
6 on, you know, simplified renewal process. Maybe you
7 could give us a couple of bullet points. And like I
8 said, you could do it today or I'd prefer that you send
9 it to the Committee. You know, what were some examples
10 of how the process was simplified in the renewal phase.

11 And the reason I ask this question is that we
12 as Committee members can become -- you know, and with
13 the change that's been going on with you guys at CVE,
14 and once again, I mean this in the most sincere way,
15 and the process improvements that you've been making,
16 we can become almost advocates for you. When we are
17 asked the tough questions by our fellow business
18 owners, we are there to say, well, actually, this is
19 what they're doing, because in the past, we didn't have
20 that knowledge, so we couldn't say this is what we're
21 doing. We would say, and I think Mike Phipps would
22 agree with me, we would say we actually don't know what
23 they're doing. So we're hearing the negatives, but we
24 don't have anything to go back to you and tell you, you
25 know, this is what they're actually doing.

1 So once again, I'll end my comments by saying
2 I very much appreciate the fact that you all have been
3 coming before the Committee and providing this
4 information.

5 MR. PERKINS: So can I respond to that a
6 little bit so I can kind of give you some information?

7 MR. KURTZ: This is Stan Kurtz. Before we get
8 started, remember throughout the process, we're
9 recording this, so please state your name for the
10 record when you're speaking or asking questions. Thank
11 you.

12 MR. PERKINS: Oh, I'm sorry. John Perkins,
13 Director of the Center for Verification and Evaluation
14 here at the VA.

15 To your first point, I understand sometimes
16 the angst of contractors on the front end of the
17 process, but I will tell you that every single case
18 gets an inherently governmental federal review.
19 There's a qualified federal reviewer that looks at that
20 contract work in detail and makes sure that everything
21 is exactly the way it should be. There is no
22 contractor making a final decision before I sign off on
23 any verification determination within the system.

24 The second thing that you said is that you
25 were maybe stating that we are going to vacate the

1 contracting process, and that is not the case. We are
2 having a dual process, taking efficiencies where we
3 can, and making sure that our federal folks can do the
4 entire process, which makes them a better worker and
5 better able to make sure that all the cases are
6 correct. So it's a great training opportunity, as well
7 as a great efficiency, adding to the 2 percent
8 efficiency that we now have in the process. So there's
9 those two points.

10 On your second point on the simplified
11 reverification program, in short, what it is is when a
12 reverification comes across, so that means that there's
13 a company that is already verified in the system and
14 then coming back to be reverified after three years.
15 If they meet a certain set of criteria, in realm of low
16 risk -- they might not have a lot of contracts, they
17 might only have one owner, 100 percent owner -- so if
18 there's less risk in the system, and then we have that
19 reverifying veteran answer a series of questions,
20 testifying in the system exactly -- certain questions
21 like has anything changed in your operating agreement
22 or your business documents? Has anything changed in
23 whether or not -- who owns and controls the company?
24 Or maybe some other questions, and we have a battery of
25 15 questions or so that they answer.

1 If all those questions line up the way it
2 allows us to look at that case as a simplified case,
3 then we allow that case to go through the simplified
4 process, which means it can be accomplished within one
5 to five days, with a lot less paperwork. Here's the
6 key: the veterans aren't turning in all the paperwork
7 that they normally turn in because we realize it's a
8 simplified case and they don't need to re-turn-in all
9 their taxes, another operating agreement maybe, meeting
10 minutes that they've had to collect over the last three
11 years. So it's really efficient. The veterans really
12 love it. And it helps us keep all the cases moving
13 forward.

14 I hope that helps, and I can add some other
15 notes if need be for the Committee meeting minutes.

16 MR. PHIPPS: This is Mike Phipps. Jim, I'll
17 concur on a lot of your statement. First, over the
18 years, our communication and the VA communication has
19 just vastly improved. The process and the rate at
20 which we get information has just been a huge
21 improvement. So thank you very much to the VA.

22 The only -- one of the things I want to note
23 and one of the problems that was arising going back a
24 couple years is the way in which companies were dropped
25 from the system. And originally we were told and it

1 was understood there are a number of cases where
2 people's applications are dropped from the system
3 because they don't respond or don't provide a number --
4 all the paperwork.

5 The feedback we were getting as Committee
6 members was that's not true; we're getting dropped; we
7 provided all the paperwork; we had very limited amount
8 of time to respond; or we were just dropped and
9 recycled in order -- and the perception was in order to
10 keep those percentages up on -- the percentages of
11 verification, the time frame that people go through the
12 process.

13 So at one point we were briefed by -- and,
14 Jim, I think it was by the contractor that was doing
15 this -- that there were glitches in the system or there
16 were processes in place to actually drop people from
17 the process. And I'm not -- I don't know what that
18 status is currently, but some -- those were things that
19 were a little troubling. Really what we would like to
20 see is a little bit of information about maybe some of
21 those statistics because part of it was IT and part of
22 it was a process issue that we were briefed in the
23 past, but, you know, other than that, I mean, these
24 numbers and the way that you guys are reporting is just
25 a massive improvement.

1 MR. O'FARRELL: Hey, this is Jim O'Farrell.
2 Before -- I forgot the gentleman's name from the CVE
3 verification -- is it John?

4 MS. RIDLEY: John Perkins.

5 MR. PERKINS: John Perkins is the name.

6 MR. O'FARRELL: Yeah, John. Sorry. Sorry,
7 John. So, John, before you respond to Mike Phipps, I
8 just want to say, you know, from -- I will speak from
9 personal experience as a veteran -- a service-disabled
10 veteran small business owner that Mike Phipps about a
11 year ago -- you know, we started seeing changes at CVE,
12 I'd say about two years ago. And about a year ago, I
13 was -- I went through the renewal process, and I just
14 have to give this personal story because I lived
15 through this.

16 I was sent an auto-generated email saying you
17 must verify -- give the status of your business through
18 the State of Delaware where you are incorporated. And
19 when I went to the Delaware site, it said, status, out
20 of date or something like that. And the -- I called
21 the Delaware call center at the Secretary of State,
22 Delaware hotline or whatever, and they told me, well,
23 no, that's -- you're completely up to date, but that's
24 just the way our system presents it.

25 And, so, I got the person from the CVE

1 verification on the line, and first of all, they said
2 you do not need to worry about that three-day -- the 72
3 hours that we told you you have to respond; we're
4 immediately going to push that out and give you the
5 time you need to respond. Secondly, we will call the
6 verification -- we will call the Delaware hotline and
7 speak with them directly to verify, and then if you can
8 just send us a screenshot capture of what it's saying
9 in the Delaware website. They worked with me
10 completely to resolve the issue and get the
11 reverification done, which I think at that point was
12 our third or fourth reverification because it's every
13 two -- well, at first it was one year, then it's two
14 years, and I think now it's three years.

15 And, so, you know, John, what I will say to
16 you is that in the past, we as veterans often felt like
17 we were being treated like criminals, and we were
18 assumed guilty until we could prove ourselves innocent,
19 and we're not naive. We know that there are criminals
20 out there in the world that want to do -- you know, do
21 commit fraud and things like that, but we -- you know,
22 some of us took it kind of personally. And I will just
23 say that the kind of kinder approach, more empathetic
24 approach that you all have embodied in the last couple
25 of years has changed a lot of that.

1 Having said everything I just said, I'm with
2 Mike Phipps. It would be great to see the specific
3 numbers if you could send those forward to the
4 Committee to say, for example, I believe it was Slide 7
5 where you said this many companies have applied, if we
6 could see -- and these are the folks that actually
7 finished the application -- if we could get some idea
8 of why those other applicants are not completing the
9 application.

10 And then I have one final question, and then
11 I'll shut up, and that is we have over 14,000 CVE-
12 verified companies now. I always ask the question, of
13 those 14,000-plus companies, how many are actively
14 engaged in contracts? Can you tell us that, and it
15 could be as a prime or a sub, is how many companies are
16 going through this process and then they aren't
17 actually realizing any revenue or any growth in their
18 business due to the verification. Thank you.

19 MR. PERKINS: This is John Perkins again,
20 Director, CVE, over here at the VA. Just to give a
21 quick understanding of what changed over those two
22 years, Mike, that you were talking about, two or three
23 years ago, we went through what we call -- we called at
24 the time the My VA Process. Instead of having cases
25 going across without an assigned case analyst for every

1 single vet, we went to a process where there's a case
2 analyst, now a case analyst either a contractor or a
3 fed, like I talked about before, but every single
4 veteran coming through has a case analyst that makes
5 sure that the process is personal.

6 And I think that's the difference that you saw
7 when we shifted to that, but the VA -- the Secretary of
8 the VA said you've got to get better at customer
9 service at that time, and so we took it personal and we
10 shifted gears and we went into a customer service mode
11 unprecedented here at CVE. And I think you're seeing
12 the results of that.

13 We certainly can send over what we call the
14 dormancy numbers, and how many come out each FY or to
15 the current FY. That's what we're looking for. That's
16 pretty easy. There is also -- to make a difference,
17 there's two types of categories. There's dormancy,
18 where we don't hear back from the vet and we reach out
19 to them with a couple of different -- in a couple of
20 different venues -- emails and phone calls and they
21 don't answer for a couple of weeks, and we believe that
22 that means they're no longer interested or they've got
23 other things on the back burner that they need to go
24 take care of, which is fine, as well as there's
25 withdrawals, where the veteran realizes they've got to

1 get some other paperwork chains, that they can't quite
2 get the documentation they need, maybe from a tax
3 attorney or other entity, and they've asked to withdraw
4 at no penalty, and they come right back in the system
5 exactly where they were before.

6 So those two distinctions are why veterans
7 leave, and, of course, there's other reasons to include
8 really -- well, actually, those are the only two
9 reasons to leave the process, either dormancy or
10 removal, that we remove the vet, or a withdrawal where
11 the veteran says I want to withdraw and I want to wait
12 and get back to you when I've got the right
13 information. I hope that helps, but, yes, I can get
14 that information to the Committee.

15 MS. PEREZ-WILHITE: This is Fran. Mr.
16 Perkins, you mentioned before that you can add some
17 more information to our minutes. We'd like that.

18 MR. PERKINS: Oh, was that from yesterday?

19 MS. PEREZ-WILHITE: From whatever you
20 mentioned before. You said you could send some more
21 information. We'd appreciate it.

22 MR. PERKINS: Oh, right, okay, the questions
23 here today, okay. There was a question yesterday that
24 I had prepped ready for answer on what the denial
25 reasons were, but if that's not the question, I can

1 send that across with the other request. Yes, ma'am.

2 MR. O'FARRELL: This is Jim O'Farrell again.
3 You read my mind. I wasn't part of the IATF, but as
4 you were just talking a second ago and talking about
5 the reasons for exit from the process, whether it's the
6 dormancy and then that you remove them or they remove
7 themselves, the denial, I had the same thought in my
8 mind, could you send that. So it sounds like you're
9 going to send us the denial reason. I'm curious to see
10 about in those denial reasons are there any trends,
11 have there been changes over, say, the last five years,
12 are companies being denied for different reasons now
13 than they were several years ago. I'm kind of assuming
14 that they would -- they would be the same kinds of
15 reasons, but if you can send those to the Committee,
16 that would be great.

17 MR. PERKINS: Oh, I can send that slide, yes,
18 I can, absolutely. And just to give a quick brief, the
19 top five reasons -- and they usually are this --
20 nonveteran control is one; control and decision-making
21 is number two; direct ownership is number three; number
22 four is daily business operations; and number five is
23 managerial experience, in that order.

24 MR. O'FARRELL: Okay, thanks.

25 MS. PEREZ-WILHITE: This is Fran.

1 MR. PERKINS: Go ahead, ma'am.

2 MS. PEREZ-WILHITE: No, no, go ahead and
3 finish.

4 MR. PERKINS: To date, we've had less than 30
5 denials, so because -- because we had case analysts
6 making sure that the veteran can change the business
7 document within the process -- in other words, if
8 you've got something going on in your operating
9 agreement that would keep you out of the system based
10 on control and decision-making, you need to just make a
11 change in your control of your business documents. In
12 other words, you need a non-veteran to agree with
13 something and you need to make a change in that
14 business document, you have five days to do that, and
15 so we get very little denials.

16 And, of course, you can always withdraw
17 instead of taking a denial and waiting out six months.
18 So these are very, very small numbers. When I first
19 got here eight years ago, it was 40 percent of all
20 applications. We were doing 40 percent denials, where
21 we were making the vet wait out six months, and now
22 that's down to less than 35 in a fiscal year to date.

23 MR. O'FARRELL: To me, right there, that's --
24 in future briefings, that's one of the bullets you
25 should have on your slide deck, because I think it's a

1 great point to make, the historical change that you've
2 made. The changes have resulted in your process
3 improvements, which have then resulted in a lower
4 denial rate, and I think this is what Mike Phipps and I
5 have always talked about, is that it wasn't that these
6 companies weren't legitimate, that they weren't
7 veteran-owned. It was that they might have had issues
8 with their documents.

9 Once again, and I hate to belabor this,
10 speaking from personal experience, several years ago,
11 the CVE said, hey, Jim, your company, you've got a non-
12 veteran board member and you have a business partner
13 who's also a veteran. You need to change your bylaws,
14 and we recommend you put service-disabled vet or
15 veteran business owner or something like that, veteran
16 business board member, and that one little tweak to the
17 bylaws allowed us to get reverified, that kind of
18 thing.

19 So it was a helpful change rather than a
20 "yeah, we can't help you, but we're going to tell you
21 that it's screwed up." So, once again, singing your
22 praises, and I haven't done this very much, as Larry
23 will tell you and other members of the Board, so good
24 job.

25 MR. PERKINS: Thank you, sir.

1 MS. PEREZ-WILHITE: This is Fran. I'd like to
2 ask a question to Sharon Ridley.

3 MS. RIDLEY: Mm-hmm.

4 MS. PEREZ-WILHITE: First of all, I'd like to
5 say I've attended some of the training webinars with
6 Michelle Gardner-Ince, and they were excellent. I
7 really appreciate that training. Can you hear me?

8 MS. RIDLEY: Oh, yes, I can hear you.

9 MS. PEREZ-WILHITE: Great, great. Also,
10 before the pandemic, there were a series of seminars or
11 meetings where the VA was going around the country to
12 the different VA medical centers and allowing veteran
13 business owners to come meet the contracting officers,
14 the decision-makers at the medical centers and also the
15 head clinicians.

16 MS. RIDLEY: Mm-hmm.

17 MS. PEREZ-WILHITE: And I know that you have
18 since set up a lot of webinars virtually. I have not
19 seen, though, any virtual webinars for meeting the
20 decision-makers at the VA medical centers. Do you have
21 that on your radar?

22 MS. RIDLEY: Actually, yes, we do have a
23 contractor that coordinates those events.
24 Unfortunately, most of them were scheduled to be in-
25 person and live, and with COVID-19, many employees who

1 are not key and essential are not -- they're doing a
2 lot of telework, so we are working to create a very --
3 a program that can accommodate keeping our industry day
4 -- industry partners and vendors and procurement
5 decision-makers connected.

6 We have been working with some companies like
7 Deloitte and different program -- companies that are
8 doing business with VA and for subcontracting
9 opportunities. And what we can do is the ones that we
10 are scheduled, we'll make sure that the Advisory
11 Committee and the veterans will receive that
12 information. And as a matter of fact, we can provide a
13 list of the different industry day events that we have
14 scheduled for the remainder of the year. Would that be
15 helpful?

16 MS. PEREZ-WILHITE: Great. And is there
17 anything planned where we can meet -- where businesses
18 can meet up with the head clinicians at any of these
19 medical centers, because that's always very helpful?

20 MS. RIDLEY: Yeah, we will -- we will ask for
21 that. And a lot of it is the hospitals are focusing on
22 COVID right now. There's so much going on in the
23 medical centers, and let me see how we can make that
24 happen --

25 MS. PEREZ-WILHITE: All right, thank you.

1 MS. RIDLEY: -- how we can become creative in
2 that, because, you know, with those types of events,
3 you usually have vendors set up in maybe a huge
4 auditorium and they're, you know, showing their wares,
5 they're showing their capabilities, and, you know,
6 different equipment. And so this -- we do have a
7 unique opportunity here to try to figure out, you know,
8 going forward how we are able to achieve the same
9 goals, because hospital operations are still under way,
10 but great question, and thank you.

11 MS. PEREZ-WILHITE: Thank you.

12 MR. KURTZ: Okay, this is Stan. So, again,
13 Sharon, thank you. Are there any more questions for
14 Sharon?

15 All right, Sharon, thanks again for being part
16 of this and your great partnership. And I just want to
17 turn it over to Larry, if you have any comments.

18 MR. STUBBLEFIELD: No, great presentation,
19 great discussion. And when we first stopped, I was
20 wondering, I said is the Committee -- they're not going
21 to ask any questions? And that was answered. So,
22 again, thank you, VA, for being here with us and for
23 your continued partnership.

24 All right, let's move to the next
25 presentation.

1 MR. KURTZ: Okay. So our next presentation
2 will be the women-owned small business, or WOSB,
3 program, federal contracting. Alisa Sheard, the
4 program manager, will do the presentation.

5 MS. SHEARD: Awesome. Good morning, everyone,
6 and thank you for having me and allowing me to join you
7 all this morning to share about the WOSB program and
8 provide updates about the certification process that we
9 will begin officially October 15th. I just wanted to
10 first acknowledge that I am representing the program.
11 I'm one of the program managers for the WOSB -- owned
12 small business federal contracting program.

13 Our program director is Mr. Thomas McGrath,
14 he's also from the VA, so he's from -- he brings the
15 knowledge of the CVE process, and so a lot of the
16 things that we are putting in place and implementing
17 related to our processes and certification of women-
18 owned small businesses will probably come along and
19 resemble some of those things that we've seen -- that
20 you all have seen at the CVE program. And so we're
21 grateful for his wealth of knowledge that he brings.
22 Next slide, please.

23 And I'm sure most of you are already very well
24 aware of the goals for the different socioeconomic
25 groups, how it's broken up, so I will move into the

1 next slide. Yeah, next slide.

2 So just a little bit about the program, and I
3 just want to make some -- give some clarity about what
4 the purpose and intent of this program is. And, so,
5 this program is to allow women-owned small businesses
6 that participate in federal contracting as well as are
7 increasing their usage in certain industries, where
8 they are under-represented or substantially under-
9 represented. So the focus of this program is to
10 increase the usage in those areas, increase their
11 activity, increase the playing field, to make sure in
12 those industries that SBA has identified as industries
13 that are under-represented or substantially under-
14 represented more woman business owners are present.

15 So our program allows for federal agencies to
16 utilize a set pool of NAICS codes. There are 444 at
17 this point in time, and projects that are associated
18 with those 444 NAICS codes can be set aside for either
19 WOSB or economically disadvantaged WOSBs and WOSBs for
20 short.

21 So our program is a subset, a component, of
22 the larger WOSB 5 percent goal. We play a part in it,
23 but we are a smaller part because the program has a
24 limited pool of the 444 NAICS codes as outlined and
25 mandated by the congressional implementation of this

1 program. Next slide, please.

2 MR. KURTZ: This is Stan Kurtz. So, Alisa,
3 before you get started, some people had to call in so
4 they can't see the slides; however, they have the
5 slides -- the link to the slides. So if we could just
6 say what slide we're on, that may be helpful for them
7 to follow along. Thank you.

8 MS. SHEARD: Absolutely. No problem at all.
9 I am on the Upcoming Certification Changes slide, and
10 this is where we're talking about the rollout of our
11 changes. Starting on October 15th, we will begin
12 issuing decisions related to firms that have begun
13 submitting applications for the WOSB federal
14 contracting program, as well as we are still continuing
15 the usage of third-party certifiers. There will be a
16 cost associated with using those services from those
17 approved organizations.

18 There are currently four approved
19 organizations that can provide third-party
20 certifications. Firms that utilize those organizations
21 still have to bring their certificate to SBA's system
22 so that we can then stamp it as being vetted and
23 approved and satisfying our regulatory requirements.
24 From there, we will then transmit data to the
25 appropriate small business systems, our dynamic small

1 business search, as well as data will be moving into
2 SAM.gov once it is reflected properly in the FAR.

3 Also, until October 15th, and what we're
4 trying to make sure we get the word out and I'm hoping
5 by the more events that we're a part of that we are
6 communicating and more people are understanding, until
7 October 15th, firms can continue to self-certify, so
8 they are still able to utilize our old system and use
9 the self-certification process to pursue federal
10 procurements.

11 We didn't want to just shut that off, given
12 that we were not making decisions until October 15th,
13 so firms still will be able to utilize their self-
14 certification certs to pursue opportunities here in the
15 fourth quarter of the fiscal year, and that way that
16 they won't have to wait until the October 15th date for
17 formal certification. They can still be in a pending
18 process for that and still utilize their self-
19 certification up until that date. All right, next
20 slide, please.

21 And so here on this slide is a timetable.
22 It's called the Certification Changes and Timetable.
23 In May of this year, we rolled out our new regulations.
24 They were published in the Federal Register. There
25 weren't changes to our criteria. All of the

1 requirements remained the same, but what we did outline
2 in our regulation is how we were going to begin
3 formally certifying firms to implement what was
4 outlined in the National Defense Authorization Act in
5 2015.

6 So SBA is now putting in place processes
7 and procedures to begin formal certification that
8 include increasing staffing, putting SOP, a desk guide,
9 as well as building a new -- brand new IT solution to
10 be able to manage and receive applications for our
11 program. So beginning on July 15th, we launched
12 BETA.certify.sba.gov. Will you please notice the
13 difference in name. We still have our old system,
14 certify.sba.gov, but the WOSB program will now reside
15 on BETA.certify.sba.gov, and it is on a different IT
16 platform than our certify system, and so that is why
17 they exist at different web URLs.

18 Again, firms began and were allowed to start
19 submitting applications, and I will just be transparent
20 that there have been technical issues, and this is not
21 necessarily a good or a bad thing, but because we will
22 not begin issuing decisions until October 15th, we do
23 have a little bit of flexibilities in fixing those
24 issues and reaching out to firms that are experiencing
25 problems and working with them to try to come to a

1 resolution or work with our development team to
2 implement fixes to resolve any problems that they are
3 experiencing.

4 So, again, here on October 15th, we will begin
5 issuing decisions for many of the applications that
6 have been submitted, and each -- you know, thereafter,
7 we will continue to review, approve, or decline
8 applicants based off of meeting or satisfying our
9 regulatory requirements. Next slide, please.

10 So here's the certification resources. Just
11 to keep you aware and up to date on the changes, we
12 have a webpage, and I'll speak a little bit about our
13 new campaign that we are promoting and creating brand
14 awareness for. So if you visit [SBA.gov/WOSBready](https://www.sba.gov/WOSBready), R E
15 A D Y, WOSBReady, that is where we are placing all of
16 our updates, information specifically about the
17 program, benefits of using the program, as well as
18 getting procurement-ready.

19 You can also contact any one of our regional
20 or district offices throughout the company, and we are
21 working with a lot of our resource partners, our PTACs,
22 other SBA-approved resource partners to do "train the
23 trainers," to make sure they're up to date and aware of
24 how to use the program and how we as SBA are going to
25 implement our process.

1 Also on that website is our FAQs, frequently
2 asked questions. We've gotten a slew of questions
3 before the program was implemented, and, of course,
4 we're still continuing to receive questions on a
5 regular basis. So on this page, we've kind of
6 consolidated those core key questions that are often
7 asked to help give clarity and hopefully explain it a
8 little better for those that might be a little confused
9 about how this will roll out and the impacts to their
10 business.

11 There's also a table that breaks down, hey, my
12 firm fits this category, what is expected before and
13 what's expected now that the regulations are
14 implemented. We have a fact sheet, and we also have an
15 infographic that is available to help explain and
16 communicate to our audience group the changes related
17 to the program. So please feel free to use the slide
18 and use those links to access any of those resources
19 that are available. Next slide, please.

