



ADVISORY COMMITTEE ON VETERANS BUSINESS AFFAIRS

Established through Public Law 106-50

2008 Annual Report on Veterans Entrepreneurship

October 31, 2008



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Dear Member of Congress:

We are pleased to present you the 6th annual report on Veterans Entrepreneurship from the Advisory Committee on Veterans Business Affairs.

The SBA Advisory Committee addresses issues important to the more than 24 million veterans, two and one half million active, guard and reserve component members and roughly 14% of all American business owners. Our committee is comprised of successful veteran business owners, senior representatives of veteran organizations and senior executives from the Small Business Administration as mandated by the Veterans Entrepreneurship and Small Business Development Act of 1999, Public Law 106-50.

There was progress in 2008, yet serious deficiencies remain. These deficiencies include a continued failure of federal agencies to achieve veteran related contracting goals and failure to implement policies that would enhance veteran business opportunities. 2008 has been a transition year, as the committee was made permanent and received a new charter. While this transition prevented the committee from accomplishing the goals set for 2008, the committee's permanence allowed it to plan beyond the end of the current fiscal year. Our report identifies continuing issues within the veteran business community and lays out our proposed way forward to address these and other issues.

The report includes an executive summary, a discussion of topics, Committee recommendations and a four year action plan. The topics discussed include:

- Veteran Small Business training and advocacy
- Guard and Reserve component business owners
- Policy recommendations regarding veterans entrepreneurship
- Federal Procurement
- Bonding
- The Advisory Committee on Veterans Business Affairs
- The National Veterans Business Development Corporation

Committee members remain committed to serving as an invaluable source of information and analysis to the Administration and the Congress, all with the view of strengthening our collective support to the veteran business community.

Following is the 2008 Annual Report on Veteran Entrepreneurship from the Advisory Committee on Veterans Business Affairs. If you have any questions or need additional information regarding this Report, please contact the Advisory Committee at Committee@SBAVets.US.

Respectfully submitted,

A blue ink signature of Louis J. Celli Jr., written in a cursive style.

Louis J. Celli Jr.
Chairman

A blue ink signature of Paul F. Adams, written in a cursive style.

Paul F. Adams
Vice Chairman

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Advisory Committee on Veterans Business Affairs

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Executive Summary

General Introduction

The Advisory Committee on Veterans Business Affairs convened several times officially during 2008, attended a Veterans Business Outreach Event hosted by Department of Interior, solicited expert testimony from federal executives, federally chartered nonprofit organization and corporate leaders from inside the beltway as well as extended regions across the United States.

Overall the Committee finds that veterans continue to be underserved and as a socioeconomic group receive the least amount of funding and support from federal sources. As our veteran population continues to grow, returning service members are making up an increasing percentage of Americas small business owner.

According to a research study from the U.S. Small Business Administration¹ released earlier this year, veteran status "is the strongest predictor of self employment in the model" among American Business Owners.

And in 2004 the SBA found²;

1. The residential survey conducted during the summer of 2003 revealed that a **significant 22 percent** of veterans in the U.S. household population were either purchasing or starting a new business or considering purchasing or starting a new business.
2. Veteran business start-ups appeared to be a positive factor for job creation. Almost 72 percent of new veteran entrepreneurs planned to initially employ at least one individual.
3. Only 11 percent of new veteran-owned businesses were likely to be entirely dependent on the web.
4. **Resources and government programs were concerns of new veteran entrepreneurs. The difficulty of obtaining financing and the existence of useful public and private small business programs were high on the list of problems of new veteran entrepreneurs.**

In just 4 short years, the SBA learned³;

- ~ "Self-employment rates are lower for service-disabled veterans than for non-service-disabled veterans in all years and in both disability definitions used for this study."
- ~ "The study's models predict that the employment rate of service-disabled veterans would represent a 25 to 28 percent increase in their employment rate if service-connected disabilities did not interfere with employment."
- ~ "These models predict that the self-employment rate of service-disabled veterans would increase by about three percentage points if their disabilities were not a barrier. This would represent a 60 to 90 percent increase in their self-employment rate, depending on the model."