20 So the WOSB Ready, I mentioned that in just
21 the previous slide. Now I'll kind of expand on the
22 brand and the campaign that we are currently promoting.
23 We are -- we wanted to increase awareness to not just
24 the certification process, but we also wanted to make
25 sure that women-owned small businesses that wanted to

1 participate in this program began to really understand
2 that it's not just having the license to fish; it's
3 also being procurement-ready and getting your business
4 aligned with doing business with the Federal Government
5 and what that will take.

6 So a lot of the information for WOSB Ready is
7 going to be tailored to that, information resources
8 that are available, also announcing, you know, our
9 partnership with Women Impacting Public Policy and
10 their program, Challenge Her. SBA does have an
11 agreement in place with Woman Impacting Public Policy,
12 and we are participating in all of their events,
13 encouraging women-owned small businesses that would
14 like to enter the federal marketplace and all the
15 trainings. They also have an upcoming matchmaking
16 event that we will be collaborating with them on.

17 We are also hosting events all with our
18 various partners. We have willingly collaborated and
19 do trainings for various organizations about the WOSB
20 program and about federal contracting for their women-
21 owned small business audience. And we plan to continue
22 to expand that with other partnerships and
23 stakeholders.

24 We have increased our social media campaign.
25 If you haven't noticed, we are almost everywhere now.

1 We are on Twitter, we're on Facebook, we're on
2 LinkedIn, promoting and increasing information about
3 the WOSB federal contracts program and all of the
4 changes. And, of course, we are always doing
5 informational webinars. We will be rolling out new
6 trainings for new applicants, and so those will be
7 recurring on a regular schedule, and that will be
8 coming out very soon. Next slide, please.

9 So just a little bit about the eligibility
10 process. As we explained with all parties that are
11 interested in participating in any of our federal
12 contracting programs, they have to start at the
13 SAM.gov. That is their first and foremost start. If
14 you're going to do business with the Federal
15 Government, you have to create that SAM.gov profile.

16 And then we encourage them to visit
17 BETA.certify.sba.gov and begin to navigate the
18 application process. If they're not ready to just
19 start an application, there's also "Am I Eligible to"
20 and there will be some slides a little further along in
21 this presentation about that, as well as there's a
22 knowledge base with a video user guide and a checklist
23 available for applicants wanting to learn more. Next
24 slide, please.

25 So here's a screenshot of the

1 BETA.certify.sba.gov page. On this page, you'll see,
2 like I've just described, there is a link to a
3 checklist found under our knowledge base. A firm can
4 walk through "Am I Eligible." This is the same tool
5 that existed on certify.sba.gov. We wanted to make
6 sure we weren't introducing our audience to something
7 totally different and new, that there was a similar
8 look and feel to the previous system that they've
9 touched in the past, if they've been a part of any of
10 our other programs.

11 So the "Am I Eligible" tool does the same
12 thing. It does advise an interested party, could I
13 qualify for HUBZone, could I qualify for 8(a), could I
14 qualify for WOSB? And based on answers to those
15 questions, a determination would say you could be
16 possibly eligible for the following programs.

17 Other things that are available on the site,
18 there is a help function where we will -- it sends a
19 ticket to our system so that we can track and keep
20 aware of the various problems that users are
21 experiencing and where there may be trends or things
22 that we might need to address related to the user
23 experience. And then they can begin with creating an
24 account and proceed with submitting an application for
25 the WOSB program. Next slide, please.

1 So, again, this is just outlining in more
2 detail the screenshot of the "Am I Eligible" tool.
3 Next slide.

4 And the next slide is a checklist associated
5 with what you would need to get ready, all of the
6 documents that we would require, depending on if they
7 are related to your firm or not, and then documents
8 depending on your circumstance. Are you just WOSB, or
9 are you applying as an EDWOSB, an economically
10 disadvantage women-owned small business, because
11 additional documentation will be necessary in that
12 scenario.

13 So this checklist is available for them so
14 that they can begin gathering and getting their
15 documentation prepared in order to complete an
16 application successfully. Next slide, please.

17 Awesome. So this is a screen of what happens
18 when they decide to log in and begin the application
19 process. It will, of course, remind them that, hey,
20 you need to make sure you have your DUNS number and you
21 have a SAM.gov account, and then you can begin entering
22 and create an SBA account. Our users will use and
23 reconnect with login.gov. It is our authentication
24 solution, and then they will be entered to create a
25 profile into the BETA.certify system once they have

1 established a login.gov presence. Next slide, please.

2 So here's just some contact information. If
3 you have questions about just the program in general,
4 we have our email inbox that has existed for quite some
5 time: wosb@sba.gov. Technical tickets, they actually
6 should be going through the BETA.certify website and
7 sending technical tickets through the BETA.certify
8 website, so the bottom link is probably the best
9 solution for submitting any type of technical issues
10 that a user may be experiencing. Next slide, please.

11 My last slide that I have here are just
12 available resources, and I'm sure many of you know
13 about and are aware of throughout SBA. If there's
14 anything on this slide that you're not, I'll be happy
15 to discuss, but it's our PCRs, our district offices,
16 our women's business centers, our PTACs, and, of
17 course, our small business development center, and our
18 SCORE main websites.

19 Were there any questions?

20 MR. O'FARRELL: This is Jim O'Farrell. I
21 guess I have more of a comment than a question.

22 MS. SHEARD: Sure.

23 MR. O'FARRELL: So with the previous presenter
24 that was describing the work that small businesses are
25 doing at the Department of Veterans Affairs, I believe

1 there was a slide that showed that they were not
2 meeting their goal for women-owned small businesses.
3 And I'm curious on a couple of fronts. One front is
4 you have -- this is a really nice presentation. You're
5 helping women business owners get into the federal
6 procurement process. Is there a different slide deck
7 that you might provide that talks about, okay, you've
8 done it, you've become a certified women-owned small
9 business, now here's how you go to market and win
10 contracts. And one of the areas that I'm seeing an
11 increase in that is with the SBA's All Small Mentor-
12 Protégé Program --

13 MS. SHEARD: Right.

14 MR. O'FARRELL: -- as another option for women
15 and just small businesses in general, but I'm seeing
16 that trend where a lot of specifically veteran business
17 owners are forming -- going into the All Small Mentor-
18 Protégé Program so they can have a large business
19 mentor, they can get their past performance counted in
20 a procurement and things like that.

21 Do you have any comments on that and how the
22 women-owned small business program through the SBA is
23 partnering with both the VA to help them meet that
24 number as the second largest federal agency and
25 separately how the All Small Mentor-Protégé Program can

1 become, you know, a point of departure for go-to-
2 market?

3 MS. SHEARD: So a couple of comments. So
4 the first part to your question, I just want to kind
5 of explain SBA's role of this office is more for the
6 certification process. This offices doesn't have
7 the -- I guess the available kind of support of I
8 should say the bandwidth of resources that would exist,
9 say, with the 8(a) program, where they actually have
10 the extension of business opportunity specialists
11 throughout the country.

12 So the focus for the smaller group would be
13 just the certification process, and our efforts to
14 explain being WOSB-ready will be about promoting the
15 available resources through the extension of our
16 resource partners, so the PTAC, the small business
17 development centers, as well as SCORE. We would be
18 using those mechanisms to kind of be our extensions of
19 extending and training on business development in the
20 federal marketplace. So we would be, you know, giving
21 them the details of our information, and they would be
22 kind of our foot soldiers in extending and making and
23 giving awareness about it. Our core focus would be
24 about the certification process.

25 To your other point about partnering with

1 other federal agencies that are maybe challenged in
2 satisfying their WOSB goals, we do -- SBA as an
3 organization under -- I fall under the Office of
4 Government Contracting, we work in partnership with our
5 federal agencies through their procurement center
6 representatives. They are our voice at the table
7 within federal organizations to facilitate and
8 encourage and advocate for small business usage, as
9 well as SBA facilitates what's called the SBPAC, small
10 business council of the OSDBUs for all of the federal
11 agencies, and VA is a part of that council. And, so,
12 we work in partnership with them through those
13 organizations and through those committees to be able
14 to encourage and find ways that we can increase their
15 usage of women-owned small businesses.

16 MR. O'FARRELL: This is Jim O'Farrell. Thank
17 you for those responses. I appreciate it.

18 MS. SHEARD: You're welcome.

19 MR. O'FARRELL: I didn't realize the scope,
20 the limited scope.

21 MS. SHEARD: Mm-hmm.

22 MR. KURTZ: Are there any other questions?

23 MS. LEWIS: Yes, good morning. This is
24 Valerie Lewis. I do have a question. I was wondering
25 if the SBA has increased the number of -- or do you

1 have plans to increase the number of procurement center
2 representatives or the -- is it the CMRs?

3 MS. SHEARD: Mm-hmm, mm-hmm. Yes, we have --
4 definitely have not had the number of CMRs that we've
5 had in the past, and that is an area that we do think
6 there is plans to address. We have increased the
7 number of PCRs, but, of course, there always could be
8 great use for more. I can circle back and let Stanley
9 know, give an update on what the strategy and plan
10 around those resources and SBA's hiring efforts.

11 MS. LEWIS: Yeah, thank you. In the past, we
12 used to have a list of, you know, PCRs and how to
13 contact them and CMRs. Is that something also that we
14 can get circulated to the Committee as well?

15 MS. SHEARD: Sure. That's on the last slide
16 that I displayed. The first link is the directory of
17 all of the PCRs and which agencies they're associated
18 with.

19 MS. LEWIS: Okay.

20 MS. SHEARD: Yep, it's on the --

21 MS. LEWIS: That list has been updated?

22 MS. SHEARD: Yes, that has been updated, mm-
23 hmm.

24 MS. LEWIS: Okay, great. Thank you.

25 MS. SHEARD: You're welcome.

1 Any other questions?

2 (No response.)

3 MR. KURTZ: Well, this is Stan Kurtz. Alisa,
4 I want to thank you. I also want to point out, so
5 Alisa also was a part of our military spouse
6 entrepreneur summit. She did a great job with that as
7 well. So, Alisa, I want to thank you for coming on
8 today and giving a great presentation.

9 And, so, our next presentation will be the
10 Veteran Business Project with Fred Parrish. He is the
11 founder and CEO of the Profit Experts and Profit
12 Institute. Now, Fred's called in, so he'll just need
13 to talk about what slide that he's on, and the
14 Committee should be able to see his slide.

15 So, Fred, if you want to get started.

16 MR. LOWDER: Hey, Fred, this is Lynn Lowder
17 here. Let me just jump in for just a second. I want
18 to tell people that it's an honor for me to introduce
19 Fred to this Committee. First of all, Fred's father is
20 a retired Marine, former drill instructor. Fred's dad
21 worked 20 years in explosive ordnance disposal in the
22 Marine Corps.

23 So Fred is our Veteran Business Project CFO.
24 He's done a number of things. For 40 years, he's held
25 every position from basically an accountant right on up

1 to CFO or CEO, rather. Some of these companies have
2 revenues ranging up to \$3.5 billion. He is an unusual
3 blend of absolute, dead-on knowledge about how to
4 handle financial management in a company, along with
5 the operational effectiveness.

6 Fred has authored a book, The E-Myth Chief
7 Financial Officer. It is a -- to my mind, it's
8 required reading for anybody in business, be they in
9 small business or large businesses. And it's -- we
10 provide it through Fred's generosity, an e-copy of that
11 book to every person who comes in to our Veteran
12 Business Project, V-Harmony matchmaking program. And
13 Fred has also graciously offered a copy of that book to
14 everybody on this Committee.

15 So I was so happy to hear he was going to come
16 here and speak. His book, to my mind, as I said, ought
17 to be required reading. If you haven't read it -- I'm
18 not getting any money for this -- but get it and read
19 it. It's outstanding.

20 So with that, Fred, the floor is yours.
21 Thanks.

22 MR. PARRISH: Thanks, Lynn. I appreciate
23 that. That's very kind.

24 And good morning. I appreciate the
25 opportunity to speak to the Committee. I think this is

1 an extremely important topic, especially where we are
2 today, and I think -- unfortunately, I apologize, I'm
3 kind of blind. I can't see where we are in the deck.
4 So, Stan, if you can just go to that first slide, and
5 it will automatically go to the second. And I'm sure
6 that everyone is familiar with these SBA statistics
7 about business failure. And that's even in the best of
8 times. These, obviously, are not the best of times.
9 And, so, the question is why does this happen.

10 And in my 40 years of experience, that
11 basically comes down to the fact that the vast majority
12 of small business owners, of any kind, and certainly
13 this would apply to the veteran-owned businesses as
14 well, very, very few have any kind of formal financial
15 management background or training. And, so, they are
16 blind in how they are managing their company. They are
17 left to muddle through the accounting data, and they're
18 really unable to translate that into what we call
19 operational intelligence.

20 And, unfortunately, and I am a recovering
21 accountant, so I know this firsthand, most of these
22 business owners are looking to their accountants and
23 CPAs to advise them on everything financial about the
24 company. And, unfortunately, that is a very dangerous
25 thing to do because very, very few accountants have

1 ever managed a company on their own. And even if they
2 are in their own accounting or tax practice, they have
3 never managed anything outside of that business. And,
4 so, they are not well equipped to advise those business
5 owners in, first of all, identifying what is happening;
6 secondly, where the company is headed; and, third and
7 most importantly, what does that mean in terms of
8 outcomes at different points in the future.

9 And, so, Stan, if we can go to the next slide,
10 and if you'll just fill out that gray box. I think
11 it's five clicks to get there.

12 Where we sit today is a very precarious
13 situation for every business, and especially the small
14 business owners because of the minimal or lack of the
15 financial acumen in those companies. Nine months ago,
16 we had a set of conditions under which we were
17 operating. Today, those obviously are very different.
18 The real problem we have is understanding what it's
19 going to look like nine months from now, because it
20 will not be like either of these two, nine months ago
21 or today.

22 And that is the challenge for every business,
23 but especially those small business owners who are
24 operating in a fog. And I say here that visibility is
25 key, and what I mean by that is we need to give them

1 the ability to see what is going to happen based on how
2 they are operating today and how decisions they are
3 making today and in the very near future and then those
4 actions that will come out of those decisions, what
5 outcomes they are going to produce months and even
6 years down the road.

7 We have to give them the knowledge, and by
8 giving them the knowledge, I mean we have to provide
9 training, but even beyond that, we have to provide
10 tools that will enable them to take that knowledge and
11 put it to work, take that accounting data, translate it
12 into operational intelligence, apply some critical
13 knowledge to that effort, and then communicate that
14 within their company.

15 Today, we have companies that are in serious
16 trouble. I've seen estimates as high as 4.5 million
17 business failures just in the next 12 months. Now, if
18 you think about the idea that the normal rate is 3- to
19 400,000 a year, and those are usually replaced by
20 startups, we're looking at as much as a 10X multiple of
21 that. And we are desperately trying to get as much
22 knowledge as possible to as many of these business
23 owners as we can in order to avoid that ugly outcome.

24 And, again, as Lynn mentioned, we have been
25 giving PDF copies of our book, The E-Myth Chief

1 Financial Officer. It really is a guide to how small
2 business owners should manage and operate a business
3 from a CFO perspective. The subtitle of the book is
4 "Why Small Businesses Run out of Money and What to do
5 about it," and that is exactly what the book is about.

6 We've also tried to get copies or free 90-day
7 subscriptions of our software to as many people as we
8 can, and I would like to make that offer to the
9 Committee and any of the entities that -- organizations
10 that are represented here to take advantage of that for
11 your members or any other way that we can get that
12 information out to these business owners, because they
13 are truly, truly in great peril today. And we want to
14 be able to give them the training they need and give
15 them the tools they can use.

16 And our approach is slightly different. We
17 don't take weeks and months to train people before
18 we -- they're able to go and do. We train them as they
19 are learning to use the tools, so they can right out of
20 the gate have an impact on their business and start
21 making decisions, because as everyone knows, today
22 there are a lot of businesses that not only are trying
23 to plan the future, but they're trying to decide what
24 their business really is now going forward, because the
25 old business model doesn't work anymore. And so what

1 are they going to do and how are they going to do it?

2 We need to equip them in order for their
3 decisions to be on target right out of the gate. They
4 do not have time for the trial-and-error management
5 method that has been employed for 100 years. We need
6 to get them information and the ability to know if I do
7 these things, these are the outcomes I can expect. If
8 my business changes in a particular way, it will change
9 my outcome to these set of profit numbers and cash
10 flow, because as everyone knows, profits are irrelevant
11 if you can't turn them into cash.

12 So we are looking to change the way small
13 business owners look at managing their companies, and
14 then how they take that vision and apply it and move
15 their companies forward, because, again, this is a very
16 difficult time for every company in the world, frankly,
17 but especially for those small businesses that usually
18 have fewer resources and fewer people to make those
19 decisions in an effective way to move the company
20 forward. And today it is obviously much more
21 difficult.

22 So I will open it up to questions. I'd love
23 to have a dialogue with everyone and see if we can find
24 a way to help as many of these veteran business owners
25 as we can.

1 MR. LEWIS: Well, thank you, Mr. Fred. This
2 is Valerie Lewis. I'm excited about what you're
3 intending to do, so I'd like to get more information
4 about how veterans can be in contact with you, like
5 what is the first step? Maybe you could tell us a
6 little bit about how you envision that process going.

7 MR. PARRISH: Sure. Well, probably the best
8 way to do that is to go and get a 90-day free
9 subscription to our software, and we don't
10 automatically convert people to paying subscriptions.
11 At the end of the 90 days, if they want to continue,
12 they have to contact us. This is not a way of
13 upselling people.

14 And they can get that by putting in a promo
15 code, which is 90 -- the number 90, 9 0 -- day free and
16 the letter V. If they enter that promo code when they
17 get the subscription, there will be a 90-day free
18 subscription. We will be notified that they have
19 subscribed, and then we will reach out to them and set
20 up a time so we can start that training process and
21 teach them how to use the software in a way that can
22 get them the information.

23 And, then again, if it doesn't help them, no
24 harm, no foul. If it does, then it's entirely up to
25 them as to how they want to approach that going

1 forward. That's probably the best way to do it.

2 MS. LEWIS: So, sir, you said 90-day free, B
3 as in beacon?

4 MR. PARRISH: No, V as in veteran.

5 MS. LEWIS: Veteran. And they would go to the
6 profit --

7 MR. PARRISH: VProfitBeacon.com. Yes,
8 VProfitBeacon.com.

9 MS. PEREZ-WILHITE: Valerie, the information
10 is on the first slide on the bottom.

11 MS. LEWIS: Yeah, I saw that. I just wanted
12 to confirm it. Thanks. Excellent.

13 MR. PHIPPS: Hi, Fred. This is Michael
14 Phipps. I have just two quick comments.

15 MR. PARRISH: Sure.

16 MR. PHIPPS: One, I'm assuming -- I've read
17 some of the E-Myth books in the past. I'm assuming
18 that you guys have some measurable, some metrics that
19 kind of go along with your training or go along with
20 the program that you have. Do you guys keep any
21 metrics on improvements and those types of things?

22 MR. PARRISH: Yes. We can see those readily
23 in the software, and we work with that business owner
24 until they feel like they can manage it on their own,
25 or if they have someone internally that they want to

1 work in the software with them or for them, we will
2 train them as well. We go through an entire onboarding
3 process, teach them the full functionally. We have two
4 sessions every week that are an hour long, where they
5 can log in, ask questions. Those are user group calls,
6 and we have multiple people on both of those each week.
7 One is a more beginner session; the other is a more
8 advanced session.

9 So we have ongoing support that we provide,
10 and this is all at no charge. So the ability for a
11 business owner to get that knowledge is almost
12 immediate. They can -- they will start to change their
13 business the very first time we look at the software.

14 MR. PHIPPS: And, so, Fred, have you worked
15 with -- so SBA has two programs. One is Boots to
16 Business, and one is Reboot. These are basic and
17 advanced -- I'm just going to give a high-level --
18 business training that the SBA gives. Have you been
19 involved in any of these programs?

20 MR. PARRISH: We have not been involved. We
21 are working with Jim Wong, who I understand has
22 presented to this Committee as well. Jim is on the
23 board for the organization that runs the Reboot
24 program. He is also on the board for Veteran Business
25 Project. And Jim and I are developing a full training

1 program that will complement both of those actually and
2 will provide that financial acumen as an adjunct to
3 those programs or could be instead of those programs,
4 depending on what that business owner feels they have
5 time for and would like to do.

6 MR. PHIPPS: Excellent, excellent, because
7 that's something we've always kind of touched on here
8 at this Committee is getting good, consolidated
9 training out through these programs. And, so, that --
10 those interactions are very positive. And I'm sure
11 Lynn will keep us updated on how those interactions and
12 trainings are going, but we'd definitely like to keep
13 abreast of good things that are occurring.

14 MR. PARRISH: Yes, and I would be happy to
15 work with any of the organizations if you're interested
16 in developing some training programs for your specific
17 either membership or audience. I'm more than happy to
18 work with you on those things, and we want to get this
19 in the hands of as many business owners as possible.
20 It is a very difficult time, and it's just destroying
21 people's lives, and we want to avoid that.

22 MR. PHIPPS: Thank you, Fred.

23 MS. PORTER: Hi, Fred. This is Kandis Porter.

24 MR. PARRISH: Hi, Kandis.

25 MS. PORTER: I am an Advisory Committee member

1 and a veteran business owner. I just want to thank you
2 for coming here today. I have the E-Myth CFO book on
3 Audible, and I really feel like this is a much needed
4 focus area, especially for veteran businesses. I am
5 really pleased that you're offering the 90-day free
6 software, and I'll be thrilled to get this out within
7 my network. So thanks for all you're doing.

8 MR. PARRISH: Well, thank you, Kandis. I
9 appreciate that.

10 MR. KURTZ: All right, if there's no more
11 questions, Fred, I want to thank you for coming on.
12 Great presentation today.

13 And, so, with that, you know, our next
14 presenter will be Mr. Will Streitberger. He's the
15 Executive Director for the U.S. Department of Veterans
16 Affairs Vocational Readiness Program, VR&E, but first
17 we'll take a break because we're a little bit behind
18 schedule -- a little bit ahead of schedule. So we're
19 at 10:39 now, so let's come back at 10:49. That's 10
20 minutes. Be back, and Will should be ready to go.

21 (Brief recess.)

22 MR. KURTZ: Hello, this is Stan Kurtz, and
23 we're back. So before break, I mentioned our next
24 presenter is with the U.S. Department of Veterans
25 Affairs, Vocational Readiness, the VR&E Program, Mr.

1 Will Streitberger. He is the Executive Director of
2 that program. So I want to turn it over to him.

3 Will, go ahead and take it.

4 MR. STREITBERGER: All right, Stan, good
5 morning, and good morning to everyone who's on this
6 morning with the Advisory Committee on Veterans
7 Business Affairs. I want to thank everybody for having
8 me today to showcase our great program that provides
9 services to veterans, service members, and certain
10 family members, and thank you for your attention this
11 morning. I look forward to the presentation and any
12 questions that you may have. So we'll get started. Go
13 to the next slide, please.

14 Can you see me, Stan, and hear me? Let me do
15 that mic check first.

16 MR. KURTZ: I can see you and I can hear you,
17 and I would ask, Will, during your presentation, the
18 slide that you're on, if you could just give the number
19 of slide that you're on because some of our members had
20 to call in. They do have the slides, so it would be
21 helpful if you said, hey, we're on Slide Number 2 or
22 Number 3 so they can follow along.

23 MR. STREITBERGER: Okay, I'm trying to see
24 where I see those slide numbers. Well, this is Slide
25 2, I'll just keep a rolling tally of it.

1 So we're on Slide Number 2, and this is a
2 little introduction of myself. My name is William
3 Streitberger. I go by Will. And I am the Executive
4 Director of the Veteran Readiness and Employment
5 Program, and I have been the Executive Director since
6 June of 2018. And you can see my bio here. Many
7 people joke that I can't keep a job because I've been
8 all over the place in PCS for the VA eight times now,
9 but I will tell you that I'm a veteran of the United
10 States Navy. I am a service-connected disabled
11 veteran. I participated in this very program that I'm
12 honored to administer now, so I like to joke that not
13 only am I the president of the hair club, I'm a member,
14 too.

15 This great program saved my professional
16 career back in 2002 after 9/11 when the industry that I
17 was in kind of disappeared because of the economic
18 downturn at the time. And so I came into the Chapter
19 31 Veteran Readiness and Employment Program, got my
20 degree, started my career with the VA, and fast forward
21 18 years, I'm running this very same program. So I
22 have a lot of passion for it and belief in what this
23 program can do for men and women who served in uniform
24 and certain family members that may be entitled to the
25 benefit as well.

1 So Slide 3, please. Okay, so what is our
2 program, Veteran Readiness and Employment? Our program
3 assists veterans with service-connected disabilities
4 and an employment barrier to prepare for, find, and
5 maintain suitable careers, or if they're not feasible
6 at the present time and they need some adjustment in
7 their home life or in their home space, we can provide
8 them with independent living services, and I'll get
9 into that a little bit more here in just a few minutes.

10 My personal vision is to focus on the field
11 and be very customer-centric, service-delivery-
12 oriented. We didn't do that very well prior to 2018.
13 We did a lot of things that we thought our employees
14 needed and that we thought our veteran customers would
15 like, and we never really checked in with them to see
16 if that was the case. So I'll talk to you a lot about
17 some of the modernization initiatives that were spawned
18 as a result of really being committed to what's
19 happening in the field, out there on the ground, right
20 where we do the service delivery. And, so, we want to
21 do that because we want to provide the highest standard
22 of service and deliver best-in-class program outcomes.

23 Slide 4, please. And, so, what are my
24 personal guiding principles for this program? Because
25 we want to innovate around everything that we do and we

1 hadn't really had a culture of doing so prior to my
2 arrival, I put the challenge out there to our staff and
3 to our stakeholders that in everything we do, we
4 challenge the status quo, we think differently to
5 provide veterans with the benefits they've earned, in a
6 manner that honors their service, in the way they want
7 to be served.

8 And I think that's the key that was missing in
9 our organization in the way they want to be served. We
10 kind of thought up the things that we wanted to serve
11 them with without their consultation, without that
12 human center design focus, and so we really changed
13 that moving forward.

14 Slide 5, please. What is Veteran Readiness
15 and Employment? The Veteran Readiness and Employment
16 Program is a modern, 21st Century facilitator of
17 economic opportunity for service members, veterans, and
18 their families. We consider Veteran Readiness and
19 Employment the crown jewel in the Veterans Benefits
20 Administration portfolio. There are eight lines of
21 business in VBA, but we are the only line of business
22 that meets 100 percent with every veteran customer that
23 we serve.

24 And that's a really unique position to be in
25 because we then become the face of VA and VBA in many

1 instances because in our other business lines -- I'll
2 just use loan guarantee for an example -- our loans are
3 administered by financial institutions, and those are
4 the entities that interact with veterans when they're
5 in the benefit. So our business line is direct
6 veteran-facing with our vocational rehabilitation
7 counselors who work individually with those veterans
8 each and every day.

9 Slide 6, please. So just a little bit about
10 us and how we are established across our enterprise
11 throughout the country and outside of the United
12 States, because we do have offices in Guam, we have
13 offices in the Philippines, we have offices in Puerto
14 Rico, we're represented on military installations all
15 across the world, as well. We employ about 1,000
16 professional vocational rehabilitation counselors.
17 We're located at 56 regional offices around the
18 country, 142 outbase, 71 military installations, and
19 104 institutions of higher learning.

20 Next slide, Number 7, please. So what are the
21 key services that we provide to veterans in the Veteran
22 Readiness and Employment Program? So, again, we help
23 veterans with service-connected disabilities achieve
24 and maintain suitable employment or gain independence
25 in daily living. We do that through vocational

1 counseling and planning and evaluation, education and
2 vocational training. We provide monthly subsistence or
3 basic allowance for housing in addition to disability
4 compensation. We furnish any tools that are required
5 for their program, such as auto mechanics or computers
6 for technology fields or whatever the veteran is
7 participating in and is required. So all those
8 wraparound services the veteran doesn't have to worry
9 about a single thing when they're pursuing their
10 program of training.

11 And then key at the end of their training
12 program or education program, those key job readiness
13 skills, preparing them a resume, dress for success
14 skills, interviewing and job-seeking skills, and then
15 engaging with employers to provide reasonable
16 accommodations, workplace adjustments, tax breaks, and
17 so forth.

18 And then, of course, I mentioned earlier, if a
19 veteran is currently not feasible for employment, we
20 provide independent living services, training and
21 activities of daily living, personal adjustment
22 counseling and support services. We support
23 avocational goals, often known as hobbies, to ensure
24 that their service-connected disabilities are not
25 exacerbated by their home life. We also provide home

1 adjustment or reconfiguration of the home for
2 accessibility and so forth.

3 Slide 8, please. There are five tracks to
4 employment in Veteran Readiness and Employment
5 services, and I'm going to go through each of them with
6 you briefly here in a moment, but I want to talk to you
7 about entitlement and eligibility for the program. And
8 it's not so perfectly stated on this, so take a note if
9 you want and I'll explain this as thoroughly as
10 possible in the shortest amount of time that I can.

11 So to be eligible for our program, you must
12 have a service-connected disability rating from the VA
13 at 10 percent or greater, and you must not have
14 exceeded the 12-year delimiting date of either your
15 date of discharge from the service or the date that you
16 were first made aware of your service-connected
17 disability grant by VA. So you've got that 12-year
18 window in either of those circumstances, and you must
19 have a service-connected disability rating of 10
20 percent or greater. That's to be eligible for the
21 program.

22 To be entitled to the program, you must have a
23 barrier to employment. For example, if you were a
24 heavy equipment operator in the military and you lost a
25 limb or you lost range of motion so significantly in

1 your limb where you can't stand, stoop, climb, lift and
2 therefore that career that you were trained in in the
3 military that you could get a good job in the civilian
4 sector is no longer feasible for yourself because of
5 your disabilities, that would be considered a barrier
6 to employment. And we would bring you into the
7 program, find you entitled, and then perform all of
8 those activities that I mentioned earlier to assess
9 your interests, aptitudes, and ability and chart a
10 career path for you that does not exacerbate your
11 disability. So you must have that barrier to
12 employment.

13 If you came in and you were in a
14 administrative setting in the military and you already
15 had a degree and you were familiar with common business
16 software and tools, we could provide -- we may not find
17 you entitled to the program because you are suitably
18 trained, suitably educated, the marketplace is there
19 for you, and your disabling factors are not going to
20 impact your ability to get a job in that career field.
21 So that's the difference between entitled and then
22 eligible -- eligible rather than entitled. So just
23 wanted to clarify that with everyone on the call here
24 today.

25 So let's talk about the five tracks to

1 employment. The first is reemployment. So this is a
2 track where you have gone off for a period of active
3 duty and returned home -- it's covered under the USERRA
4 law -- and you want to return to your previous employer
5 and maintain your employment with that entity. Our
6 services can provide an evaluation of maybe what's
7 changed and what's different from when you deployed.
8 Perhaps you were injured on deployment, things changed
9 in your physical health profile, and now we need to
10 assess what type of reasonable accommodations or
11 workplace adjustments you might need that we can
12 provide so you can reacclimate into that employment
13 opportunity and be successful in it. And so we can
14 also provide some additional training if you've been
15 gone a long time and the company's changed their
16 software programs and you need to be trained on that,
17 we can pay for limited training and so forth. So
18 that's reemployment.

19 And the next is rapid access to employment.
20 This is someone who would come to us who may already
21 have a degree but needs to change their career field
22 somewhat and needs some nominal training, up to six
23 months' worth of time to become very competitive in the
24 career field that they've chosen for their profession.
25 And, so, in addition to that, I spoke about the

1 employment services that we can provide. We would also
2 provide employment services to these particular
3 veterans so that they could be ready for the workforce,
4 so that's the resume development, job-seeking skills,
5 interviewing skills, and any workplace adjustments and
6 reasonable accommodations they may require.

7 The next, which is really key to our
8 partnership with the Small Business Administration, is
9 self-employment. And this track to employment is for
10 veterans who are entrepreneurial in nature and seek to
11 open their own business. There are two categories of
12 self-employment. Self-employment category one is for
13 the most seriously disabled veterans who require
14 greater assistance, and we also provide them more
15 benefits in that particular program, from helping them
16 to develop their business plan, connecting them with
17 SBA SMEs in the community, and then providing them with
18 various stocks of supplies, business licenses, and
19 paying for all those types of things.

20 And, then, self-employment category two is for
21 any veteran -- it does not have to be the most
22 seriously disabled veteran -- who is seeking an
23 entrepreneurial self-employment goal where we can
24 provide them all those resources except for any type of
25 stock, supply, inventory, machinery, tractors, and so

1 forth, which may be available to the category one
2 veteran. So we're looking at how we can change that
3 program and more to follow on that so that all veterans
4 have access to the greatest amount of benefit in the
5 self-employment program.

6 The next is employment through long-term
7 services. This track to employment, I will tell you,
8 96 percent or greater of all of our program
9 participants, of which there are roughly, on average,
10 125,000 every year in the program, persisting over a
11 period of anywhere from four to six years. That track
12 has the most people in that track to employment, and it
13 basically is where we use either long-term vocational
14 education training programs or standard college
15 training programs either at the community college
16 level, the college or university level.

17 And then finally we talked about independent
18 living, I think three or four times. So we anticipate
19 that in many instances if we can resolve those factors
20 that are currently making a veteran infeasible for
21 employment, through independent living they could go on
22 to one of the other tracks and achieve employment. So
23 that's the five tracks. That's the baseline services
24 that we provide in our benefit to the veterans.

25 Slide 9, please. Earlier, when I talked about

1 our footprint around the country, we have 104 VSOC
2 sites at institutions of higher learning where we have
3 counselors on those universities, college campuses or
4 community college campuses where we provide what I call
5 the wraparound services. And they are provided to all
6 veterans, whether you have the Forever GI Bill or you
7 are a Chapter 31 Veteran Readiness and Employment
8 participant. And what I like to refer this to is we
9 provide all those wraparound services that are going to
10 ensure the veteran will be successful.

11 So all of the advice and counseling,
12 educational, career counseling, expedited VR&E
13 services, any adjustment counseling because we know
14 veterans coming to college campuses are often much
15 older than the general college population because
16 instead of going to school they went off to the
17 military and they went off and fought in the wars, and
18 then they come back and they're dealing with
19 contemporaries who are much younger than they are and
20 haven't experienced life in the way that they have, so
21 we provide that as well.

22 Slide 10, please. Too many slides. Okay.
23 And, then, on this slide, you'll see what is the
24 eligibility requirement -- six months prior to
25 discharge you can begin your career or educational

1 counseling through Chapter 36 with a VSOC counselor or
2 a vocational rehabilitation counselor, veterans within
3 a year of discharge, any service member or veteran
4 currently eligible for a VA education benefit, and all
5 current VA education beneficiaries.

6 So we know that many service members transfer
7 their Chapter 33 benefit to their dependents, and we
8 also provide these services to those dependents who are
9 in receipt of those education benefits.

10 Slide 11, please. I mentioned that we're
11 present on 71 military installations, and this is for
12 the purpose for our integrated disability evaluation
13 system to engage wounded, ill, and injured service
14 members who are going through the medical discharge
15 process and are leaving the military with a disability.
16 They have automatic entitlement to the program through
17 NDAA, Public Law 110-181.

18 And, so, we want to capture them during that
19 transition period so they maintain their automatic
20 entitlement, because if they discharge from the
21 military without actually coming into the program, they
22 lose that automatic entitlement, so we want to protect
23 their automatic entitlement, get them started on their
24 future early. So this is a good step for us to engage
25 those transitioning service members who are leaving the

1 military with a disability so we can get them engaged
2 as early as possible.

3 Slide 12, please. Now I want to talk about
4 our modernization. I think Stan gets very excited
5 about that, and Mr. Stubblefield does as well, and I
6 really appreciate your enthusiasm around all the great
7 things that we're doing to modernize our program. And
8 just to give you an up-front idea about why we needed
9 to do that, all of our systems that we are currently
10 using date back to 1997. They're standalone; they're
11 not interoperable with other systems within our
12 organization or external to it. It's very frustrating,
13 antiquated technology built on a DOS platform, which is
14 way over 30 years old.

15 So we knew that we needed to make some
16 significant changes so that veterans in our program
17 experienced their customer interaction with us in the
18 same way that they do in their private lives with their
19 banks, their doctors, their dentists, their car
20 dealerships, their restaurants, with Amazon.com and the
21 like.

22 So I'm going to kind of walk you through our
23 modernization efforts over people, process, and
24 technology. I really want to hit on the technology
25 more than the other, so I'll give you some highlights

1 in the people and process and what we've been doing
2 there, and then I will open it up to any questions you
3 may have. So we'll go on to Slide 13, please.

4 Okay, so some of the people modernizations we
5 really needed to take a look at how we were investing
6 in our folks and in our customers across our
7 enterprise. So the first one you'll see here is
8 mandated in statute by Public Law 114-223, Section 254,
9 which mandates that the Secretary maintains a one-
10 counselor-to-veteran -- one-counselor-to-every-125-
11 veteran ratio.

12 And, so, why is that important? Of course, we
13 all want to be available and provide timely and
14 efficient quality service to veterans, but prior to
15 this law being implemented, we had counselors with
16 caseloads of 1-to-480, and that is an untenable number
17 of veterans to serve when you have to talk to these
18 individuals once a month, you have to interact with
19 them as they're going to school and they're changing
20 semesters and they have needs for supplies and all
21 these things that we do to support persistence in the
22 program. It's very difficult to do when you have 480
23 people calling you on a daily, weekly, monthly basis.

24 So we have hired an additional 169 new FTE
25 vocational rehabilitation counselors in FY19, and in

1 FY21, we'll hire an additional 132 so that we can
2 maintain the 1-to-125, and right now, we're at 1-to-
3 121, so we're doing really well there.

4 The next thing we did was have a comprehensive
5 time study of all the tasks that our vocational
6 rehabilitation counselors did. And as a foundation, we
7 learned what were the tasks, how long they were taking,
8 what was value-added, what was non-value-added but
9 necessary, and what was non-value-added. So those non-
10 value-added tasks we eliminated from old policies and
11 procedures. On the non-value-added but necessary, we
12 automated to the greatest extent possible, and the
13 value-added activities, of course, we put through a
14 continuous process improvement measure, and that's
15 where you're going to find a lot of these initiatives
16 stemmed from.

17 And we conducted an industry standard staffing
18 model study, which informed us that the real staffing
19 ratios in industry on evidence-based research told us
20 that the real ratio should be 1-to-80, and so after
21 we've laid out all these technologies and automations
22 for our counselors, we'll be going back to look at what
23 the gain was in terms of the technology and the benefit
24 and return on investment to see where we really need to
25 be in terms of the ultimate staffing ratio.

1 Competency-based training system, we
2 modernized our training to essentially do what the name
3 says, provide competency-based training that is focused
4 and tailored on the core skills of a vocational
5 rehabilitation counselor and not just the 80 hours,
6 paint every employee with a wide brush of training that
7 may not be useful, may not apply to the skill set they
8 have or may not address any deficiencies in their
9 training needs. So this is a very individualized
10 competency-based training system where they are
11 provided a tailored course of training or throughout
12 the year that is based on what their individual needs
13 are and how they can better serve veterans by focusing
14 on improving those areas.

15 Our strategic communication strategy -- I
16 should have put that up front -- as of June 22nd of
17 this year, we became Veteran Readiness and Employment.
18 For decades, we were Vocational Rehabilitation and
19 Employment, and when I first got this job, I fanned out
20 across the country from sea to shining sea, went to 27
21 regional offices, multiple industry conventions like
22 the Student Veterans of America, NAVPA, other key
23 partners that have conventions all across the country,
24 and we just started to listen, and we started to ask
25 questions, and we did focus groups and roundtables.

1 And we learned that in many instances veterans
2 either did not understand what our program was about
3 because of our name and they just turned away from it,
4 or they did not feel comfortable accessing the benefit
5 because of the word "rehabilitation," which connotes
6 drug and alcohol abuse or criminal activity or some
7 kind of deficiency that needs to be rehabilitated but
8 not pertaining to careers.

9 So I brought this information back and I told
10 my leadership that, hey, we have veterans out there who
11 say, first of all, I don't feel that I'm that damaged,
12 and so they didn't access the program, they didn't
13 associate themselves with -- a lot of our literature
14 had -- always had people with -- that were missing
15 limbs or in wheelchairs. And they're, like, hey,
16 that's not me, that's not my level of disability or
17 whatnot, this program must not be for me.

18 So we started this communication strategy. We
19 did a very focused, human-centered design research
20 project, and we came up with, based on input from our
21 stakeholders and from our veterans and from our
22 employers Veteran Readiness and Employment, and so
23 we're very pleased now with our new branded name and
24 our new tag line that we are going to now go out and do
25 a full-scale outreach and branding program so that

1 folks can know who we are and that our new program name
2 is centered on readiness, which veterans told us, hey,
3 in the military, we are always focused on readiness,
4 and we think transitioning from the military, we can
5 recognize that in the name of your program. And, of
6 course, now we understand it's being ready for
7 employment. So really excited about it, and we look
8 forward to FY21, which is right around the corner,
9 launching our new renaming and rebranding strategy all
10 across the country.

11 All right, the next are performance measures,
12 so aligning our performance measures with what our
13 intended outcomes are. I mentioned to you earlier that
14 our veterans persist in the program and that employment
15 through long-term services program, anywhere from four
16 to six years. We had no measures in place to maintain
17 -- ensure we're maintaining their persistence, which is
18 a significant investment in the taxpayers' dollars into
19 ensuring that veterans are successful, we wanted to
20 make sure that we were going to be doing that.

21 So we have implemented new performance
22 measures, what I call measure the middle, as we've got
23 great ones on the front end and great ones on the back
24 end that help us support our performance goals and
25 outcomes but really nothing in that middle space where

1 oftentimes we have veterans discontinue from the
2 program because they're not getting the attention that
3 they should be because we're not measuring the right
4 things.

5 And then the last one is we've modernized our
6 employment services to have a top-down approach of
7 working with employers all across the country. We
8 stood up a national account manager representation
9 system where we have very skilled employment
10 coordinators working with employers that have great
11 veteran-hiring programs at the national, regional, and
12 local level. So we're doing a top-down approach, not a
13 bottom-up approach so that we know that we're targeting
14 employers right where we need to be, based on how we're
15 training veterans and when they're ready to enter the
16 employment market. So really excited about that.

17 Slide 14, please. Okay, now we've looked at
18 our processes, and one of the chief complaints -- I
19 told you I went all across the country from sea to
20 shining sea -- one of our chief complaints was the lack
21 of standardization in program execution. Now, this is
22 a very individualized program because each veteran
23 represents with various disabilities, unlike that of
24 the next veteran, they have different interests,
25 aptitudes, and abilities and so forth.

1 So we understand it's a very individualized
2 program, but there are a lot of things in our program
3 that we can administer in a very consistent basis.
4 I'll tell you two in particular. The first one is the
5 purchase of a computer for a veteran. So every veteran
6 in today's modern world will need a computer to be
7 successful in their program of training, whether it's a
8 vocational training program or an institution of higher
9 learning training program, but all the complaints that
10 we got all across the country is one counselor would
11 allow a veteran to get a computer and the next
12 counselor would not. You go to a different state, and
13 they had different rules on how you could get approval
14 for a computer; you go to another state, and they
15 automatically grant one.

16 So I wanted to put into place, which I have, a
17 standardized policy that every veteran, regardless of
18 what program that they're going into, as long as it's a
19 training or education program, will get a computer.
20 Regardless of your opinion as to whether or not they
21 have two or three of their own at home, I want every
22 veteran to be set up for success and not to have to
23 worry and spend time to actually get the things that
24 they need to be successful, because a lot of the
25 experiences I had across the country, hearing from

1 school-certifying officials, was due to the inequity of
2 the veteran's ability to get the supplies and tools
3 that they need to be successful.

4 The second was -- is -- well, it was because
5 we've changed the policy, too -- is on what level of
6 education you can get. A specific example I heard in
7 St. Louis was one school-certifying official who is in
8 a border state situation where two students in the same
9 class, in the same exact classroom, talking about their
10 VR&E benefit, one is prohibited from moving on and
11 getting a master's degree; the other is granted a
12 master's degree because they're in two different states
13 being served by two different regional offices. So
14 putting all of that to rest and creating parity among
15 our program execution standardization so that veterans
16 don't have to deal with it and we don't have to be the
17 arbiters of who gets what and when.

18 So there are a lot of other things on here.
19 We've modernized our quality assurance; we've
20 transferred our home adaptation activities to loan
21 guarantee so we can get our folks out of the business
22 of being architects, construction management
23 specialists, and acquisition specialists because
24 they're counselors and that's the work that they need
25 to be doing, and our SAH folks in loan guarantee are

1 expert at doing that.

2 All right, so we'll go to Slide 15. This is
3 our -- these are our technology enhancements and
4 modernization, and so I'll start out by saying this is
5 the centerpiece of our modernization. It's the bulk of
6 our major transition from being a 20th Century service
7 provider of our benefit to a mainstream 21st Century
8 provider of this benefit and looking to the future as
9 well, because I always talk about how we need to be
10 looking at 2040 and anticipating what our veteran
11 population is going to be expecting from us in terms of
12 service delivery, and we see more and more of that
13 shifting to a virtual technology-infused customer
14 experience versus the traditional brick-and-mortar as
15 veterans -- veteran populations get younger and younger
16 and use more and more of these technologies that grow
17 at an exponential rate year in and year out.

18 So we need to be focused on the future and
19 anticipating to the greatest extent possible what the
20 demands are going to be on us. So we were fully paper-
21 based, fully paper-bound, brick-and-mortar benefit
22 delivery model up until about a year ago. And, so, I'm
23 going to kind of walk you through. I'm just going to
24 go top-down this time, Stan.

25 We are implementing a new case management

1 solution service. Our previous one, as I mentioned,
2 was a standalone built in 1997, had no
3 interconnectivity, interoperability, it's built in DOS,
4 it hasn't been changed in years. And it's very
5 frustrating in terms of our ability to process claims,
6 maintain our case management activities in a system and
7 also use that system for data because it wasn't built
8 for data. This new system is a software as a solution,
9 commercial, off-the-shelf existing technology that's
10 been built and is in use in other government agencies
11 within the Federal Government and at state veteran
12 readiness and employment programs across the country as
13 well.

14 So it's a proven solution. We're onboarding
15 it, we're modifying it to our specific needs based on
16 either law, regulation, or specific manual guidance.
17 And this will be fully interoperable with our VHA
18 partners and others like the Department of Labor and
19 will hopefully, through our other VA systems, be able
20 to do some stuff with DOD as well. It will
21 automatically calculate benefits to our veterans in the
22 program and pay those benefits.

23 We will be able to manage our cases in an
24 efficient, modern, 21st Century way. So this is a huge
25 boon. We will fully implement this in the first

1 quarter of FY21. This has been -- '19 was the year of
2 acquisition; '20 was the year of building it to our
3 specification; and '21, we will release it to our
4 counselors, and they will have a new, modern solution
5 to support them, which offers a lot of automation, a
6 lot of efficiency.

7 And now that I'm telling you that, I forgot to
8 tell you at the kickoff of this, the reason we needed
9 to do this is our time study that I mentioned under the
10 people modernizations showed us that over 60 percent of
11 the counselors' time was spending -- they were spending
12 in administrative tasks that were not important to
13 veterans, that did not support veterans in their
14 persistence of the program, but because of our
15 antiquated systems, we had to do that. So that's the
16 key here is to eliminate that 60 percent and give them
17 all that time back so they can serve even more veterans
18 more timely with higher quality and efficiency.