Between 2004 and 2008 the self employment rate for veterans rose nearly 3% while federal programs and support stagnated or diminished. As an example, the Women Business Center (WBC) program grew by 12 centers last year to a total of 99 while veteran's business centers struggled financially and nearly lost 3 of the 8 that currently exist to serve the entire nation. And as the WBC program enjoyed a 12 million dollar line

¹ Educational Attainment and Other Characteristics of the Self-Employed dated December, 2007

² Entrepreneurship and Business Ownership In the Veteran Population dated November 2004

³ Self-Employment in the Veteran and Service-Disabled Veteran Population dated January 2007

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item budget, the SBA office of Veterans Business Development which funds 5 of the 8 existing Veterans Business Center's remained funded at \$750,000 despite legislation which authorized an increase to that office to more than \$2 Million.

More than 1,700,000 members of the Armed Forces have been deployed to Iraq and Afghanistan since September 2001, and nearly 611,000 have been deployed more than once. As of May 3, 2008, 4,059 members of our Armed Forces have died and 30,004 have been wounded in action in Iraq while deployed in support of Operation Iraqi Freedom. Additionally, 491 members of our Armed Forces have died and 1,944 have been wounded in action in Afghanistan while deployed in support of Operation Enduring Freedom.

Members of our Armed Forces and their families deserve all the medical, financial, education, and moral support that our Nation can provide (H. Res. 1200, May 14th, 2008), and finally;

Congress finds the following:

(1) Veterans of the United States Armed Forces have been and continue to be vital to the small business enterprises of the United States.

(2) In serving the United States, veterans often faced great risks to preserve the American dream of freedom and prosperity.

(3) The United States has done too little to assist veterans, particularly service-disabled veterans, in playing a greater role in the economy of the United States by forming and expanding small business enterprises.

(4) Medical advances and new medical technologies have made it possible for service-disabled veterans to play a much more active role in the formation and expansion of small business enterprises in the United States.

(5) The United States must provide additional assistance and support to veterans to better equip them to form and expand small business enterprises, thereby enabling them to realize the American dream that they fought to protect.

Findings from; the "*Veterans Entrepreneurship and Small Business Development Act of 1999*", (P.L 106-50).

We ask that Congress and the President of the United States join with us now to support the men and women of this nation who have born the battle in defense of this country's security as they seek to become American *Vetpreneurs*.

The attached annual report provides challenges, as well as solutions, as discussed by the United States Small Business Administration Advisory Committee on Veterans Business Affairs in 2008.

Specific Topics

The Advisory Committee wishes to call attention to 7 topics affecting veteran owned small businesses (VOSB) and service disabled veteran owned small businesses (SDVOSB). The topics addressed in this report are not intended to represent a comprehensive list of topics affecting the veteran business community, but rather a discussion of those particular topics monitored or addressed by the Advisory Committee in 2008.

Topic 1: Veteran Small Business Training and Advocacy

Issue: Development of a method of providing veteran business owners with critical information regarding the business life cycle on topics such as federal contracting and procurement, training and other business issues.

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Recommendations:

1. The Advisory Committee should expand its web portal to facilitate communications between the Committee and the veteran business community.
2. The Advisory Committee should work with the SBA and the VA Center for Veterans Enterprise (CVE), located at www.vetbiz.gov, to ensure that information critical to veteran business owners operating in the federal arena is current, readily accessible and consolidated at a single, easy to find, web location.
3. The Advisory Committee should work closer with Veteran Service Organizations (VSO's) to improve communications between the Committee and the veteran business community.
4. Develop and implement a plan to establish and sustain the proper number of business training centers needed to properly serve the veteran business community.

Topic 2: Guard and Reserve Component Business Owners

Issue: Mobilization and deployment of Guard and Reserve small business owners in current and future conflicts creates a number of problems that threaten the life of that small business.

Recommendation:

1. Establish a program of tax forbearance for Veteran Owned Small Businesses during periods when the owner is called to active duty.
2. Re-establish SBA direct loan programs that allow for loan repayment forbearance for Veteran Owned Small Businesses during periods when the owner is called to active duty.
3. Identify Guard and Reserve business owners early enough to be able to offer pre-deployment business counseling developed and facilitated by the SBA.