19 The next one is e-VA, our electronic virtual
20 assistant. It is an artificial intelligence tool that
21 we're all familiar with when we make reservations at
22 restaurants, when we make them with our dentist or our
23 doctor and so forth, but the virtual assistant does a
24 few things for us. It allows us, without human
25 intervention, to conduct bidirectional communication

1 with our veterans who are in the program without having
2 to call, without having to respond to emails, return
3 voicemails, or things of that nature.

4 So bidirectional communication, it allows us
5 to schedule and reschedule appointments without any
6 human interaction. It allows us to conduct document
7 transactions and transfers, just like you would use
8 your smart device to deposit a check at your bank,
9 without any human intervention.

10 And, so, a great example for me is that I'm
11 currently buying a home, and I'm working with the
12 mortgage broker, and everything is done electronically.
13 I don't have to speak with them or call them. I don't
14 have to fax anything. Everything is done through
15 DocuSign. I can take pictures of my pay stubs and
16 upload them into their system and they approve them.

17 It's just a tremendous way of not being
18 inconvenienced through archaic processes and
19 procedures, which we had up until a year ago. And it's
20 available to our customers 24 hours a day, 7 days a
21 week, 365 days a year -- 66 in '20. And they can
22 engage with us at any time of the day or night,
23 whatever is convenient for them. So they don't have to
24 wait until we're open to come down and provide us with
25 a document. They don't have to do that.

1 And because it's artificial intelligence, it's
2 intuitive, so as we communicate and interact with the
3 veteran, the system's going to know that responses
4 typically come from this veteran between the hours of
5 8:00 and 10:00 p.m. at night, so those -- that would be
6 the only time we would start sending them messages so
7 that we don't overload them with messages because we're
8 trying to get a response from the veteran. So that's
9 been really great.

10 e-VA is very exciting. Lots of reporting
11 around there. We also can gauge customer satisfaction
12 through the interactions that we see and the exchange
13 of communication.

14 And the last thing that I will say, going back
15 to reducing that 60 percent administrative burden, all
16 those transactions are automatically captured and
17 uploaded into the case management system. In the past,
18 the counselor would have to type all of these
19 communications -- they're called case notes -- to make
20 sure that we are tracking the case notes and the case
21 management activities.

22 To date, we've done one -- we've only launched
23 this since June 30th, and we have captured 1.7 million
24 case notes in the system that counselors did not have
25 to type themselves. So, again, we're just beating down

1 the administrative burden that the counselors have had
2 to do for years and years and years, so they see you in
3 their office and then they have to sit down and type in
4 the system everything that they said or did or promised
5 or are tracking and so forth. All of that is
6 eliminated. So we're super excited about that.

7 The next one I am so thrilled about -- the
8 invoice payment processing system. When I came on
9 board and I started my nationwide tour, people would
10 line up at conferences to complaint to me about lost or
11 unpaid invoices, lost or unpaid authorizations for our
12 program. We were -- we had what I call 900 single
13 points of failure because these school-certifying
14 officials would deal with each counselor individually,
15 and they would transact in four different modes. They
16 would either mail these things in, they would fax them
17 in, they would email in, call them in, what have you.
18 And, so, we had a huge national problem, and it was the
19 biggest stakeholder complaint that I had, and it was
20 overwhelming.

21 So for about \$400,000, we adapted an existing
22 invoice payment processing system, IPPS, that already
23 existed in VA, and we centralized all of our
24 authorization and invoice payment processing. To date,
25 we've done \$400 million in payments that are 99.6

1 percent paid within the Prompt Payment Act requirement,
2 and I never get a phone call or a complaint from any of
3 our school-certifying officials or veterans for lost
4 authorizations or unpaid invoices, which and when they
5 were in the past, we would -- the schools would say to
6 the veteran, I'm sorry, you can't start classes, we
7 haven't been paid. So that creates a lot of
8 frustration, a lot of angst, again, a lot of energy
9 that veterans should not be investing in those issues
10 but should be in the success of their program. So I
11 consider that, this year, one of my chief
12 accomplishments where it concerns our global population
13 of customers being dissatisfied who are now satisfied.

14 The next thing I'll talk to you about is our
15 VA Video Connect System. It's our 100 percent next-
16 generation telecounseling capability. This was key in
17 responding to the COVID pandemic and our ability to
18 support continued continuity of operation and service
19 delivery.

20 On March 20th, we were told everybody has to
21 go home. Again, we had not gotten to the point in
22 sequencing our electronic paperless platform, and
23 within two weeks, we switched completely from brick-
24 and-mortar, everyone working in the office, to
25 completely paperless, with everybody teleworking from

1 home, 100 percent, and all of our appointments and
2 engagement with veterans kept through the VA Video
3 Connect technology, which was perfected in the VHA
4 space for video tele-health appointments.

5 So we adopted that investment already in the
6 organization and used it for our own use. So now we
7 are still -- we're open for business, but 100 percent
8 of our workforce almost is still working from home. We
9 haven't missed a beat. We're meeting all of our
10 performance targets. Veterans are being served timely
11 with the highest quality, and that's because the VA
12 Video Connect was in place. People weren't adapting to
13 it very early on, but now they have because they've had
14 to, and now they love it. So it was one of the best
15 changed management escalation activities that I've ever
16 seen in my career of implementing modernization or
17 innovation initiatives.

18 And then we implemented 100 percent Dragon
19 Naturally Speaking capability. This is software --
20 you're probably all familiar with it -- where instead
21 of typing your documents, you speak into the microphone
22 and the software dictates that into form-fillable
23 configurations, and it eliminates about 30 percent of
24 the time that it takes to input necessary counseling
25 notes into an entitlement determination or other case

1 note activity. So just again trying very, very hard to
2 beat down that 60 percent of their time being spent in
3 those administrative tasks.

4 And then the last two in that two-week period
5 back in March, we went into centralized mail and
6 printing so that folks could print letters and have
7 them sent to veterans' homes by our contractor in
8 centralized mail so that we didn't miss the mail
9 because our offices were physically closed. So mail
10 was redirected to our scanning vendor, uploaded into
11 our VR&E portals, associated with the veterans' file so
12 that the counselor could work with it, all not missing
13 a beat, not leaving any veteran behind in maintaining
14 that continuity of service.

15 We also did that with all of our claims
16 folders. We started scanning them, shipping them to
17 the scanning vendor, scanning them up into our Veterans
18 Benefits Management System so that they're available in
19 electronic folder so counselors did not have to rely on
20 paper folders to review the cases and provide the
21 services.

22 And with that, I'm happy to take any questions
23 that anyone has or any comments from the participants
24 this morning.

25 MS. LEWIS: Mr. Streitberger?

1 MR. STREITBERGER: Yes, ma'am.

2 MS. LEWIS: This is Valerie. I am so excited.
3 I just wanted to tell you thank you for modernizing the
4 program and creating metrics. I think -- you know, you
5 said you got one or two things that you're most proud
6 of, but, I mean, this is phenomenal. So you have more
7 -- I just wanted to say, you have more than one thing
8 to be proud of. We are hearing the rollout and seeing
9 the effects in the community, so I just wanted to tell
10 you thank you.

11 I have a few questions for you, though. I was
12 wondering have you considered maybe with help -- I
13 know, you know, right now, we're in the COVID-19 phase,
14 but a lot of the problems that veterans were
15 complaining about it seemed like you've addressed, you
16 know, almost 90 percent of them, but have you
17 considered, just like the hospital staff has
18 volunteered that, you know, because this 1-to -- I
19 think you said 125 --

20 MR. STREITBERGER: Yes.

21 MS. LEWIS: -- but your goal is 1-to-80.

22 MR. STREITBERGER: Yes.

23 MS. LEWIS: Maybe there's a way to really get
24 to that by utilizing, you know, some volunteer staff
25 for just maybe mundane tasks. I was just -- that's

1 just one thing I wanted to, you know, put on your --
2 just your brain to see if that's something that could
3 be implemented later.

4 And so far as the -- I think the biggest
5 problem that we had with the whole VR&E program was the
6 perceptions of the old guard. Are you guys drilling
7 down, you know, into making this more a human-centered
8 design so far as perceptions are concerned with
9 caseworkers? Because a lot of the problems that we're
10 hearing, like, one of the main issues that I've heard
11 recently is that counselors are telling veterans that
12 if they are receiving disability payments from their
13 states that that would hinder them from being a part of
14 this program.

15 So I'm just wondering if you could address
16 that. I had a few more questions, but I'll let the
17 others get in it and then maybe come back later with
18 mine.

19 MR. STREITBERGER: So great questions, and
20 certainly it doesn't matter how much a veteran makes or
21 where their income comes from if they meet the basic
22 eligibility and entitlement criteria, we're going to
23 provide services to them. So I don't know where that's
24 coming from, but we meet with our leadership team
25 across the country every Thursday. That's something

1 I'll make sure we get clarified so that counselors are
2 putting that information out.

3 When you talk about the old guard, we're doing
4 a lot of training this week. We just partnered with
5 VHA to do some counselor burnout training and emotional
6 intelligence training so that even, you know,
7 "physician heal thyself" type of thing where counselors
8 can identify within themselves when burnout may be on
9 them or certain stresses that could change their
10 engagement or interaction with the customer.

11 So we're focusing a lot on that to make sure
12 that through this modernization effort, through the
13 change -- and you know the change management cycle is
14 almost like the five stages of grief -- and so we have
15 to help our employees make that transition, so we're
16 using some really great clinical psychologists training
17 staff from VHA to provide emotional intelligence and
18 counselor burnout training so that they -- empathy
19 training so that they can identify where they might be
20 going off track themselves and catch themselves and get
21 the help that they need so that it doesn't impact the
22 veteran in the process.

23 MS. LEWIS: Thank you, sir. That's important.
24 I think that you are on top of it. The other two
25 points that I would like to just put out there and see

1 if you have any thoughts about is especially for
2 veterans who are dealing with PTSD and TBI who are
3 needing help with maybe some sort of mind mapping. I
4 mean, have you guys considered that, as well as
5 dragging for the veterans? Is that something that can
6 be offered for veterans as well?

7 MR. STREITBERGER: Okay, absolutely. So I'll
8 take the last question first. If the veteran --
9 anything a veteran requires to be successful in their
10 program we are authorized to purchase under
11 readjustment benefits for the veteran. So money is not
12 an issue; funding is available for that in every case;
13 and we provide it when it's identified as needed.

14 The mind mapping, I think that's more in the
15 VHA space right now. We, in our business line, are not
16 involved in doing that. We do comprehensive vocational
17 assessments, which includes assessing of potential
18 clinical needs, so if there are significant disability
19 factors that are present due to PTSD or TBI or military
20 sexual trauma, we're very focused on identifying them;
21 we are not trained to deal with them, so we make those
22 hand-offs, those warm hand-offs to the appropriate
23 clinicians within the Veterans Health Administration
24 when we identify those.

25 MS. LEWIS: That's really good. So that's not

1 a barrier to services, is it?

2 MR. STREITBERGER: Nope, not at all. In fact,
3 we have a case status called extended evaluation. So
4 if a veteran comes into the program and we identify
5 that they're still dealing with certain medical,
6 emotional issues that would prevent them from being
7 successful, we'll put -- we'll make those referrals
8 like I just mentioned, put them in extended evaluation
9 and track them through their progress. And when it is
10 mutually agreed upon that the veteran is stabilized or
11 has the capability to cope with some of those issues
12 and be productive, then we'll put them in one of the
13 five tracks to employment.

14 MS. LEWIS: So the goal of this program is not
15 for veterans to lose their benefits, but is that along
16 the thought and along the lines of your thinking with
17 this program? Because I think that's a real concern
18 for veterans.

19 MR. STREITBERGER: Yes, so no veteran coming
20 into our program will lose their benefit, their
21 service-connected disability benefits by participating.
22 Now, there is one case where that is possible. If a
23 veteran has individualized unemployability, if you're
24 familiar with that, that's where a veteran has a
25 disability rating between, I think, 40 and 70 percent,

1 and at the current time they're determined to be
2 unemployable, unfeasible for employment and the VA has
3 granted them 100 percent disability based on
4 unemployability, if they come in our program with the
5 intent of becoming employable and they go to school and
6 they have their issues addressed and they become
7 feasible for employment, then after a year of following
8 them, their unemployability could be taken away, and
9 they would go back down to wherever they were, maybe 80
10 percent, 70, wherever they came in.

11 So, you know, that's a track where a veteran
12 is saying, I want to go to work, I can make a whole lot
13 more money with a degree and an advanced career field,
14 but I need the education and I need to deal with my
15 disability so that I can be competitive, that they
16 don't exacerbate my career in any way, shape, or form.
17 That's how that would work.

18 MS. LEWIS: Thank you for that clarification,
19 sir.

20 MR. STREITBERGER: You're welcome. Thank you.

21 MR. ZACCHEA: Mr. Streitberger, this is Mike
22 Zacchea. I'm a Committee member.

23 MR. STREITBERGER: Hi, Mike.

24 MR. ZACCHEA: Hi. So I want to thank you for,
25 you know, this -- your presentation and, you know,

1 really remarkable, the changes that you made. I see
2 that you were in the Hartford office. I am at the
3 University of Connecticut, so, you know, we've
4 certainly been on some of the same dirt.

5 MR. STREITBERGER: Yes.

6 MR. ZACCHEA: I just want to mention, so my
7 experience with -- and this will lead to a question --
8 but my experience with VR&E was really now at this
9 point 13 years ago, was nothing short of horrific. You
10 know, I was a combat-wounded Marine, spent two years in
11 the Polytrauma Center at Walter Reed, and I was
12 initially denied by Voc Rehab, anything. And they said
13 some very prejudicial comments, including, oh, you're
14 one of the bad guys. And the counselor was actually
15 fired for that.

16 Nonetheless, I got very little. I was able to
17 get my education paid for, but I got very little in the
18 way of support from Voc Rehab, including no computers
19 or Dragon-capture technology, no technology support,
20 nothing at all. And, unfortunately -- well, I run an
21 entrepreneurship program for veterans. Unfortunately,
22 that is the experience that I have seen our veterans
23 who come through our program have also said that they
24 get very little support and no technological support.

25 Now, if you unified or made the process

1 uniform across the country, that's very good since, you
2 know, it certainly was dependent on individual
3 counselors, but the feedback that I've gotten over the
4 last decade is very little in computers or Dragon-
5 capture technology or anything like that.

6 So that said, this is the question. Every
7 entrepreneur that I have run into, a veteran who wants
8 to be an entrepreneur, has said that they cannot get
9 support from Voc Rehab to start a business and that Voc
10 Rehab says that the only time that a veteran can start
11 a business is when they're unable to hold civilian
12 employment. And that is completely backwards.
13 Entrepreneurship should not be a last measure or a last
14 resort for getting back into the workforce.
15 Entrepreneurship should not be a failsafe if you can't
16 do anything else.

17 So I'd like to find out what is your policy
18 and what changes have you made, if any, to the way Voc
19 Rehab supports veterans who want to be entrepreneurs.

20 MR. STREITBERGER: Great question, Mike.
21 First of all, I want to thank you for your service and
22 apologize for the poor customer service you received
23 when you were in the program, and I think your example
24 points to everything that I've been tirelessly working
25 toward eliminating in our system across the nation.

1 Your terrible story here would be matched with an
2 amazing story in a different station, and that's what I
3 discovered, and that's what is more unfortunate in
4 terms of the experience that veterans such as yourself
5 have had and I am working to eliminate. So you have my
6 unyielding passion and dedication to ensuring that we
7 get that equity across the nation.

8 To your point on the self-employment program
9 and entrepreneurial veterans, and I had a separate
10 earlier call with Mr. Stubblefield and Mr. Kurtz about
11 what we're doing in the self-employment space, and
12 right now, the self-employment benefit is extremely
13 restrictive, as I mentioned earlier, and to get the
14 most benefit out of the program, you have to be
15 category one, which to your point, you must be
16 unemployable in a mainstream career in the private
17 sector to participate in category one.

18 And then category two, any veteran can
19 participate in but it's very -- there's no support
20 beyond helping to develop a business plan connecting
21 with SBA and so forth. So this is in law. And we are
22 prohibited from making any changes because the
23 construct of the benefit is in statute. So we are
24 looking at now how we propose to make those changes.
25 And, so, we are working on that. We are evaluating it.

1 I couldn't agree with you more. I watch
2 YouTube all the time. I see these young entrepreneurs
3 who are making millions of dollars using technology-
4 based platforms, and this is the wave of the future. I
5 told those gentlemen earlier that I believe -- and I've
6 told my leadership, too -- that in 2020, that any
7 veteran interested in opening a business should be
8 supported because of the means in which they can be
9 successful using technology and other innovations
10 around providing a product or a service and be
11 successful.

12 So we're working on it, Mike. It's not going
13 to be a quick fix, but it's identified, we agree with
14 you, and I'm, again, sorry you had that experience.

15 MR. ZACCHEA: Well, thank you. And, you know,
16 like yourself, I'm in this for the long haul, so if I
17 am able to work with you on any of these initiatives,
18 I'm certainly interested in making these program
19 changes to the law, I'm happy to be of assistance.

20 MR. STREITBERGER: Okay.

21 MR. ZACCHEA: Thank you.

22 MR. STREITBERGER: Great, sure.

23 MR. ZACCHEA: Thank you.

24 MR. STREITBERGER: Yeah, sure, and connect
25 with me. My email is William.Streitberger@va.gov, so

1 you see my name on the presentation, and it's
2 William.Streitberger@va.gov. Love to hear from you.
3 Please feel free to reach out.

4 Any other questions?

5 MR. KURTZ: Well, Will, this is Stan Kurtz,
6 and as we had discussed before, you know, I've worked
7 for many years with the VR&E program in Florida and in
8 Texas, and so just seeing you at the Student Veterans
9 of America conference and going through and watching
10 your presentation, I knew that I had to get it to the
11 Committee members, because the Committee members are
12 plugged into their community. They're very concerned
13 about veteran entrepreneurs, and so I wanted them to
14 know a little bit about the changes that are being made
15 to the VR&E program, which are some great changes. So
16 that's one of the reasons that I asked you to present
17 today, and I want to thank you for your presentation.

18 At this time, I'd like to turn it over to
19 maybe the Chair and see if she has any comments about
20 the presentation.

21 MS. PEREZ-WILHITE: I thought it was an
22 excellent presentation, just like the other ones this
23 morning.

24 Mr. Streitberger, are there any other ways to
25 contact you besides the email address? Is there

1 anywhere else we can go to contact you or your
2 department?

3 MR. STREITBERGER: So you can call us here
4 direct at (202) 461-9600. You can find me on LinkedIn.

5 MS. PEREZ-WILHITE: Yeah, I sent you an
6 invitation yesterday, yes. Thanks.

7 MR. STREITBERGER: Yep.

8 MS. PEREZ-WILHITE: That's all I have.

9 MR. STREITBERGER: All right. Thank you so
10 much.

11 MS. LEWIS: I just wanted to chime back in
12 real quick. There was a presentation that the American
13 Legion, Joe and Theresa are probably both on the line,
14 that we were involved with regarding this survey for
15 human-centered design and connecting veterans coming --
16 who are transitioning. I'm just wondering, are you or
17 your staff involved in that process, and is this
18 information that we can make sure that they receive as
19 well?

20 MR. STREITBERGER: So that is our Office of
21 Transition and Economic Development, or TED, and I
22 believe they are spearheading that survey.

23 MS. LEWIS: Right.

24 MR. STREITBERGER: So if there's --

25 MS. LEWIS: Is your connected with them?

1 MR. STREITBERGER: Oh, yes. Yeah, very much
2 so, because we have a lot in the transition space,
3 specifically with IDES, our Integrated Disability
4 Evaluation System, counselors, and then our VSOC
5 program, where transitioning service members can access
6 the benefit six months prior to discharge. So we're
7 very, very engaged with the Office of Transition and
8 Economic Development, especially in that educational
9 and vocational counseling space.

10 MS. LEWIS: Great. Thank you so much.

11 MR. STREITBERGER: You're welcome.

12 MR. KURTZ: So this is Stan Kurtz again. So,
13 Larry, I just wanted to see if you had any comments
14 regarding the presentation.

15 MR. STUBBLEFIELD: Yeah, Will, I forgot
16 yesterday that you were going to be here again today,
17 so again, thank you. Thank you very much for all the
18 great work you're doing. And here at SBA, our
19 partnership is very important. You know, we
20 appreciate, you know, your passion, and we look forward
21 to working with you, you know, on the self-employment
22 piece going forward.

23 And the last thing I'll just say, you're
24 another great example of veterans -- you know, veterans
25 helping veterans. So thank you very much.

1 MR. STREITBERGER: Thank you, Larry.
2 Appreciate you having me on, I really do.

3 MR. KURTZ: Well, this is Stan Kurtz. So,
4 Will, thanks again. I'll be in contact with you, and
5 have a great rest of the week.

6 MR. STREITBERGER: All right. You, too.
7 Thank you, everyone. Thank you for all your work that
8 you do on behalf of veterans. We appreciate it, and
9 we're glad to be a part of your partnership and
10 collaboration. Have a great holiday weekend. Stay
11 safe, everyone.

12 MS. LEWIS: Thank you, sir. You as well.

13 MR. STREITBERGER: Bye-bye.

14 MR. KURTZ: So at this time, as you know, this
15 is a public meeting, so at this time, I'd like to open
16 it up for a public comment period. And, so, the way
17 this will work, Taylor and Alana will be fielding some
18 of those questions and getting them out to the
19 Committee members, and the ones that we can't answer,
20 we'll go back and, you know, we'll take those comments
21 or questions and we'll go back and answer those at a
22 later date.

23 MS. STARKMAN: Sure. Thank you, Stan. This
24 is Taylor Starkman. At this time, as Stan mentioned,
25 if you have questions, please post them through the

1 live event Q&A section of Teams. There are some
2 already in the queue that have already been answered,
3 but I can read them for the record.

4 The first question came in this morning from
5 Paul Curtis. He was asking, Does the Scorecard reflect
6 VOSB participation? That was in response to Amy's
7 update about the procurement Scorecard. Amy responded
8 to him and noted that the Small Business Act does not
9 require VOSBs to be included in the Scorecard. The
10 VetsFirst contracting program within the Department of
11 Veterans Affairs was created under Public Law 109-461.
12 This contracting program was created for veteran-owned
13 small businesses and expanded to service-disabled
14 veteran contracting program for VA procurements.

15 We also received an update from the VA. They
16 commented that there are 1,815 VOSBS within VA prime
17 contracts. Of those, 1,682 are SDVOSBs, and that is
18 data as of July 31st, 2020.

19 We also received a question from Theresa Lewis
20 at the American Legion. She was asking who the WOSB
21 program director was, and we responded with Thomas
22 McGrath.

23 That concludes the questions we have. At this
24 time, none have come in yet. I'm just looking through
25 the chat to make sure.

1 Amy, I'm not seeing that question that you're
2 referring to in the chat.

3 MS. GARCIA: It was submitted through the
4 Veterans Business email box last week.

5 MS. LEWIS: I have a question from Joe Wynn.
6 Yes, can we ask the VR&E director how do they connect
7 eligible veterans with VA-approved vocational training
8 providers and how can schools get info to the veterans
9 they serve, for the record?

10 MS. STARKMAN: Thank you, Valerie. Amy is
11 going to pull up the question that was submitted to our
12 inbox, so if we could just give it one second.

13 While we have this break, I do want to let any
14 public attendees on the line know that once we break
15 for lunch, you will rejoin the meeting at 1:00 p.m.
16 through a separate link. Committee members, if you
17 could hold on the line after we end the live meeting
18 and I can give you instructions as well. So we'll just
19 give Amy a second to pull up the question.

20 MS. GARCIA: I've got that up. Just one
21 second while I maneuver my screens here.

22 MS. STARKMAN: Thanks, Amy.

23 MS. GARCIA: So we received a comment from the
24 National Association of State Agencies for Surplus
25 Property. Here's the statement: On behalf of the 50

1 state and 6 territory officials who implement the 73-
2 year-old federal surplus property program statues
3 contained in Title 40 of the U.S. Code and provide
4 access to federal surplus property for over 67,000
5 nonprofit, 8(a) companies, educational, local
6 government, and others in the donation program, we look
7 forward to working with the SBA to implement later this
8 year the Public Law 115-416 providing for veterans who
9 own small businesses access to federal surplus
10 property.

11 The NASASP successfully supported
12 introduction, passage, and signature into law of Public
13 Law 113-26 in 2013, opening up access to veteran
14 service organizations, and this recent effort is a
15 continuation of our state directors' interests in
16 serving veterans. We work with the GSA, SBA, within
17 the 8(a) programs, and the VA in cooperation of this
18 donation program process. As the final rule and
19 procedure for veteran small business owners is made
20 public, all of our state and territory officials look
21 forward to working with the Office of Veterans Business
22 Development in what we believe will usher in a very
23 successful program for 2.5 million veterans, their
24 families, employees, and customers, benefitting their
25 business, community, and our country.

1 That was provided by the Director of
2 Government Relations at NASASP. I'll go ahead and post
3 this to the information in the chat. Thank you.

4 MS. STARKMAN: Thank you, Amy. While you were
5 reading that comment, we received a question from
6 Theresa Lewis with the American Legion. She asked can
7 SBA explain why some agencies got an A on their
8 Scorecard but did not achieve all of their goals.

9 I think we can take that for action after
10 this, assuming, unless anyone wants to answer live.

11 MS. GARCIA: This is Amy Garcia. I can't
12 speak to a specific agency, but the methodology is
13 available online, and we can certainly follow up if you
14 have a question about a specific agency, and I'll post
15 the link to the methodology here shortly.

16 MS. STARKMAN: Thank you, Amy.

17 As of now, we do not have any additional
18 questions in the live event Q&A feature. Do we want to
19 give it a few more seconds, or do we want to wrap
20 public comments?

21 MR. KURTZ: This is Stan Kurtz. So I'd like
22 to turn it over to the Chair. Do you want to keep it
23 open for a few more minutes, or do you want to close
24 the public comment period?

25 MS. PEREZ-WILHITE: If we leave it open

1 another minute, just in case anyone's having a hard
2 time getting through.

3 MS. STARKMAN: That works. I will publish in
4 the live event Q&A feature the link for the afternoon
5 meeting, which should be used only by public attendees.
6 Committee members, we will send you just a reminder for
7 the link to use starting at 1:00 p.m. after lunch. If
8 you have issues with the Teams link, you will also be
9 provided with a separate dial-in, which is different
10 from the one that you used this morning. Apologies for
11 that. Teams only lets you go live for four hours
12 straight, so please stay tuned in your inbox for a
13 separate link.

14 MR. KURTZ: This is Stan Kurtz again. So
15 while we're waiting to see if there's any additional
16 public comments, so this afternoon, you know, as Taylor
17 said, she's going to send the link out, so this
18 afternoon we'll start off at 1:00, or 1300, and we'll
19 have a discussion on the 8(a) Business Development
20 Program, and that will be a Committee discussion.

21 Following that, we'll have a presentation by
22 GSA. And then we'll have a presentation with the SBA
23 Paycheck Protection Program and EIDL Loan Program, and
24 basically lessons learned and some information
25 regarding those programs. And that will round out --

1 that will round out today's briefs.

2 And so I'll go back to Taylor. Has there been
3 any more comments?

4 MS. STARKMAN: Nope, no more questions.

5 MS. GARCIA: And, Stan, it's Amy again. I did
6 check the VeteransBusiness@sba email box, and I haven't
7 seen any others for today's meeting.

8 MR. KURTZ: Great. Thank you for checking on
9 that.

10 So before we break for lunch, I just wanted to
11 turn it back over to the Chair to see if you had any
12 other information for the Committee.

13 MS. PEREZ-WILHITE: Yes. First of all, we
14 will be sending out an email shortly with Fred
15 Parrish's e-book and also his contact information. We
16 already had some Board members asking about that.

17 I would also like to commend everyone this
18 morning -- our presenters, OVBD, the Board members, and
19 even those that have sent in their questions. I'm very
20 impressed with the dialogue and the spirit of all the
21 discussions today. Everyone's very passionate about
22 our veteran business concerns, and it definitely shows.
23 And thank you so much for doing such a great job
24 already this morning. That's all I have.

25 MR. KURTZ: All right, thank you. At this

1 time, we'll go to lunch. We'll be back at 1300 or
2 1:00, and enjoy your lunch.

3 (Lunch recess from 12:03 to 1:02 p.m.)

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1 AFTERNOON SESSION

2 (1:02 p.m.)

3 MR. KURTZ: All right, so we are starting the
4 meeting, and the first thing I want to do is to take
5 roll call for the record, and then I'll turn it over to
6 the Chair.

7 So Jim O'Farrell?

8 MR. O'FARRELL: Jim O'Farrell is here, AMSG.

9 MR. KURTZ: Joe Sharpe, American Legion?

10 Okay, Fran Perez-Wilhite.

11 MS. PEREZ-WILHITE: Present.

12 MR. KURTZ: Lynn Lowder.

13 MR. LOWDER: Present.

14 MR. KURTZ: Mike Phipps.

15 Valerie Lewis.

16 MS. PEREZ-WILHITE: Mike Phipps is --

17 MR. KURTZ: Eli Crane.

18 I'm sorry?

19 MS. PEREZ-WILHITE: Mike Phipps just joined, I
20 believe.

21 MR. KURTZ: Mike Phipps?

22 Valerie Lewis?

23 Eli Crane?

24 Sean Gwinner?

25 Evan Hafer.

1 Kandis Porter.

2 MS. PORTER: Present.

3 MR. KURTZ: Mike Zacchea.

4 MR. ZACCHEA: I'm on.

5 MR. KURTZ: Thanks, Mike.

6 Okay, so we're missing a few members, so --

7 MR. PHIPPS: Stan, Mike Phipps is here as
8 well.

9 MR. KURTZ: I got Mike. Thank you.

10 MS. STARKMAN: Stan, this is Taylor. We
11 received a comment from Theresa Lewis announcing that
12 American Legion is on. I can clarify if that includes
13 Joe Sharpe.

14 MR. KURTZ: Okay, thank you.

15 So, Fran, we're missing a few people. Do you
16 want to go forward, or do you want to give them a few
17 minutes?

18 MS. PEREZ-WILHITE: We'll give another minute.

19 MR. KURTZ: Okay.

20 MS. PEREZ-WILHITE: Thank you.

21 MR. STUBBLEFIELD: Yeah, they're probably
22 trying to get through security.

23 MR. KURTZ: Yeah.

24 MS. PEREZ-WILHITE: May I just say, in honor
25 of SBA Headquarters, I ordered lunch from Potbelly's,

1 so I was there in spirit with everybody.

2 MR. KURTZ: Okay, was Valerie Lewis able to
3 join us?

4 Eli Crane?

5 Sean Gwinner?

6 Evan Hafer?

7 So, Fran, we are missing four people. I don't
8 know if you want to continue to wait or just move
9 forward.

10 MS. PEREZ-WILHITE: I think we can go ahead
11 and go forward. I'm sure we'll have some more people
12 join us. They might just be having difficulties.
13 Thanks.

14 MR. KURTZ: Okay, will do. All right, so for
15 just this afternoon session, we'll start off with a
16 discussion within the Committee members for the 8(a)
17 Business Development Program, and so I'll turn it over
18 to Larry Stubblefield.

19 MR. STUBBLEFIELD: Okay, thanks. Thanks,
20 Stan. I was hoping that Joe -- Joe Sharpe -- would be
21 on. Hopefully, he'll join us. But, you know, in light
22 of COVID-19 -- excuse me?

23 MS. STARKMAN: It looks like Joe is on now.
24 Sorry for the interruption.

25 MR. STUBBLEFIELD: Okay, great, great. Okay,

1 in light of COVID-19, our Administrator asked us to,
2 you know, go out and take, you know, test polls, if you
3 will in what was going on in the veteran small business
4 community. And one of the things she asked us to look
5 at was, you know, what policy or legislative changes
6 that could be made that would help the veteran small
7 business community.

8 So as all of you know, we conducted listening
9 sessions, you know, with our VBOCs, with our
10 entrepreneurial grantees -- for our entrepreneur
11 training grantees, and we also had a listening session
12 with all of you. And one of the topics -- and this is
13 a recurring topic, if you will -- that has come back
14 up, and it was presented in front of the Committee
15 prior to my time, in 2017, and this was the question of
16 service-disabled veteran-owned small businesses being
17 able to participate in the 8(a) program.

18 So my understanding is this has been a topic
19 for years, and it's kind of a -- the veteran small
20 business community is split on whether or not we should
21 push forward with trying to get that eligibility in the
22 program. So I just wanted to open it up for
23 discussion. We may -- we may need more time to think
24 about it, but for those of you who were here in 2017 --
25 I know Jim was here, Mike was here -- you know, if you

1 have any thoughts on, you know, service-disabled
2 veteran-owned small businesses being eligible to
3 participate in the 8(a) program, the pros and cons of
4 it, and we're looking to take this back to our
5 Administrator.

6 UNIDENTIFIED MALE: I just wanted to open...

7 MR. PHIPPS: So this is Mike Phipps. This is
8 something that I've actually written a little bit
9 about, done a lot of research into that was part --
10 it's been part of the Committee agenda for some -- Ed
11 was on the Committee, and I think from a big-picture
12 standpoint the whole point of having a separate
13 program, a separate business development program that
14 were similar to 8(a) was based upon just a lot of
15 feedback because it was a -- it's an earned benefit,
16 right, and there was a lot of sentiment that veterans
17 wanted to be -- have their own separate program.

18 That being said, yeah, I don't think it was
19 ever thought about in the context that you're putting
20 it, Larry, where there might be some language opened up
21 specifically to service-disabled veteran-owned
22 businesses being admitted into the program. So that is
23 a little bit of a different take, but it would be
24 excellent to explore.

25 I do know -- one of the things that I've been

1 doing some research but I have not been able to really
2 figure out is the conversation, Larry, we had about
3 service-disabled veterans being part of a protected
4 class that was assigned by the Department of Treasury.
5 And there was -- you had mentioned over the past year
6 that you had -- I think you had gone to Treasury and
7 had this conversation, but I have not found any
8 legislation or any law or any kind of documentation
9 that talked about how that process works, which would
10 also -- which might apply to any scenario where --
11 where a veteran business development program is
12 developed similar to the 8(a) program.

13 And, so, you know, I'd really like to
14 understand more about what that process looks like and
15 what are the legalities involved in that process.

16 MR. STUBBLEFIELD: Okay. You know, we can
17 take that on, you know, for a future discussion, but,
18 remember, we did have Treasury come over, and the issue
19 was getting veterans classified in what they call other
20 targeted populations, which had a whole series of --

21 MR. PHIPPS: That is correct.

22 MR. STUBBLEFIELD: -- yeah, other targeted
23 populations, which had a whole series of, you know,
24 benefits and so forth, and Treasury has pushed back
25 really hard. I mean, we've sent, you know, our top SBA

1 leadership over in our Office of Capital Access to sit
2 down with their leadership, and I'm quoting Treasury
3 now, and they say to get veterans classified as other
4 targeted populations, it's a steep climb. They view
5 veterans as subsets in various other populations, for
6 example, if we were talking about other targeted
7 populations, a category being people with disabilities,
8 well, that's where service-disabled, you know, veterans
9 would fall into that realm, if you will.

10 But in this discussion about 8(a), the issue
11 is -- the question is does veterans fall into a
12 socially disadvantaged category due to their military
13 service. And, so, when you talk about socially
14 disadvantaged, you know, the law defines it as, you
15 know, racial, ethnic, prejudiced, or cultural bias.
16 And the argument, I think, that was presented in 2017
17 was that, you know, service members, you know, go
18 through the TAP program, but at that time it wasn't
19 mandatory, so, you know, you could go through or not go
20 through. The service members are living outside, you
21 know, the mainstream, so when they come back to the
22 community, they're, you know, a leg behind, if you
23 will.

24 And then in terms of starting a business, you
25 know, we've talked before about, you know, access to

1 capital and things of that nature. So that, along with
2 the fact that at the time I think in 2017 the
3 discussion also centered on the fact that veterans
4 weren't, you know, making the same -- weren't on the
5 same salary levels as their counterparts after they got
6 out of -- you know, out of the service.

7 So that's the argument for, and then the
8 argument against is will we put veteran business owners
9 in a negative light, having them compete against, you
10 know, folks who are currently in the socially
11 disadvantaged categories. And would it be better --
12 would it be better to push for something like the VA's,
13 you know, VetsFirst, and push for that across all
14 agencies. So I'll stop right there.

15 MR. ZACCHEA: This is Mike Zacchea, and, you
16 know, I agree with Mike Phipps. And, Larry, based on
17 what you have said the pushback from Treasury
18 Department is, it seems to me like that's exactly the
19 problem because those programs don't necessarily
20 capture all the veterans, and, you know, basically what
21 it's doing is leaving some veterans behind, and I think
22 that's where the problem is.

23 MR. STUBBLEFIELD: So, I guess I'm asking --
24 oh, I'm sorry, go ahead.

25 MR. PHIPPS: This is Mike Phipps again.

1 MR. LOWDER: This is Lynn Lowder.

2 MR. PHIPPS: Go ahead, Lynn.

3 MR. LOWDER: Go ahead. No, no, go ahead,
4 brother. I'll follow.

5 MR. PHIPPS: So this is Mike Phipps. I mean,
6 right now, just taking each individual program on its
7 own, in order for a veteran to apply to the 8(a)
8 program, they have to have a completely separate
9 writeup that's not part of the main application. They
10 have to basically prove a preponderance -- with a
11 preponderance of evidence how they were -- you know,
12 how they've had discrimination against them, and that's
13 part of the 8(a) application.

14 So, Larry, I guess what I'm -- the question is
15 are you looking at getting something like that removed
16 and just having service-disabled veterans be part of
17 the identified groups within the 8(a) program, and then
18 the second part to that question is to take something
19 like the VetsFirst program and apply it to, you know,
20 across the whole Federal Government, is that something
21 -- has SBA dug down into -- is that feasible? You
22 know, is there some sort of, like, path forward for
23 pursuing that as well?

24 MR. STUBBLEFIELD: Well, to answer your first
25 question, the preponderance of the evidence that's in

1 place right now, and so that's on an individual basis,
2 so wasn't -- the question is, you know, yes, that's in
3 place, but do we want to put something in place, would
4 it be beneficial to have something in place that would
5 characterize, you know, veterans as a group that would
6 be considered, you know, socially disadvantaged because
7 of their military service.

8 And then in terms of going forward, you know,
9 we're kind of stuck where we are right now, and that's
10 why I'm bringing it up now, because there's not --
11 there's not an agreement in the veteran business
12 community as to, you know, what path we should take.

13 MS. LEWIS: Or who should be included.

14 MR. STUBBLEFIELD: Or who should be included.

15 MS. LEWIS: You know -- this is Valerie. I
16 have an issue, and I've already addressed my concerns
17 about this issue, and I had a discussion with Joe Wynn
18 prior to -- on the break. And, you know, we talked
19 about how, you know, we had a presentation this morning
20 from the women-owned small business group, and we're
21 looking at, you know, at least two years, you know, for
22 that program, and they are much farther -- they're way
23 more advanced in their women-owned small business
24 program than -- and we've had our legislation longer
25 than them.

1 I think the discussion, you know, about the
2 8(a) program is really, you know, a moot issue until we
3 can get the veteran business development program off
4 the ground. I mean, me, for one, personally, I do not
5 support giving contracts to people who already have
6 access. You know, we know that there's data out there
7 that the majority of veterans who own businesses are
8 large businesses, you know, for lack of a better
9 terminology, and I don't want to seem prejudicious when
10 I make this next statement, but it's just how it is.

11 And most people know me, I'm just going to say
12 what the truth is, is that there's a "good ole boy"
13 system that white veterans have access to capital, they
14 have access to networks, they have friends who are
15 business owners, and they get more opportunities for
16 subcontracting than black veterans do. So if we're
17 talking about who should be in, you know, the 8(a)
18 program, I mean, why is that even an issue for us
19 because as a black veteran, as what Joe Wynn had said,
20 and I totally concur with, we already have access to
21 that. What we need to be discussing is how do we
22 create opportunities for veteran business development
23 within the SBA.

24 MR. STUBBLEFIELD: Well, I'll say this,
25 Valerie, you lay it out -- when I said the pros and the

1 cons, you know, up front, you lay it out, the argument
2 against, you know, trying to change the law, if you
3 will, to allow, you know, veterans to enter the 8(a)
4 program. The only reason why I'm bringing it up is
5 because during the listening sessions, you know, this
6 has come up again, and we were just trying to get a
7 feel for how the Committee feels about this, as we
8 speak with our Administrator.

9 MS. LEWIS: Yeah, I think that the SBA can do
10 a lot more, especially since Mr. Streitberger came in
11 and turned around a 30-plus-year program in less than a
12 year and brought it into the 21st Century. He set the
13 bar for how things should be done in the Federal
14 Government. And then we have a second example with the
15 women-owned small business program. I mean, those
16 things were just thrust in our face, and here we are
17 still discussing how, you know, how do we move the
18 veteran program forward, what can we do for veterans.

19 Well, it's clear. I mean, we don't have that
20 much success with 8(a) people after they get out of the
21 8(a). Why would we lose our eligibility going into an
22 8(a) program? I mean, we don't have to do that. We
23 could create something that's of par, you know, that's
24 on par with these programs. And Mr. Streitberger
25 showed us exactly the format: metrics and goals.

1 MR. STUBBLEFIELD: Yeah, no, I appreciate what
2 you're saying, and, you know, this is part of the
3 reason why we have this Committee. You know, this
4 could be something that we could address, like, you
5 know, your ideals or thoughts or the Committee's
6 thoughts on what we should be doing for veteran
7 business development. It could be part of our annual
8 report, which would, you know, kind of kickstart
9 things, if you will. Yeah, so, no, I hear you 100
10 percent.

11 MR. LOWDER: Larry, Lynn Lowder here. Let me
12 just come back to your original comment about what
13 we're trying to do. And in terms of 8(a) and all the
14 rest of that, I've had quite a bit of dealings with
15 that in the past, and the federal bureaucracy sometimes
16 you have to cut through. It's difficult to get
17 momentum. It's difficult to get people to -- in some
18 cases -- not talking about the SBA here, but certain
19 organizations to reach across the aisles and talk one
20 to the other.

21 Now, I can tell you what we're doing at the
22 Veteran Business Project. We've been successful
23 getting veterans loans through the CDFI program, plain
24 and simple. And the CDFI program has been lending to
25 veterans for 40 years. They just don't categorize them

1 that way. They sort of put them in their other
2 targeted population. And what we're bringing to their
3 attention is they've been dealing with veterans for a
4 long time, and successfully.

5 So we have Veteran LLC out there, 11, maybe 12
6 CDFIs now that Gary Lindner put together, by the way.
7 And they cover 60 percent of America. So when a
8 veteran is in a position to look to buy a business, we
9 hook them up with a CDFI, and we get great results.

10 So I don't know what the Treasury is thinking
11 they're doing up on top, but they need to look at their
12 bootlaces every now and again and find out what's
13 actually happening down there. And veterans have a
14 strong case, in my opinion. It might not fit their
15 template right now, but anybody that's been down range,
16 in combat, and comes back to America -- I know you know
17 this, Larry, I'm just saying this thing, so forgive me,
18 I know you get it completely. I would be saying the
19 same to these people. I'm looking for chances to do
20 that, the senior leadership at Treasury. You go down
21 range and you dock and you shoot and get shot at, come
22 back and find out how that works in terms of being
23 socially disadvantaged, if you will.

24 And the thing about it is our club, our group,
25 we have got gender diversity, racial diversity. We

1 have diversity on top of diversity. And every one of
2 those socially disadvantaged people are in our club,
3 and they have been. They're in our tribe, and they
4 have been for years. So we have a commonality of
5 service and sacrifice, and I don't know what could be a
6 more persuasive argument to Treasury to just
7 acknowledge what they've been doing for 40 daggone
8 years and help these veterans out.

9 And we go there, Larry, because it's
10 realizable capital. It's 250 and we can get it. We
11 can get it, and we do. So whatever they're saying
12 they're saying, that's right, we're just continuing to
13 get the job done. So that's my point of view, and I
14 know things are -- I know the momentum over there on
15 Capitol Hill, it's difficult at best to get things
16 moved through as expeditiously as one might want, but
17 we do report to Congress and we do report to the White
18 House. I don't know if those people in both those
19 places listen all the time, but we've got a story, and
20 I'm proud of our people. I know you are, too. I think
21 we've got a case.

22 So at any rate, long story short, that's what
23 we're doing. We work with the CDFIs a lot, and we get
24 results. The whole idea here is to get veterans in
25 business, whether they want to go gunning for the

1 Federal Government or gunning for the open marketplace.
2 We want to give them a shot to get in there and move
3 their business forward, and CDFI helps us do that. So
4 once we started getting in mesh with CDFI, Larry, we
5 stopped looking. That's where we go.

6 MR. ZACCHEA: Larry? This is Mike Zacchea. I
7 just want to remind everybody, this goes back to when I
8 sat in the chair a couple years ago now. In November
9 2018, the New York Fed published a study showing that
10 veterans had less access to capital than other minority
11 business entities and had suffered from a lack of
12 access to capital that other minority business entities
13 had for, you know, the greater part of this century.

14 You know, I would like to -- and I understand
15 that there's been significant personnel coming over
16 since then and we have quite a few new people, but I
17 can send a copy of that report. But for me, that
18 report with empirical data from the New York Fed that
19 showed that veterans as a class of people are
20 disadvantaged when it comes to starting businesses, and
21 I think that's a real starting point in terms of
22 empirical data.

23 MR. STUBBLEFIELD: You know, thanks for
24 bringing that up, Mike, and what I'm going to take the
25 takeaway in terms of access to capital, we'll put an

1 update on for our next Committee meeting because I can
2 tell you that I was in a session with our Chief of
3 Staff, and he was talking about the record number of
4 loans that we're making on the micro lending side of
5 the house to veterans. The numbers are really up, so
6 we need to dig in a little bit more and see where we
7 are with the other categories.

8 We've been just a little bit, you know,
9 lagging somewhat because of, you know, our total
10 involvement in the PPP and the economic injury disaster
11 loan program right now, trying to get those out. But
12 we're seeing a turnaround, at least in the micro
13 lending side of the house, and as I think all of you
14 know, most small businesses, they don't need, like, \$5
15 million, you know, for what you can get in the 7(a)
16 program. They generally need, you know, \$50,000 or
17 less.

18 MS. LEWIS: I think that's a good place --

19 MR. LOWDER: Go ahead, Val, please.

20 MS. LEWIS: I'm sorry, Lynn. So I was just
21 going to say that I think that's a good place for us to
22 revisit the direct lending. You know, just because it
23 didn't work in the past, it's not a good reason not to
24 try it again because technology has changed, you know,
25 turnover. I mean, you never know what the cause was,

1 but we have better -- you know, we have better
2 technology, better ways of doing things now than we did
3 in the past. So, you know, I would -- I would suggest
4 that we go back to SBA becoming a direct lender.

5 MS. PEREZ-WILHITE: Maybe we can tie it into
6 the post-COVID world somehow.

7 MR. STUBBLEFIELD: Well, you know, the
8 question about SBA becoming a direct lender, that would
9 take -- that would take some discussion, I would
10 imagine, because, you know, we're not, as you know,
11 we're tied to the lending community and this structure
12 is in place, but, again, you know, if this is something
13 that, you know, we think we can make an argument for,
14 you know, as it was mentioned earlier in terms of our
15 annual report, you know, it goes to the White House, it
16 goes to, you know, both sides of Congress, to the
17 Administrator, and others, so, you know, this would be
18 a starting point.