Topic 3: Policy Recommendations Regarding Veteran Entrepreneurship

Issue: The statutory framework for training and contracting with VOSB and SDVOSB is not on par with government contracting programs involving other disadvantaged businesses.

Recommendations:

1. Create a formal certification program for SDVOSB.
2. Revise 13 CFR 125.20 which limits sole source contracting with SDVOSB to language which mirrors the criteria applicable to the 8(a) program.
3. Change Section 7 (j) of the Small Business Act to include VOSB and SDVOSB, to put those categories of businesses on the same footing as other federal Disadvantaged Business Enterprise (DBE) programs.
4. Modify P.L. 109-461 so that it applies to all federal agencies.
5. Create the interagency taskforce called for in P.L. 110-186, and implement all other provisions contained in the law, but not yet implemented.

Topic 4: Federal Procurement

Issue: Despite modest improvements in performance, federal agencies consistently fail to achieve goals for contracting with VOSB and SDVOSB.

Recommendations:

1. Require federal agencies to establish ombudsman-like positions to promote and monitor achievement of contracting goals with VOSB and SDVOSB.

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2. Develop and publicize a scorecard that reflects federal agency performance on achieving contracting goals for VOSB, SDVOSB, and cumulative DBE categories.

Topic 5: Bonding

Issue: Current SBA bonding limits are insufficient for DBE's to be competitive in the current market place.

Recommendations:

1. The Surety Bonding Guarantee Program bonding limits should be revised upward to \$15,000,000 and reviewed and revised annually as needed to keep current with market conditions.

2. Establish an outreach and education program for all SDVOSBs with construction as their primary NAICS code to increase their "bondability."

Topic 6: The Advisory Committee on Veterans Business Affairs

The Advisory Committee on Veterans Business Affairs was made permanent in 2008. With the ability to reasonably plan beyond the end of the current fiscal year, the committee has developed a four year plan, which is attached as Appendix A.

Recommendations:

The Advisory Committee recommends that

1. The Advisory Committee be authorized to hold meetings at locations other than the SBA Headquarters, as necessary to accomplish its mission; and that

2. The Advisory Committee meet for a minimum of 8 days per year.

Topic 7: Agency and Corporate Recognition of Veteran Outreach

Issue: Support for the veteran business community, either by federal agencies or government prime contractors, should be recognized and encouraged.

Recommendation: The Advisory Committee explore with VSO's the idea of creating additional methods of recognition of agencies and contractors showing extraordinary support to VOSB and SDVOSB.

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Topic 1: Veteran Small Business Training and Advocacy

Issue: Development of a method of providing veteran business owners with critical information regarding the business life cycle on topics such as federal contracting and procurement, training and other business issues.

Recommendations:

1. The Advisory Committee should expand its web portal to facilitate communications between the Committee and the veteran business community.
2. The Advisory Committee should work with the SBA and the VA Center for Veterans Enterprise (CVE), located at www.vetbiz.gov, to ensure that information critical to veteran business owners operating in the federal arena is current, readily accessible and consolidated at a single, easy to find, web location.
3. The Advisory Committee should work closer with Veteran Service Organizations (VSO's) to improve communications between the Committee and the veteran business community.
4. Develop and implement a plan to establish and sustain the proper number of business training centers needed to properly serve the veteran business community.

Background to Recommendations 1 and 2:

The Advisory Committee identified the issue of access to critical information in its 2006 Report, including the following as recommendation number 6 of that report:

The SBA webpage for the Office of Veterans Business Development should be revised to make it readily identifiable and easy to access from the Agency's Home Page. In addition, the OVBD Home Page should be revised to bring together critical small business information for Veterans in a single, focused location. This webpage could also afford the opportunity for VSO participation at no cost, through links to other quality web pages.

2008 Update: In late 2007, the Advisory Committee established its web portal, <http://partnerpage.google.com/vetsportal.org>. The SBA web page remains difficult to find information about Veterans programs. The Department of Veterans Affairs (VA) maintains a federal web portal for veterans in business of the type recommended by the Committee in its 2006 report. Called "**The Center for Veterans Enterprise**" and located at www.vetbiz.gov, this web site is an excellent resource as a one stop shop for information that will assist veterans doing business with the federal government.