19 MR. LOWDER: Larry, if I could just jump in.
20 I forget what meeting it was, but we had some people
21 over from the Bureau -- from the SBA, rather, and the
22 topic came up, maybe we could look at the micro lending
23 program. There were a couple guys there. We were
24 having a healthy discussion, as I remember. And we
25 talked about could they extend the caps, the loan caps,

1 the lending caps, for the micro lending program.

2 Now, 250K, the CDFI gets us into a lot of
3 opportunities, and it's not for everybody. I think
4 some of these businesses go higher, but to get a lock.
5 We were in the 100 to 150K range, you have something
6 with that micro lending program. And here's the angle
7 that I just look at -- I looked at right now. When you
8 look at the status of the country overall now, we've --
9 I don't know how many trillion of dollars we're in
10 debt, but in these major programs, we toss around
11 billions, millions of dollars, and we -- and here we
12 are talking about 50 to 100K, let's say --

13 MS. LEWIS: Right.

14 MR. LOWDER: -- let's go 150 on the micro
15 lending program, and that is budget dust in Washington,
16 DC. Absolute budget dust.

17 MS. LEWIS: Yep.

18 MR. LOWDER: But these people that go out on
19 the line, we're all veterans here, everybody -- these
20 people go out in the line, they roll the dice for a lot
21 less money than that, don't they, with a lot more
22 heavier consequences? So when people -- when I went
23 into that kind of thinking, I knocked on doors on
24 Capitol Hill, and we start putting veterans under a
25 microscope, you know, well, I don't know, maybe we

1 could go to 150, maybe not. And I'm saying to myself,
2 who in the heck am I talking to? And who are these
3 people anyway?

4 MS. LEWIS: Right.

5 MR. LOWDER: That isn't a big stretch to get
6 that figure. In my mind, it's protocol, it's whatever
7 it is. It's politics is what it is. It's politics,
8 plain and simple. And it frustrates the heck out of
9 me. We've got to give veterans hope, and the main
10 thing that they cannot get in business for is lack of
11 capital, plain and simple. It's that and that alone.

12 And, you know, I'm willing to talk to anybody
13 anytime anywhere about that, but, you know, we've
14 crossed -- we get in with these discussions, and this
15 isn't here necessarily at all, but as a general
16 proposition, we talk about these things, and I can't
17 think of a better group of people to go out and talk
18 about this for, increasing the limits on micro lending,
19 I'll say, let's shoot for the moon. You know, shoot
20 for the stars, you may land on the moon.

21 MS. LEWIS: Right.

22 MR. LOWDER: Shoot for 150K. Why not? Why
23 not? Well, it's too much money. Really? In light of
24 what we have done, throwing around money, left, right,
25 and center? We can't make room for veterans? Or else

1 there is no country to throw money around in. And I
2 believe it with all my heart. I know I'm preaching to
3 the choir here. I just wish we could get to the right
4 people and let them know how we feel and keep on top of
5 their hind ends, keep on top of them, stay on top of
6 them. That's where I'm at. I see it as the only
7 reason to be here, honestly. If we can't solve this
8 access to capital, the rest is -- I don't know what I'm
9 talking about then. This is what -- this is where it's
10 at for me.

11 MR. STUBBLEFIELD: All right, Lynn, well, I
12 appreciate that, and --

13 THE REPORTER: Larry? This is Jen.

14 MR. STUBBLEFIELD: Yes.

15 THE REPORTER: I would just like to remind
16 everyone please state your name, just so I can make
17 sure I get a clean transcript. Okay?

18 MR. STUBBLEFIELD: All right, will do. Thank
19 you for that, Jen.

20 Well, let me just say, in the interest of
21 time, because I know we have GSA coming on next, and
22 then we have the Paycheck Protection Program and the
23 economic injury disaster loan update, I will -- I'll
24 stop right here. We'll take that back about the
25 lending piece for the next Committee meeting. And as

1 far as the 8(a) Business Development Program
2 discussion, we'll chair that for now.

3 So I'll turn it back over to you, Stan.

4 MS. STARKMAN: Stan, you'll need to unmute.

5 MR. KURTZ: Thank you. So a great discussion.

6 Next on the docket is the General Services
7 Administration, SAM.BETA.gov changes and the updates.
8 So earlier, the Committee had put together some
9 questions that we forwarded over to GSA, and so now
10 they're going to do their presentation and answer some
11 of those questions that the Committee had earlier.

12 So this afternoon, Ms. Salomeh Ghorbani is --
13 and I'm not sure if that's the way to pronounce her
14 name, and she'll correct me, will be dialing in, and
15 then we'll be running the slide show. She is the
16 Program Manager of Integrated Award Environment and
17 Federal Acquisition Service.

18 So if you're on board, please take the
19 presentation.

20 MS. GHORBANI: I am here to give -- can you
21 hear me?

22 MR. KURTZ: Yes. Can you state your name for
23 the record, please?

24 MS. GHORBANI: Sure. My name is Salomeh
25 Ghorbani, and shall I just go ahead and get started?

1 MR. KURTZ: Yeah.

2 MS. GHORBANI: The technology gods were not
3 with me today, so we're kind of flying blind here. On
4 the agenda, what I'd like to discuss is give a brief
5 overview of who we are and what it is that we do
6 because you may not know the integrated award
7 environment, but I guarantee you know what we do. So
8 we will go over some high-level descriptions about the
9 modernization and give you some pointers about things
10 that are coming up shortly.

11 I do want to point out, it was my intention to
12 do kind of a live demo and a walkthrough. That is not
13 going to be possible today; however, the slide deck
14 that I provided has a bunch of extra slides at the end,
15 after what we're going to talk about today, and you can
16 use those. You can download those and use those as
17 reference to the items that we are going to discuss.

18 So without any further ado, if we could please
19 go to Slide 4. And the integrated award environment
20 was stood up as part of an e-gov initiative under the
21 second President Bush, and we are responsible and
22 tasked with managing the data for government
23 acquisitions from cradle to grave. We do -- you know,
24 we post the opportunities on what used to be FBO.gov.
25 You register to do business with the Government in

1 SAM.gov. If you're subcontracting or working as a
2 subcontractor, the primary usually is the SRS. If
3 you're looking for wage determinations, we used to have
4 WDOL and so on.

5 And the intent behind providing all this data
6 and the transparency is to give people the tools they
7 need, you know, to slice and dice and run reports and
8 do the analytics to make really good business
9 decisions. Next slide, please.

10 So just to give you an idea of the scope that
11 we deal with, we average well over a million pages a
12 month. SAM alone, the legacy SAM.gov that is in use
13 today, that has over 600,000 entities registered and
14 over a million and a half users. Some of the other
15 systems are equal -- equally large, such as the
16 contractor opportunities, which was shut down last
17 November.

18 And, again, so we are bringing over these
19 systems one at a time because we want to minimize the
20 risk to everybody's business by making sure that we
21 bring it over one at a time and things are stable and
22 good, and then we go ahead and move on to the next one.
23 And we are currently -- we have available for searching
24 over a trillion dollars' worth of spend, so it's a
25 whole lot of data.

1 So as most of you are well aware, we've been
2 under a modernization effort for several years, and on
3 Slide 7, you will see that the systems that are in the
4 green area are systems that we have successfully
5 retired. So the CFDA and WDOL and FBO have been
6 retired, and their data set, which we refer to as
7 domains, are now authoritative in BETA.SAM.gov. For
8 all the other data sets, you still want to use the
9 legacy sites, such as FPDS.gov or just regular SAM.gov
10 to conduct your business, although that information is
11 currently available in BETA.SAM.gov.

12 But the intent here is to bring all of this
13 information and normalize it across all these different
14 data sets to allow users better opportunity to really
15 get some great information and follow a contract and
16 follow the awards and the mods and really be able to
17 track for business knowledge. And next -- coming up
18 next, the FPDS reports is going to be turned off in
19 FPDS.gov. There is currently a capability we'll be
20 talking about in a few minutes on BETA.SAM.gov. The
21 date for that shutdown of the reporting tool in FPDS is
22 October 17th, which is about six weeks out.

23 But a really important distinction to make is
24 that for contract data information, whether it's an
25 agency inputting data or you doing a search and

1 searching for contract information, you will continue
2 to do that in FPDS.gov. The only part that is moving
3 over to BETA.sam is the reporting capability.

4 The next slide, Slide 8, addresses a point
5 where we've seen a lot of confusion, because we already
6 have a SAM.gov and now we have a BETA.SAM.gov, and,
7 wait, you say beta is authoritative, how can that be?
8 Beta usually means test, right? And there's a lot of
9 confusion. What we are doing is in FY21, we will be
10 integrating the regular SAM.gov with what is
11 BETA.SAM.gov right now. We're going to marry the two
12 together. Once that has happened, the beta is going to
13 go away, and everything will just be SAM.gov.

14 So BETA.SAM.gov, that name will go away, but
15 everything that it does will be incorporated as part of
16 SAM.gov. So that will include the contract
17 opportunities and wage determinations and then the
18 assistance listing data. Once the beta is retired and
19 everything is just SAM, I'm hoping a lot of that
20 confusion kind of naturally goes away.

21 So on the contract opportunity side, from
22 legacy (inaudible) FBO.gov on Slide 10, we do have what
23 we call the Help Drawer at the top. It's this area in
24 dark blue, but just so you know, the two links, we have
25 actually found that there was a defect in them. So if

1 you were looking for small business events, we
2 recommend that in the keyword box on the left side just
3 below the blue area you type in the word "small
4 business events," and it will pull up all of the
5 industry days and events and things like that that are
6 coming up that you need to be made aware of. But this
7 is the current look and feel for the search results
8 page. This is the main contract opportunities area.
9 And we currently have over 100-and-I-think-15,000 open
10 notices right now.

11 What you can't see and what I was hoping to
12 show is going to be on the left rail. We have a lot of
13 filters, and we really recommend you using the filters
14 and then key words to narrow down your searches. If
15 there is a filter that you need that you don't see,
16 right underneath, and it's kind of blurry on this
17 slide, or maybe it's just I need new glasses, but
18 there's a little thing that says "change filters,"
19 right under the blue box area on the left.

20 When you click that "change filters" box, it
21 gives you a whole laundry list of filters that you can
22 choose to run your query against. And, so, if you're
23 looking for something that is in, let's say, a specific
24 state instead of by zip code, you can do that. You can
25 do a lot of different types of searches based on what

1 your needs are. And that really helps to reduce the
2 amount of return data to make your jobs a little easier
3 trying to look and see what a good-fitting opportunity
4 is.

5 In terms of that modernization that took place
6 almost a year ago, it was last November, on Slide 11,
7 just some background information. We have over 100,000
8 users daily, and we brought over 5.6 million data
9 elements. That's why this took so long. And we're
10 happy to be able to report that we have no data errors
11 with this transition. You know, we know that there
12 were some hiccups coming out of the gate in terms of
13 performance, but the actual data and the functionality
14 of the system has been pretty spot on. And we have got
15 some -- I think over almost a quarter-million users
16 that are registered now in BETA.SAM.gov.

17 On the contract data report side, so this is
18 the one that I mentioned earlier, and if we go to Slide
19 13, the contract data report, there are the reports
20 that a user currently runs in FPDS. It's all public
21 data. That tool is being retired, and we have a new
22 tool, which is accessible through what we call an area
23 -- an area that we call the data bank. And I have some
24 links to show you how to get there.

25 So for contract data reporting, you used to

1 only be able to run reports against five years' worth
2 of data. Now, you can run reports over 12 years of
3 data span. And where the reports used to only be
4 30,000 rows or less, you can now get back returns of
5 over 150,000 rows. So it's a lot more information
6 that's available. It's a lot more robust for you now.

7 Knowing that the reports are often too large
8 to share internally, especially with the limitations we
9 get placed on our emails, we have created the ability
10 for you to share your report parameters with another
11 reports user. So if I wanted to send my friend,
12 Charles, a report that I generated, I could just share
13 the report structure with him, and then he could accept
14 that from me and then run it himself. Or he could even
15 go in and make some adjustments to it that interest him
16 more, and then he can run it himself. And we think
17 that's going to be a lot -- that's actually already
18 been a very, very positive feature.

19 There are more data elements that are
20 available to be reported against, and we also have
21 introduced a wizard -- wizard-like capability -- for
22 building reports because as anybody who has run
23 contract data reports knows, these tools are cumbersome
24 and just really kind of scary and not intuitive. We
25 have been running testing on these various reports, the

1 static standard and the ad hoc reports, for well over a
2 year.

3 And we went live on BETA.SAM.gov with these
4 reports back in March, and we've been doing what we
5 call a soft launch, which means that we know you have
6 work to do, and we're leaving FPDS available for you to
7 do that work for these reports, but we're hoping that
8 you take advantage of the time to get to learn the new
9 tool, look over the documentation and start practicing
10 generating your reports. That way, when we pull the
11 plug on the reporting tool in FPDS, everybody is ready
12 and won't see a disruption in their work.

13 We have multiple videos. We started out with
14 longer videos that were more of an overview. We're
15 actually in the process of replacing them with short,
16 five/six-minute videos that are very functional-
17 specific. You know, so if you want to see how to drill
18 into a report, we show -- we have a video just for
19 that. And if you want to share the report, we have a
20 video for that. We also have reference guides, before
21 and after guides, FAQs. We have a lot of material
22 available for you. So we hope that, again, you guys
23 will take advantage of this and get familiar with the
24 tool before -- because soon it is going to be your only
25 option.

1 Let's see. On Slide 15, we do get down to the
2 demo I was going to do, the demo I was planning to do
3 for you, and as I mentioned before, after the slides,
4 there are a bunch of other slides. And you will see
5 screenshots for all of this information. The login for
6 BETA.SAM.gov, if you use SAM.gov, the legacy site,
7 they're both using this third-party application called
8 login.gov. And it's been a pretty smooth transition
9 for most of the users. And when you log in, you are
10 taken to your workspace, where you can conduct basic
11 searches. And then once you're in the search areas,
12 you can apply the filters. And, again, you can apply
13 the filters. And, again, the screenshots for all of
14 those are provided in the slide deck.

15 We do want to call out that you can do
16 specific searches based on set-asides, place of
17 performance, either zip code or state. We are getting
18 ready to implement a feature where if you choose a zip
19 code you can do a range. So, you know, let's say you
20 put in 20016 as the place of performance zip code; you
21 could do that for a range of, like, 25 or 50 miles.
22 Or, you know, as a code -- and that's to help people
23 who live in an area like we do where the states are
24 really small. So, you know, if you wanted something in
25 the tri-state area or the Delmarva area, you could just

1 put in the zip code and then do the range, as opposed
2 to having to look at three separate states.

3 One question that I hear a lot is about the
4 ability to do saved searches and receive notifications
5 on them. You can do a saved search. You do have to
6 log in in order to do that because we need to save that
7 against your profile. Once you do have your saved
8 search, you've logged in and you've saved a search and
9 named it and it's in your profile, you can turn on a
10 notification, and what that does is it sends you an
11 email every night. We run -- we run these little
12 wizards in the -- or these little AIs, and they run
13 through all of the saved searches. And if you have new
14 information coming back, we will send you an email to
15 let you know that your saved search has some new
16 returns coming so that you know to go look at it. And
17 those emails go out about 9:00 every night.

18 I can tell you we do have interested vendor
19 lists. Whether or not they are visible is up to the
20 contracting officer at the agency who's posting the
21 notice. I can tell you that in order to see it or
22 possibly add yourself to it, you do need to be logged
23 in. That is something that is not a public function.
24 You actually have to log in in order to do that.

25 And then on the contract data reports, there

1 again our slide's showing that and the data extracts
2 for those people who like to get those nice, big data
3 dumps that are done every day or every week with all
4 the opportunities in them. We have multiple ways for
5 you to access that information. We used to do it
6 through FTP. We can't do FTP anymore; it's not secure.
7 So we provided new methods for folks to get this
8 information, including a lot of rest APIs, which is,
9 you know, the way of the future for anybody who's
10 technically inclined. And all of our technical specs
11 are publicly available if you want to access those
12 APIs.

13 If we go to Slide 17, I have provided some
14 quick links where you can go to find the help
15 information. So when we refer to the landing page,
16 that is a page for each of those -- for each of those
17 sections -- contract opportunities or the contract data
18 reports -- where we have kind of consolidated and
19 provide a whole big list of all the resources and links
20 to those resources.

21 So it's kind of a one-stop-shop if you wanted
22 to find documentation specific to that or quick links
23 to the videos. Another option is through the learning
24 center, and then also you can filter your learning
25 center for the specific domain and also for the type of

1 help you're looking for, whether it is a glossary item,
2 FAQ, or a video.

3 If you are having any issues with
4 BETA.SAM.gov, it is -- the support channel is through
5 the Federal Service Desk. They provide support for
6 most of our systems, and they are providing support on
7 everything that is live in BETA.SAM.gov as well.

8 And the next slide, which is Slide 18, for
9 those of you who are on the business end, I strongly,
10 strongly, strongly recommend that you go to the group's
11 Interact page. The link is provided here under "To Get
12 Involved." By subscribing to Interact, you will see
13 the blog announcements that we put out, and you will
14 get the update notices that we put out. That will
15 include scheduling information for things like the
16 contract data reports migrating over or the integration
17 with the legacy SAM.gov and things along those lines.

18 You know, we try to hit a lot of events like
19 this to get the word out and to spread the love, as it
20 were, but, you know, we just know there's no way to
21 reach everybody. So, you know, you can help yourselves
22 by participating on the Interact site and subscribing
23 to make sure that the information, you know, that we're
24 sending does reach you, because it is obviously -- the
25 information doesn't do any good if you don't see it.

1 And that is actually the end of the
2 presentation. As I noted, there are about 15 or 20 --
3 maybe a little bit more -- slides at the end, should
4 you choose to download the presentation, that are
5 hidden, and -- but they were excellent references and
6 resources for you to work with to help you acclimate
7 and get familiar with the new sites.

8 I am open to take any questions.

9 MS. PEREZ-WILHITE: So this is Fran. I have a
10 quick question.

11 MS. GHORBANI: Hi.

12 MS. PEREZ-WILHITE: Hi. You said that you're
13 trying to reach out to as many people as possible. You
14 have a blog, and we can sign up for it and blah-blah-
15 blah. The SBA and VA do a great job with LinkedIn and
16 Twitter. Are you on those social media?

17 MS. GHORBANI: GSA does have a channel. Yes,
18 GSA does have a channel, and we are working with the
19 GSA comms team to start pushing more information out on
20 those as well. And we are also -- a lot of the videos
21 that we've done, we've started uploading those to
22 YouTube as well on the GSA YouTube channel. And if you
23 do a search for BETA.SAM.gov, then a space, and then
24 GSA, those videos usually come right to the top.

25 MS. PEREZ-WILHITE: And on LinkedIn and

1 Twitter, just look up GSA?

2 MS. GHORBANI: Yes.

3 MS. PEREZ-WILHITE: Okay, thank you.

4 MS. GHORBANI: You're welcome. And, again, I

5 apologize I wasn't able to show you some of the good

6 stuff that we've got going on, but please go into the

7 system, check it out, and if you've got questions,

8 reach out to the service desk because, you know, all of

9 our systems are moving here, so...

10 MS. LEWIS: This is Valerie Lewis. I have a

11 question. You said that your FPDS is moving into

12 BETA.SAM.gov?

13 MS. GHORBANI: Only the reporting tool.

14 MS. LEWIS: So is there a limitation on, like,

15 what contracts are going to be reported? I see you

16 have a note that says centralized administration for

17 improved oversight and accountability. I was wondering

18 if you could kind of flesh that out a little bit for

19 us.

20 MS. GHORBANI: I'm sorry, which --

21 MS. LEWIS: It's on your -- back at the

22 beginning, where you had your little -- all the icons

23 that were --

24 MS. GHORBANI: Oh.

25 MS. LEWIS: -- being removed. And there's a

1 highlight on the centralized administration for
2 improved oversight and accountability.

3 MS. GHORBANI: Right.

4 MS. LEWIS: I was just wondering about the
5 contract dollar values. Is there a limitation, and if
6 you could talk a little bit about what that oversight
7 and accountability would look like.

8 MS. GHORBANI: Gotcha. So part of the biggest
9 problem that we have, because we had originally had 12
10 and now have 10, or we originally had 12 and then had
11 10, and now we have, what, 8 separate systems. You had
12 multiple different accounts, multiple logins, and there
13 was no way to cross-reference that information. So if
14 you needed to cross-reference entity information
15 against contract dollars in spend, you would have to
16 run reports out of several systems and then do all that
17 manually.

18 MS. LEWIS: Right.

19 MS. GHORBANI: What the intent here is, you
20 will have a single login to BETA.SAM.gov and then be
21 able to access all that information and run the reports
22 you want against the data sets that you want so that if
23 you're looking to see, you know, how certain offices
24 within your organization are doing on meeting their
25 small business goaling in terms of awards, you know,

1 and things along those lines, you would be able to do
2 that within the tool that's in BETA.SAM.gov, once all
3 the data is brought over.

4 MS. LEWIS: So we can see -- it would be
5 broken down by agency and --

6 MS. GHORBANI: It can.

7 MS. LEWIS: -- department within agencies?

8 MS. GHORBANI: You can. Yeah, you can break
9 it down to the office level if you choose. We have --
10 so for those of you who are on the government side, you
11 probably remember that, you know, there was a hierarchy
12 in FBO, and it was kind of like the Wild West. There
13 was not a lot of structure or control around it. And
14 what we've done is we've worked with OMB and senior
15 officials at every agency to come up with a single
16 authoritative federal hierarchy for the Government.

17 So in terms of -- you know, it follows the
18 OMB, the A-11, Appendix C, and, you know, in terms of
19 your departments, your sub-tiers, and your offices, and
20 you can even break it down by funding office or
21 contracting office or awards, as well. So all of that
22 is available in the BETA.SAM.gov, and it's all
23 consistent now, where before it was different between
24 FPDS and FBO and the other sites.

25 MS. LEWIS: So we can technically see how

1 offices are doing by dollars?

2 MS. GHORBANI: Yep.

3 MS. LEWIS: So that, Joe, should answer some
4 of your questions about -- does it further break down
5 by socioeconomic group as well?

6 MS. GHORBANI: You can -- you can filter by
7 that, yes.

8 MS. LEWIS: So you're taking that into
9 consideration.

10 MS. GHORBANI: So, yes. So what happens is --
11 and, again, I'm sorry I am not able to show you, but we
12 do have videos out there on how to do searches and
13 filters, so we have filters by, you know, the total
14 small business set-aside, the small disadvantaged,
15 women-owned, all of the different set-asides. You can
16 actually filter opportunities that are available by
17 that criteria. And once we are totally integrated with
18 the FPDS data, you will be able to also apply those
19 same filters to contract data -- I mean the contract
20 award data after a contract award has been made.

21 MS. LEWIS: That's excellent. So no
22 limitation on dollar value for --

23 MS. GHORBANI: Anything that you are required
24 by the FAR to put into our system, that is what the
25 scope is.

1 MS. LEWIS: And when did you say that the full
2 integration of data in SAM will be, will be?

3 MS. GHORBANI: So the next thing coming over
4 is the FPDS reporting tool. That is happening October
5 17th, and we haven't announced a firm date yet for the
6 integration with the legacy SAM.gov, but we are
7 expecting it in Fiscal Year 21. It's going to be the
8 next thing after the reporting tool is done this year.

9 MS. PEREZ-WILHITE: Can you say that date
10 again, please?

11 MS. GHORBANI: For which one? I'm sorry.

12 MS. PEREZ-WILHITE: For SAM.gov, sorry.

13 MS. GHORBANI: Oh, so we don't have a specific
14 date yet. We will be sending that to the agencies
15 through your change control board representation, so if
16 you don't know who your CCB reps are, get to know them.
17 We expect it to be in Fiscal Year 21. I just can't
18 break it down any closer than that for you just yet.

19 MS. LEWIS: On issues of delegated authority,
20 will it be on -- up to the agency -- like, who's
21 responsible for reporting those dollars? Will it be
22 the GSA or the agency that you delegated your authority
23 to?

24 MS. GHORBANI: So just a caveat, I am not a
25 contracting officer. My background is in systems --

1 MS. LEWIS: Okay.

2 MS. GHORBANI: -- and project management. So
3 my answer would be whatever is required by the FAR.
4 Our systems, we always have been and always will be
5 dictated by what is stated in the FAR. So if you have
6 specific procurement questions about who's responsible
7 for the delegated authorities, I would recommend going
8 to your senior procurement executives or your
9 acquisition shops.

10 What I can tell you is that the data that is
11 in our systems is agency data. We do not edit the
12 data. All we do is we are stewards over it; we protect
13 it; and we help people access it. But we do not change
14 it, and we are not responsible for the quality.

15 MS. LEWIS: Right. No, I understand. Thank
16 you for giving us that. I'm just concerned about in
17 the past we have not had anyone consider reporting that
18 information, so I just wanted to make sure that if it
19 wasn't top of mind that maybe that might be something
20 that could be integrated.

21 MS. GHORBANI: That's a possibility. So if
22 you have -- we have a few different ways to channel the
23 feedback based on what you as users are looking for.
24 Every page in BETA.SAM.gov has a blue button on the
25 lower left side that says "provide feedback." That is

1 intended for people to say, hey, you know, it would be
2 really great if the system could do this. Or, you
3 know, it would be great if we could do this.

4 Those types of things I can't respond to
5 individually because there's just one of me and there's
6 a whole lot of you, but I can take that information and
7 my team goes through it and we get it organized and we
8 do provide it to the product owners. And the product
9 owners take that information and, you know, they
10 compare it to policy, are we allowed to do this, does
11 this make sense, we'll run it by our governance and see
12 if everybody agrees that it makes sense. And if it
13 does, we will add it to our backlog.

14 Even though we've gone live with several of
15 the data sets and turned off old systems, we are
16 continuing to do development and make improvements to
17 them. We're using what's called an agile methodology.

18 MS. LEWIS: Mm-hmm.

19 MS. GHORBANI: Because we've released
20 something doesn't mean we're done.

21 MS. LEWIS: Right.

22 MS. GHORBANI: So we're always willing to take
23 your feedback. If there is an enhancement, so if it's
24 something specific that the system never used to do and
25 you think would be a really great enhancement, you can

1 send that request up through your change control board
2 rep, and they will -- they have a means to send that
3 information up to us. And, again, it gets catalogued
4 into the product owner's queue to be analyzed and
5 addressed.

6 MS. LEWIS: I'm not on the government side;
7 I'm on the contractor side.

8 MS. GHORBANI: Okay.

9 MS. LEWIS: And what we've -- I mean, thanks
10 for that, and we can definitely pass that information
11 along to those who, you know, participate with us in
12 our different networks, but what we've seen -- you
13 brought up a good point about in the past is that we
14 haven't been able to drill down into subcontracting
15 dollars, so that's definitely something that I will be
16 interested in, and I heard you say that there's a link
17 to get involved, and I will definitely do that.

18 But just for the sake of time, I'm just
19 wondering, have you guys considered that? Is that
20 included as well in this new agile system?

21 MS. GHORBANI: It will be. So right now, we
22 have systems for subcontract reporting, ESRS, and FSRS.
23 And those are also scheduled to be brought into the
24 fold. They are a little further down the chain, again,
25 because we're doing one at a time, just because we're

1 dealing with so much data and so many people. But that
2 will be part of -- that will be part of the puzzle.
3 And, again, as these things are integrated, you know,
4 there's going to be a lot more flexibility in terms of
5 what information you can -- what you can do with the
6 information that we are providing.

7 So we know change is scary and change can be
8 painful at times, but we really think it's going to be
9 worth it in terms of the information you're going to be
10 able to get.

11 MS. LEWIS: Yeah, I think it's good for the
12 SBA to really hear that we can get the data that we're
13 asking for once you guys, you know, have completed it.
14 It sounds like we already could be able to get some of
15 that data now.

16 MS. GHORBANI: Some of it, sure. And, again,
17 you know, this is an ongoing effort. It's been going
18 on for a few years, and it's going to take a few more
19 to complete, but we're on a train that's moving, it
20 feels like, 1,000 miles an hour and it's not stopping,
21 so...

22 MR. STUBBLEFIELD: You know, Ms. Ghorbani,
23 this is Larry Stubblefield, so I'm just asking. First
24 of all, thank you very much for the update and the
25 excellent presentation. I'm just asking would you be

1 willing to come back to a future Committee meeting and
2 update us.

3 MS. GHORBANI: Absolutely. Absolutely. Your
4 folks who reached out to us before usually come in
5 through either my Director, Nancy Goode or through
6 Judith Zawatsky, but you have points of contact at GSA.
7 And as long as the leadership is fine with it, I am
8 happy to present and hopefully, you know, take care of
9 the gremlins and actually do a live demo and be able to
10 interact a little more and show you specific issues
11 where you may have questions. I'm always happy to do
12 that.

13 MR. STUBBLEFIELD: Yeah, because -- yeah, we
14 appreciate that because it's very clear that, you know,
15 we'll probably need to allocate a little bit more time
16 with you when you come back because right now,
17 Committee members, you know, we've got another
18 presentation coming up, and we're running a little bit
19 over.

20 MS. PEREZ-WILHITE: Larry, this is Fran. Can
21 I just ask one more question, please, real quick?

22 So for FedBizOpps concerns or suggestions, we
23 recommend the veteran business owners to go where?

24 MS. GHORBANI: If you want to make a
25 suggestion, you can go to the "provide feedback" button

1 that appears on any page. You also can reach out to
2 the Federal Service Desk and just lodge it as feedback,
3 or we have a web form on FSD.gov, that's the Federal
4 Service Desk, dot-gov. And you could do a web form and
5 just say that it is feedback. And, again, it will get
6 processed and given to the product owners.

7 MS. PEREZ-WILHITE: So we never are able to
8 have human interaction at all?

9 MS. GHORBANI: We are -- we primarily do with
10 the agencies. We haven't done so much with industry
11 yet, but if you have a specific concern, I am happy to
12 reach out to you offline and find out what it is that
13 you're looking for and see what we can do.

14 MS. PEREZ-WILHITE: Okay, thank you. We would
15 love to have you back at a future meeting. Thank you.

16 MS. GHORBANI: Happy to.

17 MR. KURTZ: Fran, this is Stan. So I can
18 connect you with her at the end of the meeting.

19 Ms. Ghorbani, thank you for presenting today.
20 A great presentation. And as Larry said, we'll
21 definitely be reaching out probably in the next
22 quarter, which will be December, to maybe do an update,
23 because I know there are still some changes going on.
24 So thank you again for taking the time out --

25 MS. GHORBANI: Oh, yeah.

1 MR. KURTZ: -- to provide this presentation.

2 MS. GHORBANI: Happy to. Hope everyone has a
3 great weekend, it's long, and be safe.

4 MR. KURTZ: Okay, great.

5 So next on the docket is the SBA Paycheck
6 Protection Program, PPP, and economic injury disaster
7 loan, EIDL loan, update. So we thought that this would
8 be important, especially with COVID. You know, what
9 are some of the things that disasters see, what did
10 they see as far as the applications that were being
11 sent up.

12 So at this time, I'd like to turn it over to
13 Kem Fleming. He is the Deputy Associate Administrator
14 - Acting for the Office of Disaster Assistance.

15 Kem, are you on?

16 MR. FLEMING: Yep, I'm on. Can you hear me?

17 MR. KURTZ: Yes, sir.

18 MR. FLEMING: Okay. All righty. Well,
19 thanks, everybody. I am extremely glad to be here,
20 being a veteran myself, retired, 20-year veteran out of
21 the United States Army. So I am glad to share this
22 information so we can get this to our veteran business
23 owners.

24 As you all know, on March 17th, the President
25 took some aggressive measures to combat the ongoing

1 novel coronavirus pandemic and to make the nation's
2 more than 30 million small businesses more resilient to
3 coronavirus-related economic disruption. His first
4 official measure was the Coronavirus Preparedness and
5 Response Supplement Appropriation Act. With this act,
6 it expanded the Small Business Act definition of a
7 disaster to include the coronavirus.

8 As a result, the SBA was authorized to provide
9 economic injury disaster loans under a government
10 certification, disaster declaration. So within one
11 week, SBA declared all 50 states and all territories
12 and including the District of Columbia as disaster
13 areas as a result of the COVID-19 virus. And that
14 particular program invoked the economic injury disaster
15 loan program.

16 And a couple things about the economic injury
17 disaster loan program which we short-name EIDL, it had
18 a grant program that was associated -- which gave a
19 maximum of \$10,000 in funds to businesses.

20 (Brief pause.)

21 MR. FLEMING: So the grant program is no
22 longer active, but it gave up to \$10,000 -- \$1,000 per
23 employee -- and that was a grant. And, then, of course
24 we have the economic injury program.

25 So what I want to do is just talk about, you

1 know, some of the tips of applying for the economic
2 injury program, which is still active. The economic
3 injury disaster loan program is still active, and we
4 think it will be active through the end of the year, to
5 provide working capital to small businesses.

6 But to give you some statistics, for the
7 Paycheck Protection Program, we gave over \$5 million
8 loans for over \$525 billion. The Paycheck Protection
9 Program is no longer active, but, again, we distributed
10 about \$525 billion. For the Economic Injury Disaster
11 Loan program, we had over 3.5 million, and to date, we
12 have actually disbursed over \$188 billion. And for the
13 advance that I tell you was the grant that I talked
14 about up front, for that particular program, we did
15 over 6 million grants for over \$20 billion. And, so,
16 that was the two programs -- the Paycheck Protection
17 Program and the economic injury disaster loan program -
18 - that had actually the actual grant pegged onto it
19 with the programs that were implemented by the
20 President for the coronavirus.

21 Now, we are still in the midst of the
22 coronavirus. We're still dealing with our small
23 businesses still suffering financial loss, and now
24 we're into hurricane season and we're fielding a lot of
25 natural disasters, civil unrest, and other things. And

1 I'll get into the other disaster program that's going
2 later in this brief.

3 But let's just talk about some tips, things
4 that we can take back to some of the small businesses
5 if they have not applied for the Economic Injury
6 Disaster Loan program. I mean, the biggest thing is
7 that, you know, we need to tell the businesses to get
8 your documents together, you know, get your tax return,
9 your bank statements, get all of your information
10 together before you even open the portal up to apply
11 for the loan.

12 You want to do that because basically it's an
13 economic injury loan, so what we're trying to do is
14 determine what -- 12 months ago, and this disaster
15 started in January, so from January of 2019 to December
16 of 2019, what was your income, okay, what was your cost
17 of goods sold, what was your expenses, and then we can
18 look at, okay, you know, you, you know, lost this much
19 revenue between when times were good and you were at
20 normal operations, we can look at what your injury was
21 so we can compare, you know, your 2019 revenues to what
22 we know you didn't have any revenues in 2020 with the
23 coronavirus. And we can look at what your economic
24 injury is.

25 And, so, a lot of businesses, what we -- you

1 know, like I said, over 3.5 million loans have been
2 disbursed, but a lot of folks, you know, had errors
3 in finding what their EINs were or their social
4 security -- didn't even show injury. So a lot of
5 applicants came in and did not, you know, show that
6 they had an income. And there was a self-
7 certification, so you did not really have to produce
8 the tax return; you just had to tell us what was on
9 your tax returns, and it was self-certifying, so but a
10 lot of the small business didn't do that. And it just
11 prolonged the application process.

12 So one thing we'll be saying, before you even
13 open up the portal, get your tax returns, get all your
14 financial documents and statements and bank account
15 information, get all that stuff together. And then
16 look at your gross sales and look at all of the
17 economic things, back from 2019.

18 And then the other big tip that I would give
19 is that make sure that your banking account's
20 information is correct. You wouldn't believe -- like I
21 said, we processed over 3.5 million applications, so
22 the queue was large, and you don't want to, you know,
23 stop your loan because you put the wrong EIN, you put
24 the wrong account number because it didn't validate.

25 And, then, you know, a lot of businesses may,

1 you know, go by Triple-Js, but on their financial
2 documents, it's James-James-James, and not Triple-J.
3 So you got to make sure that the legal name of your
4 business, that you're actually using that legal name
5 and not, you know, not a nickname or something else
6 because all of that will -- you know, when it goes
7 through the system won't get validated because it
8 doesn't match your EIN, it doesn't match your social
9 security number, it doesn't match your bank records and
10 so forth. So making sure that the businesses are
11 prepared to do that, you know, with a bank account.
12 And if you have a bank account that you've been using
13 for 20 years, use that bank account and not try to use
14 a bank account that you just opened up two days before
15 the account. So you want some history in that just so
16 you don't get a fraud flag or anything like that.

17 You know, like I said, legal business name,
18 EIN, address, and phone numbers, and, you know, making
19 sure that you have, you know, routing numbers and
20 checking accounts so that when it's time to fund your
21 loan that, you know, we're not getting kickbacks from
22 the system because you didn't give the right
23 information. And, so, those were some tips of applying
24 for the loan, and I know a lot of small businesses have
25 applied for the EIDL loan and a lot or businesses

1 probably have been declined because of credit, maybe
2 declined because they didn't show an economic injury.

3 So if you have a business that's been
4 declined, you have six months from the date that you
5 received that declined letter in the mail. So we will
6 write you and let you know that, you know, credit
7 history or whatever reason you were declined, you have
8 six months to do what we call the reconsideration. And
9 like I said, a lot of times, it's so simple when folks
10 need to do a reconsideration because, you know, they
11 did not put cost of goods sold or they did not show
12 that they actually had an economic injury.

13 So, you know, so but we have a reconsideration
14 process. It's about six months, and, you know, and we
15 have -- you can go to our website at SBA.gov and you
16 can get all of the instructions you need to do the
17 reconsiderations. But I will tell you, when you go
18 back to reconsideration, that's when, you know, take
19 the tips that I told you about when you're applying for
20 the loan. Make sure you got your tax returns; make
21 sure that you got, you know, your financial documents
22 in hand when you do this reconsideration. And because
23 we're processing so many loans for this, it may take
24 three to four weeks for you to get an answer on your
25 reconsideration.

1 And, you know, what I've seen, a lot of folks,
2 you know, they had things on their credit reports that
3 shouldn't have been there, so they went back and they
4 corrected them, and they got it removed and they were
5 able to resubmit and get a loan. So I would tell you
6 to go to the businesses and tell them that, hey, you
7 know, if you are looking for the economic injury
8 disaster loan and you were declined and you think that,
9 you know, you could fix the credit or you didn't do
10 something right, then please look at the letter and see
11 why you were declined and then go back and then -- and
12 do that.

13 Now, those are tips for the economic injury
14 disaster loan that's still active, it's still there for
15 small businesses, and that gives you, when you look at
16 it, try to give you six months of working capital to
17 keep you -- get you through this process. But what I
18 told you was that right now, while we're in the middle
19 of a pandemic, we've got natural disasters hitting and
20 we're working natural disasters in California
21 wildfires; we got Hurricane Laura that impacted the
22 Louisiana coast; we've got earthquakes in North
23 Carolina that you may not have seen on TV; we got a
24 derecho, if you've ever heard of that, it's like a
25 hurricane over land that hit Iowa that kind of tore up

1 Cedar Rapids; we've got, you know, I don't know, we may
2 have 50, 60 declarations going on across the United
3 States from localized flooding to hurricanes to
4 earthquakes to wildfires and to derechos that hit the
5 Midwest.

6 And, so, we have businesses that are being
7 double-impacted. I was in Iowa a couple of weeks ago
8 with the SBA Administrator, and we were looking at
9 businesses that were impacted by COVID and now they,
10 you know, they just got the roof blown off of their
11 business. And, so, we have another disaster program,
12 like I told you up front, is that the CARES Act that
13 the President signed back in March allowed us to use
14 our disaster authority to invoke it for this, but we do
15 have a regular disaster program that we do for natural
16 disasters and manmade disasters.

17 And, so, with that particular program, we give
18 out economic injury loans, and we give out physical
19 loans. And those loans are for businesses that they
20 can get a physical loan for the damage that happened to
21 their business, and they can get an economic injury
22 loan because if your roof is off your business, you
23 can't open, so you're losing revenue because you can't
24 open, and so you're eligible for that.

25 So the biggest question is I already got a PPP

1 loan, I already got an economic -- I mean, I got a, you
2 know, it's part of the Paycheck Protection Program,
3 it's forgivable, I already got an economic injury
4 disaster loan, do I -- am I authorized another disaster
5 because I live in Iowa and I just got hit by this
6 derecho and I got my roof blown off? Yes, you can.
7 You can get all of those loans and rebuild your
8 business and so forth.

9 So physical damage, you know, the maximum
10 amount for a loan for a small business for just a
11 natural disaster is \$2 million, and that's above and
12 beyond whatever you got for economic injury for the
13 coronavirus. And, also, you get an economic injury
14 loan and a physical disaster loan. And like I said,
15 combination of that can equal up to \$2 million, and,
16 therefore, all loans we have deferred payments for one
17 year, so once you get approved and close these loans,
18 you've got 12 months to begin payment. For all of the
19 economic injury disaster loans, they already -- they
20 all are rated to go 30 years, so, you know, so and that
21 really helps the small business because they can get a
22 \$50,000 loan and pay \$100 a month for the next 30
23 years, which really doesn't tax them that much, so
24 they're long-term with low interest rates, as low as 3
25 percent interest for these loans.

1 So it's -- when you're impacted by COVID and
2 now you've got a natural disaster that you've been
3 impacted by, you know, the SBA, you know, is there to
4 help you and assist. And most folks will say, well,
5 you know, I haven't been open since this thing started.
6 You know, we will look at your pre-disaster conditions.
7 If you're hit by a natural disaster, so we know you've
8 been closed, you know, for part of 2020, so we will
9 look at your preconditions back in 2019 to do the
10 calculations of your financials.

11 And, so, you know, the thing I would say is
12 that, you know, if you're a small business and you need
13 assistance, look at all of the programs that SBA has
14 in this disaster program, which including the COVID
15 EIDL, the natural disaster EIDL, and physical loss to
16 see if a combination of those couldn't bring you back
17 to pre-disaster state. And that's the goal of the SBA
18 is to -- for the disaster program is to get you back to
19 your pre-disaster state.

20 So, you know, the key is that there's so many
21 different variables that what I tell businesses when I
22 talk to them and they're impacted by multiple events
23 and COVID and natural disasters, say call -- you know,
24 call, you know, the SBA and sit down with a counselor
25 and talk and look at what's better, because sometimes,

1 you know, getting this program and this program will
2 benefit you and put you in a great position, but
3 there's so many variables that, you know, I just can't
4 put a fact sheet out and say, okay, if you did this, do
5 this, because it's, you know, it's whether you were
6 impacted by a fire versus impacted by, you know, a
7 windstorm versus impacted by flooding, whether you had
8 insurance, had a little insurance, or no insurance at
9 all.

10 So it's a lot of different factors, and I just
11 tell folks to just go and talk and apply, you know.
12 And for any small business that's been closed for COVID
13 or not and they're feeling it, you know, we just need
14 to make sure that they know. I would hate for a small
15 business, especially a veteran-owned business, to not
16 understand or know that this economic injury disaster
17 loan program is there with great terms and rates and
18 that it can be financed for as much as 30 years to pay
19 it back.

20 So I gave you a quick overview of the economic
21 injury disaster program that's still active. The
22 Paycheck Protection Program is a forgivable program
23 that's administered by the banks, by individual banks,
24 so you can go to your local bank, but it is -- the
25 program is closed now, so there's not a lot to talk

1 about what you can do and tips for applying for it, and
2 -- but you can go to SBA.gov and you can look at the
3 forgivable portion of that Paycheck Protection Program
4 and how to apply for the forgiveness piece of that
5 program.

6 So with that said, that was an overview, and I
7 will entertain any questions that anybody has on the
8 program.

9 MR. STUBBLEFIELD: Well, you know what -- this
10 is Larry Stubblefield. Thank you very much, Kem, for
11 that. I would say before we go to questions, you know,
12 Stan, go on ahead and introduce Dianna.

13 MR. KURTZ: Yeah, I think that's a great idea,
14 and then we'll come back to questions.

15 So I'd like to introduce Dianna Seaborn. She
16 is the Director of the SBA Office of Financial
17 Assistance, and she's going to talk about the PPP
18 program.

19 Dianna?

20 MS. SEABORN: Good afternoon. Can you hear
21 me?

22 MR. KURTZ: We can.

23 MS. SEABORN: Great. Thanks for having me.
24 My apologies for kind of coming to the table late. We
25 are, as you might imagine, very busy and anticipating,

1 hopefully, some additional legislation that will
2 continue to let us provide support and service to
3 everyone through the CARES Act and the various
4 different stimulus packages that we have been working
5 with Treasury to deliver.

6 I'm not sure, Larry, where we are here. I
7 know that we have those that have not received loans
8 that we are hoping we get the ability to fund the rest
9 of the money that we have. As you know, up until this
10 time, we've done approximately 5.1 million loans.
11 Eighty percent of those loans have been under \$150,000,
12 more or less, and that means we are getting into the
13 very small businesses. Many of the dollars are going,
14 you know, out to bigger companies, obviously, or larger
15 employers. Let's say it that way, employers of 500 or
16 less, but we were very happy to see that, you know, the
17 lion's share of the number of loans that have been made
18 in that \$5 million-plus number is very small, which
19 means we're dealing with very small businesses. And in
20 some cases, these PPP loans have been \$500, \$1,000,
21 \$10,000. Many, many of them are under \$50,000.

22 We've had about \$500, plus or minus, billion
23 put out over a period of four months, and that's more
24 business than we do in well over 10 years in a normal
25 SBA environment. So we have taken the little engine

1 that could and continued to run that engine as fast and
2 as hard as we can to help you, you know, be able to
3 stabilize businesses and, you know, kind of hang on
4 during the economic challenges that we're all having
5 with our small businesses.

6 So I can go through some of the program
7 parameters, Larry, in general, in the hopes that we
8 will get, you know, the additional legislation that
9 will enable us to spend the \$100 billion more or less
10 that we still have to with regard to the Paycheck
11 Protection Program. I can go through, you know, the
12 existing parameters. I can chat a little bit about,
13 you know, what they might expect and what opportunities
14 might be there. Or we can talk about how to get -- you
15 know, I'm obviously not the expert on forgiveness. We
16 are kind of bending over to that part of the process.

17 So I'm not sure where you want to direct me in
18 that regard, because I can kind of swing either way
19 with the conversation. So if you'd like just a general
20 overview of the program, then if I can share my screen,
21 I'm happy to show you sort of a small, in-a-nutshell,
22 kind of presentation on the overall paycheck program.

23 MR. STUBBLEFIELD: Yeah, Dianna, this is
24 Larry. First of all, I appreciate both you and Kem
25 being here, and a general overview and maybe a few

1 questions from the Committee would be great. And I
2 know you're -- you know, I know you're short on time
3 here, so, you know, whatever you can give us, you know,
4 we appreciate.

5 MS. SEABORN: I'm opening up my share. I'm
6 going to see if this works, and if it doesn't, we'll
7 just (inaudible) my apologies.

8 MR. KURTZ: Dianna, we can see it.

9 MS. SEABORN: Yeah, okay. Let's see. I might
10 have the wrong one up, so let me find it. I think that
11 was the one for new SOP. Let me give it one more shot.

12 Here we go. What is it now?

13 MR. KURTZ: We can see it.

14 MS. SEABORN: Okay, great. So this is the
15 Paycheck Protection Program, what is it? The CARES Act
16 obviously brought to us various different programs.
17 This is a forgivable loan program, so it is designed,
18 of course, to retain employees, maintain payroll, and
19 the intent was to get people back to work and give them
20 all, you know, holdover funds, basically, while we
21 moved our way through the pandemic.

22 The loan is fully forgiven if the loan
23 proceeds are used to retain employees and/or to pay
24 mortgage interest or rent or utility payments for a
25 business that is eligible. So move to my next thing

1 here. There we go.

2 So who is eligible for the PPP program? It's
3 really not just a very small business program. We
4 ordinarily do not, as you know, for 7(a) do nonprofits,
5 veterans organizations, but for veterans organizations,
6 501(c)(19)s were included in the PPP protection program
7 as well as other businesses -- tribal businesses,
8 gaming businesses, hospitals, co-ops, and various
9 different types.

10 The size standard in general was 500 employees
11 or fewer, so that reaches out and touches, again, a
12 larger crowd than we usually see except for
13 manufacturing, where we have some very large employers
14 that are considered small. The NAICS code alternative
15 size standard and 500 or fewer employers were the three
16 standards. You need to meet one of those three in
17 order to participate.

18 There was some generosity provided in the
19 legislation for NAICS Code 72, which includes hotels
20 and restaurants. And, so, people who operate in those
21 industries who have multiple locations who may employ
22 many generally lower-wage folks, there was some
23 additional consideration for increasing the number of
24 dollars they would be able to have based on locations.
25 And, of course, these loans were made only to -- only

1 to cover employees who are based in the United States.

2 Let me go on to terms. Okay. The payments on
3 these loans, they are, in fact, either two, if the loan
4 was received before June 5th, or five-year loans. They
5 have a fixed maturity. They are 100 percent guaranteed
6 by the Small Business Administration. The principal,
7 interest, and any fees are deferred, so no borrower
8 pays anything for these loans, even during the time
9 that they're making payroll, and prior to forgiveness.
10 They make no payments on those loans until the
11 forgiveness period is completed and they've submitted
12 and received whatever forgiveness proceeds they'll get.

13 The disbursement, lenders are required to make
14 one-time disbursement into the small business -- or the
15 business applicant or the eligible borrower, and the
16 interest rate on all of these loans, in the event that
17 forgiveness is partial or not there, is 1 percent. So
18 they're getting a 1 percent interest rate, again,
19 deferred.

20 Collateral and guarantees, there is no
21 collateral pledged on the part of the applicant, and
22 there's no personal guarantee required. There are no
23 up-front fees. The lenders pay no servicing fees, and
24 the lenders are not allowed to charge borrowers other
25 fees in the program.

1 The eligible use of proceeds, you know, and I
2 know you've heard this many times, but basically we
3 want to keep people paid, so payroll costs. And in
4 order to get forgiveness, 60 percent of those proceeds
5 that a borrower would receive have to be used for
6 payroll costs. We also permit interest payments on
7 business mortgages, payments on business rent
8 obligations, utility payments, interest payments on
9 other general business debt that existed before the
10 pandemic, and, of course, if there was an EIDL loan
11 that was made prior to April, the start of the PPP
12 program, then that would be refinanced as part of the
13 PPP loan.

14 So we defined payroll costs as -- under the
15 law as compensation or eligible payroll costs as
16 compensation up to the first \$100,000. Basically, the
17 calculation on the -- well, we have some excursions to
18 the payroll costs. Self-employed people are -- you
19 know, are limited to \$100,000 in aggregate across their
20 businesses. Payments to independent contractors are
21 not payroll. Independent contractors are, in fact,
22 eligible to apply and receive a PPP loan as an
23 independent contractor. Basically, they are self-
24 employed, and so they themselves may apply and receive
25 benefits under the program.

1 Compensation of an employee, again, principal
2 place of residence not outside the United States; they
3 must be here. Anyone outside of the United States is
4 ineligible -- ineligible, my apologies.

5 These loans are delivered through lenders, as
6 you know. Many of you have many of your -- many of
7 your constituents and your veterans have longstanding
8 banking relationships, and that is the first and most
9 likely place someone would go to to receive one of
10 these loans is to the bank account where they keep
11 their business records. The easiest thing is for that
12 bank who already knows you to be able to move through
13 that process very quickly. And, so, that was the first
14 choice.

15 Beyond that, we do have some other new
16 participants in the Program that came to the table, and
17 they were able to do some financing for those
18 businesses that are small and new and, you know,
19 basically don't have the same kind of long-term, well-
20 established banking relationships that some do. That
21 happens often with, you know, a single-employee or a
22 single-individual company. Food trucks, very, very
23 small firms that don't have traditional access to banks
24 and credit under normal circumstances. And, in fact,
25 in this situation, you know, may have not been, you

1 know, directly courted by a lender.

2 So we do have a great number of lenders that
3 participate in the PPP program that do accept that do
4 not have banking deposit relationships with them and
5 that helped a lot on that second of PPP loans. We got
6 funded the first time and by, I guess, two weeks, we
7 were out of the first block of funds that we had. As
8 you know, Congress reappropriated -- or appropriated
9 additional funds, and the second time around, we were
10 doing many, many, many more small loans, and many of
11 those businesses who could not get to a lender or
12 didn't have a traditional banking deposit relationship
13 with a financial institution were able to get loans
14 through some of these alternatives.

15 Our CDFIs and our CA lenders in SBA's program
16 are mission-based in nature, and so they go directly to
17 some of the most underserved markets, as you know, to
18 try and facilitate the financing for the PPP loans,
19 both together and in partnership with other lenders.
20 So they were very instrumental in the second round of
21 PPP funding.

22 Determining how much, you know, a borrower can
23 have basically it's a multiple of the average monthly
24 payroll cost from 2019. It's multiplied by 2.5 times,
25 so basically it's 10 weeks of payroll costs for that

1 payroll limited to \$100,000 per employee, and that's
2 how the calculation was made. It's based on number of
3 employees in terms of counting under 500 to be
4 eligible. Even if they're part-time, they're counted
5 as an individual. So the amount that you can borrow
6 basically is the 10 weeks. These are just some general
7 questions, and I think I can probably stop sharing that
8 screen now.

9 So we are in the forgiveness mode now. We
10 have been taking forgiveness applications. I believe
11 we opened that portal on August 8th, and we are
12 starting to see more and more lenders begin to complete
13 those applications for forgiveness and get them in. It
14 is certainly SBA's desire that everyone, you know, to
15 the extent possible is able to receive, you know, the
16 maximum forgiveness. And in the event that there is a
17 reduction in the amount of forgiveness that can be
18 paid, that remaining balance becomes a loan at 1
19 percent over the remaining term of the initial loan.

20 So we appreciate that we've had a very
21 large -- large audience of lenders -- participation by
22 lenders. We increased our lending community by, I
23 think, well over 1,000, so we have a very high number
24 of participants, many traditional, many nontraditional.
25 While we don't have the authority to fund at this time,

1 we do have funding that was originally appropriated for
2 the purpose of the Paycheck Protection Program, and we,
3 as well as you are, I imagine, are interested in
4 getting to being able to deploy these funds to do the
5 same thing.

6 I think one of the things that happened to us
7 all in the beginning is that we underestimated the
8 length of time and the breadth and the depth of the
9 pandemic and the impact it would have on a long-term
10 basis. So one of the other things that we do in the
11 Paycheck Protection Program -- under the CARES Act, not
12 Paycheck Protection, but as you know we pay -- we're
13 making currently the loan payments under Section 711-12
14 for those businesses who have existing SBA loans to,
15 again, help get them beyond the crisis and into a more
16 stable economy after a period of about six months.

17 So we continue to be as willing as we have
18 funds to reopen the program if authorized by Congress.
19 I'm sure you're having those conversations with
20 Congress and your representatives, and we stand ready
21 to move forward, you know, when we get additional
22 orders to do that. So the forgiveness process is kind
23 of off to a slow roll, but it's going well. Many of
24 our community banks are coming in on the early side of
25 that and getting their customers taken care of.

1 So we work very closely with your lender.
2 Every information, all of the information that we do
3 put out is on both the Treasury's website and also
4 SBA's website. We have district offices across the
5 nation, as you know, who understand who the lenders are
6 in their market if you're looking for assistance. We
7 are still doing 7(a), 504, micro, and CA loans during
8 the period, and we are also doing for a short period of
9 time, we have a CARL loan program which is a CA loan,
10 Community Advantage, small 7(a) loan, but these are
11 delivered by Community Advantage lenders who are
12 mission-based in nature, and we are providing
13 additional funds to those lenders that are
14 participating in that CARL program, those CA lenders,
15 to be able to provide additional technical assistance
16 to these very small businesses.

17 And, you know, what it entails is basically
18 helping them retool for the future if they need --
19 they'll understand social media to adopt electronic
20 commerce platforms. We are providing additional funds
21 to those lenders for the purpose of providing up to six
22 months' worth of technical assistance for businesses
23 that they're making loans to to assist them in, again,
24 moving through startup phase, stabilizing the business,
25 changing the e-commerce nature of the business, and

1 adjusting to, you know, a new reality economically. So
2 those that qualify for the CA loan program and, you
3 know, under that the CARL program, the lenders are
4 getting support to be able to provide our borrowers
5 even more assistance, albeit not economic, but
6 certainly very, very good advice and counsel.

7 Larry, I don't know if there's anything else
8 you want to ask or you think I should add, but I'm open
9 to questions as well. It's a lot of information to try
10 and take in. It's kind of an overwhelming program, but
11 we stand with the Office of Disaster Assistance, you
12 know, to continue to help through the pandemic and in
13 any other way we can.

14 MR. STUBBLEFIELD: Okay, well, I thank both of
15 you for being here. Before we open up for questions, I
16 would just also say in terms of the CARES Act, thanks
17 to our friends and partners at the American Legion, the
18 fee waiver piece for loans for veterans was also
19 reinstated, and that was very well received, so --

20 MS. SEABORN: Right, Larry. And that's -- a
21 good point, Larry. And one of the things I want to
22 make sure everyone knows about that is historically
23 when that legislation went in, it was a qualified piece
24 of legislation. In order to be able to continue to
25 provide those fee waivers for SBA Express loans to

1 veterans, there had to be a neutral-subsidy situation
2 for us, which means we had to be self-supporting
3 entirely, which most of the time the programs are.

4 In this case, under the CARES Act, when the
5 legislation was included, it is no longer contingent
6 upon whether there is a subsidy. It is a permanent
7 part of the program, and as you know, Larry, those
8 loans through December, those SBA Express loans through
9 December, have increased -- have been increased from
10 \$350,000 as a maximum to \$1 million as a maximum.

11 So any loan submitted through December 31st,
12 as an Express loan, could be made for up to a million
13 dollars, and all of those up-front fees have the
14 benefit of the Veterans Express fee waiver.

15 MR. STUBBLEFIELD: Yeah, that is tremendous.
16 Great news.

17 All right. Well, thank both of you for your
18 presentations. I guess we'll open it up to the
19 Committee for questions.

20 MS. PEREZ-WILHITE: This is Fran. Do we have
21 the presenters' contact info?

22 MR. STUBBLEFIELD: They're here at SBA with us
23 every day, Fran. We can definitely connect you.

24 MS. LEWIS: Well, the rest of us want to know
25 that as well.

1 MR. STUBBLEFIELD: Sure, absolutely.

2 MS. SEABORN: Thank you, Larry

3 MS. LEWIS: So, I have a question as well. I
4 know Lynn had to jump off the line, but I think this
5 is some information that we could get to him because
6 he was talking about the CDFI and how they can be
7 utilized for, like, these little micro, you know,
8 purchasing goals, and it sounds like we need to connect
9 her with -- Lynn with her so that he can get this
10 information so that he can, you know, get it out to his
11 group.

12 I'm wondering, you said that there's --
13 because it seems like you had some miscommunication
14 going on because I think we heard that there was no
15 more PPP, and then you came in and said that there is.
16 And there's some authorization that needs to occur
17 through Congress. So I'm just wondering, let's say in
18 the event that you do not get authorization and there's
19 still money left over, where does that money go?

20 MS. SEABORN: That's a great question. You
21 know, it is appropriated to the PPP program. We cannot
22 make loans currently because the Congress ended that
23 authority for us to make loans on August 8th. We have
24 all seen, you know, draft legislation -- I'm sure you
25 have, too -- that indicates they are willing and

1 working on another opportunity for more PPP loans,
2 perhaps second loans for those that have received it.
3 And, of course, 10 weeks of payroll didn't get us
4 beyond all of the trouble.

5 So you know what it takes in order for us to
6 be able to begin making those loans and using that
7 money is Congress, there has to be legislation for us
8 to be able to do that under the PPP program. So we are
9 anxiously awaiting, you know, additional legislation,
10 and I think everyone has indicated support for that.
11 We just don't know what it is from the agency's
12 perspective that we will be given or what we will be
13 directed to do.

14 MS. LEWIS: Thank you for that.

15 My next question will be to you later, Larry.

16 MR. PHIPPS: Go ahead, Valerie.

17 MS. LEWIS: No, I was...

18 MR. PHIPPS: So this is Mike Phipps. I
19 have -- the CARL loan is something I don't think,
20 Larry, we've been discussing on our calls the last few
21 months, so that's kind of an update. We'd like to
22 understand a little bit more about that.

23 One of the things that I think would be
24 beneficial, at least from the topic of loan
25 forgiveness, and there is a really good PDF that the

1 SBA has called SBA Plan for Use of Covered Funds, but
2 for loan forgiveness, you kind of have to dig down into
3 all the different loans. I think there's a lot of
4 misinformation out there and a lot of information that
5 are -- just when you just search, a quick Google search
6 about loan forgiveness, there's just so much
7 misinformation.

8 It would be good maybe for a centralized "tap-
9 it" page for things like loan forgiveness to address
10 that as a topic instead of going into each separate
11 loan and trying to dig for those different topics
12 because I can tell you, just in the conversations that
13 we've had within the business community, there's still
14 just a lot of -- just a lot of different information
15 going around some of these topics like that.

16 MS. SEABORN: Understood. And, yes, you're
17 absolutely right. We have continued to fly the plane
18 while we're building it, if you will, so it's not been
19 easy for recipients or lenders, you know, particularly
20 to understand exactly how to accomplish forgiveness.

21 I will advise that we do have a public-facing
22 notice on both Treasury's webpage and SBA's, and I will
23 make sure that Larry has it to be able to distribute to
24 you the citation and/or the notice that walks you
25 through the process. The forms are also posted on the

1 websites with directions.

2 There are a lot of people. When you Google --
3 even when you Google SBA, you don't get SBA. There are
4 a lot of third-party folks --

5 MR. PHIPPS: Right.

6 MS. SEABORN: -- that indicate that they have
7 the answer for everyone. And my recommendation is,
8 first of all, you know, go to your lender. If you're a
9 PPP borrower, go to your lender; and, secondarily, go
10 to your SBA district office because there never is
11 anyone between, you know, you, the lender, and SBA,
12 unless a borrower prefers that. And the borrower has
13 absolutely all the right to engage any services that
14 they choose to and to assist, but the fact is at SBA,
15 and for those of you that know us, is a very patient
16 organization and very diligent organization, and our
17 job is to aid, assist, and protect small business.

18 So we're very sensitive to people who would
19 provide false information, would charge fees for things
20 that shouldn't be charged for, and so the district
21 offices are very, very willing to help you find a
22 lender or find an answer in the event that you have a
23 PPP loan and you need some additional guidance. We
24 will continue to roll out that guidance. We continue
25 to train the lenders on how that forgiveness process

1 will work and how it is working now that we're open,
2 and I would just say please communicate with either SBA
3 directly or your lender for the most reliable
4 information you're going to get on the program.

5 MR. STUBBLEFIELD: You know, Dianna, this is
6 Larry again. Correct me if I'm wrong, but to Mike's
7 point about the CARL loan, we just recently rolled that
8 lending program out, and it's only for a short period
9 of time, right?

10 MS. SEABORN: Yes. Unfortunately, it is a
11 part -- it's funded through some of the monies that we
12 were able to sort of redirect from the CARES Act
13 funding that we received, to be able to pay lenders to
14 do this technical assistance. Unfortunately, that
15 money and funding authority goes away September 27th,
16 unless, again, we get additional authority to make
17 funding after that.

18 And that's just the way the law works. They
19 tell us you have this -- to this period to spend money,
20 and after that, you have no legal authority to do it,
21 but during that very short period of time, we do have
22 the opportunity. We have engaged our CA lenders, and
23 you may refer business to the CA lenders that
24 participate in CARL, and what they're getting is paid,
25 they're being paid to provide technical assistance to

1 borrowers, which, you know, many times comes along with
2 that type of lending anyway, but in this case, we
3 really want them to do it individualistically, for a
4 borrower, for their situation.

5 So somebody might need to figure out how to
6 negotiate lease space on the sidewalk to get tables in
7 front of their business, and some folks may need to
8 know I'm not going to be able to sell these things on a
9 retail basis in the same manner, you know, currently,
10 and maybe as life goes back to normal, I choose not to
11 have that be my only source of outlet, so it's getting
12 them to e-commerce. It's getting them to bookkeeping
13 in many cases because this is what's happened.

14 You know, PPP loans are happening. I don't
15 have my records. Well, because, you know, I don't have
16 resources. Many, many small businesses are very
17 informal about the financing and the structure and, you
18 know, outlay of the business versus themselves.
19 There's kind of a blurred line between where does the
20 individual person start and when does the business
21 start. So for those smallest of businesses, sometimes
22 it's helping them to get QuickBooks and understand how
23 you do that and understand repository accounts for
24 payroll.

25 So all of those things we want very targeted

1 in the first six months of loan delivery for those CARL
2 loans because we believe that this will -- this is a
3 good investment in the long-term viability of a
4 business that's coming through, you know, this
5 pandemic.

6 MR. PHIPPS: Larry, this is Mike Phipps. Just
7 a quick note on the COVID options for relief, CARL is
8 not an option, and so where is the information that the
9 SBA has on the CARL loan or the CARL program, rather,
10 and how to, like, just get some more background,
11 because I'm sure there will be some Committee members
12 that were going to have more questions once we get to
13 more information about that?

14 MS. SEABORN: Sure, there is a Federal
15 Register notice that announced the program. And,
16 Larry, we can provide that to them.

17 MR. STUBBLEFIELD: Okay.

18 MS. SEABORN: There is also a program guide on
19 SBA's website for the CA loan program, which is the
20 vehicle, you know, through which we're doing the CARL
21 loans.

22 MR. PHIPPS: All right, thank you.

23 MS. SEABORN: We can get you links to all of
24 that.

25 MS. LEWIS: Did we ever get an answer -- this

1 is Valerie, I'm sorry. Did we ever get an answer about
2 how many veterans -- actually veteran businesses
3 received PPP loans?

4 MS. SEABORN: We did not collect the
5 information on the front end of the program, but we
6 have as a part of the forgiveness request, the request
7 -- you know, the information or the opportunity for the
8 business owner who received the money to identify
9 themselves as a veteran-owned business. So we'll be
10 collecting that on the forgiveness side.

11 MS. LEWIS: Is there any way that we can drill
12 down from the DUNS number?

13 MS. SEABORN: I'm sorry, from a DUNS number?

14 MS. LEWIS: The DUNS -- the Dun & Bradstreet
15 number.

16 MS. SEABORN: I don't know -- yeah, I don't
17 know that we have -- and we use the DUNS number for a
18 lot of things. We have a very -- a large contract with
19 D&B, so we get that, but I don't know that it
20 identifies specifically a veteran-owned business versus
21 a non-veteran-owned business. And we don't always
22 collect the DUNS number. For the purposes of PPP, we
23 did not collect a DUNS number on the business. We
24 have, you know, specific identifiers, the EIN number
25 for the business, but we don't have anything beyond

1 that. Again, it was very, very --

2 MS. LEWIS: But the DUNS does -- but Dun &
3 Bradstreet, they do. So is there a way that we can
4 make these systems talk to each other is I guess more
5 along the lines of my question, and because SBA
6 oversees that, I think that that might be a good thing
7 for us to do, because this is the Veterans Advisory
8 Committee.

9 MS. SEABORN: Right, right. So it is possible
10 that the data that we have can be married with the data
11 that they have?

12 I'm not the data person. That would be
13 Performance Systems Management, but certainly we have
14 data on the EIN, which would tell us what company it
15 is. I'm not sure how that company would or would not
16 have identified itself to D&B as a veteran-owned
17 business or not. So to the extent that it's public
18 information, you know, we certainly, I guess, could
19 look. I don't know that we have, and I would defer to
20 our systems people to see how that might work, data
21 communication to data communication.

22 MR. STUBBLEFIELD: So, Dianna, that would be
23 Steve Kucharski, right?

24 MS. SEABORN: Yes. That's Steve Kucharski's
25 team.

1 MR. STUBBLEFIELD: Okay, so, Valerie, to your
2 point, we'll touch base with Steve, and then we'll
3 report out to the Committee.

4 MS. LEWIS: Excellent.

5 MR. KURTZ: Larry, this is Stan. So I just
6 got a message from Kem that he's going to have to jump
7 off at 3:00, so if there are any questions for Kem
8 before he jumps off.

9 MS. LEWIS: Can we invite him back, because we
10 did, and I don't want to rush our questions, so if --
11 I'd just move that we have him back again, please.

12 Chair?

13 MR. STUBBLEFIELD: Sure, absolutely. I was
14 going to say, I know -- Dianna, I know you have to get
15 off at 3:00 as well.

16 MS. SEABORN: Yeah, we have a very large
17 meeting with the Federal Reserve this afternoon.

18 MS. GARCIA: I think there was one question
19 that came into the queue, if there's any conversations
20 toward forgiving EIDL. I haven't heard of any.

21 MS. SEABORN: The EIDL loan or the EIDL
22 advance?

23 MS. GARCIA: Oh, it didn't specify. Okay,
24 we'll follow up. Thank you.

25 MS. SEABORN: Okay. Okay, sure.

1 MR. KURTZ: Well, this is Stan. So we can
2 definitely put on for the December meeting we can
3 definitely have you come back and maybe allot you a
4 little bit more time to go through the PPP and EIDL
5 loan updates.

6 MS. SEABORN: I'd be happy to, you know, very
7 much so.

8 MR. FLEMING: Okay, this is Kem. Thanks,
9 everybody. I've got to drop.

10 MR. KURTZ: Okay, this is Stan Kurtz. So that
11 was our last presentation for today. I'd like to turn
12 it over to the Chair for any comments.

13 MS. PEREZ-WILHITE: I would just like to thank
14 everyone today -- the Board members, the SBA members
15 and also all of our presenters. I think it was an
16 excellent meeting, and what made it even more perfect
17 is that we're able to sit at home with our fuzzy
18 slippers on; however, I'm hoping to see all of you in
19 person in December, and I would like to confirm the
20 date now, if possible, please.

21 Can it be Thursday, the 3rd of December?

22 MR. KURTZ: Yes, so this is Stan. Normally,
23 it's the first week, so which would be the 3rd. So if
24 everybody's good with that, we can definitely lock that
25 in.

1 MS. PEREZ-WILHITE: And that's all I have.
2 Thank you.

3 MS. LEWIS: Can we please make sure that we
4 can get Kem back in sooner than the December meeting,
5 because we don't want to miss the money? This is
6 Valerie, sorry.

7 MR. KURTZ: Well, if we continue -- if we
8 continue on with monthly calls, perhaps we can have him
9 come back during one of the monthly calls.

10 MS. PEREZ-WILHITE: Yes, we like the monthly
11 calls, also. Thank you.

12 MR. KURTZ: So with that, I'll turn it over to
13 Larry for your comments and closeout.

14 MR. STUBBLEFIELD: Okay, I echo the
15 Chairwoman's comments. Great meeting, great
16 presentations, great dialogue, and looking forward to
17 the next ACVBA meeting. But in the meantime, really
18 happy to hear that we're going to continue the monthly
19 calls because, as I've told all of you before, you
20 know, you're our eyes and ears out there on the ground
21 and, you know, on behalf of our Administrator, you
22 know, we all appreciate, you know, your input and
23 feedback that you give this Committee.

24 So with that, I will officially adjourn the
25 meeting. And everyone, you know, have a great holiday

1 weekend, stay safe, stay healthy, and we'll be talking
2 soon.

3 (Whereupon, at 3:02 p.m., the meeting was
4 adjourned.)

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