Background to Recommendation 3:

Having become a permanent committee in 2008, the Advisory Committee recognizes the need to improve communications between the committee, VSO's and, more importantly, veterans and the veteran business community. VSO's have a tremendous communications network that will allow the Advisory Committee to learn more from, and disseminate information to, the veteran business community.

2008 Action Plan: The Advisory Committee will continue to foster a web presence, with its own web portal, and in coordination with the SBA and the VA's Center for Veterans Enterprise (CVE). Additionally, the Advisory Committee will develop the communications relationships with VSO's, with the ultimate goal of ensuring that information critical to veteran business owners operating in the federal arena is current, readily accessible and widely distributed.

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Topic 2: Guard and Reserve Component Business Owners

Issue: Mobilization and deployment of Guard and Reserve small business owners in current and future conflicts creates a number of problems that threaten the life of that small business.

Recommendations:

1. Establish a program of tax forbearance for Veteran Owned Small Businesses during periods when the owner is called to active duty.
2. Re-establish SBA direct loan programs that allow for loan repayment forbearance for Veteran Owned Small Businesses during periods when the owner is called to active duty.
3. Identify Guard and Reserve business owners early enough to be able to offer pre-deployment business counseling developed and facilitated by the SBA.

Background

The Advisory Committee identified the business tax issue in its 2006 Report, including the following as recommendation number 8 of that report:

Recommend authorization of a business tax forbearance, which would allow the selected category of duty status military member to deposit their estimated federal business tax liability payments into an interest bearing trust account, thus authorizing tax forbearance for a period of time equal to the amount of active duty time performed plus 180 days. This forbearance would begin upon the effective date of the service member's orders and all tax obligations are to be satisfied in full no later than 180 days following the termination of such orders.

2008 Update: It is the view of the Advisory Committee that no action was taken by either the executive or legislative branch of the federal government with regard to this tax recommendation. Re-establishing a direct loan program would provide another method of supporting Guard and Reserve Component business owners.

2009 Action Plan: The Advisory Committee shall gather additional information in support of these recommendations and continue to advocate for such programs.

Topic 3: Policy Recommendations Regarding Veteran Entrepreneurship

Issue: The statutory framework for training and contracting with VOSB and SDVOSB is not on par with government contracting programs involving other disadvantaged businesses.

Recommendations:

1. Create formal certification program for SDVOSB.
2. Revise 13 CFR 125.20, which limits sole source contracting with SDVOSB, so that it mirrors the criteria applicable to the 8(a) program.
3. Change Section 7 (j) of the Small Business Act to include VOSB and SDVOSB, to put those categories of businesses on the same footing as other federal DBE programs.
4. Modify P.L. 109-461 so that it applies to all federal agencies.
5. Create the interagency taskforce called for in P.L. 110-186, and implement all other provisions contained in the law, but not yet implemented.

Background – Recommendation 1

Many private diversity programs recognize a category of DBE only if there is a formal federal certification program for that category. As a result, self-certified SDVOSB are often ineligible for

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participation in private contractual diversity programs. A formal certification program will greatly expand the opportunities for SDVOSB in the private sector and prevent abuse in the federal sector. The Advisory Committee identified the need for a certification program for SDVOSB in its 2006 Report as its recommendation number 2:

Creation of a Certification Program for service-disabled veteran-owned small businesses.

2009 Update: This certification was to be accomplished through the Vet Biz Vendor Information Pages (VIP) data base created by the Department of Veterans Affairs (VA). In order to comply with the mandates of P.L. 109-461, the VA continues to refine the database as it prepares to launch its verification component of the portal. During its testimony, the Center for Veterans Enterprise indicated that the VIP database would soon populate the Central Contractors Registry database with certified SDVOSB information. Unfortunately, due to the VA's inability to promulgate implementing regulations in a timely manner, the full implementation of the certification program as contemplated by P.L. 109-461 has not been accomplished.

2009 Action Plan: The Advisory Committee intends to monitor the implementation of this recommendation and will request regular updates from the Department of Veterans Affairs on this and other Vets First implementation issues.

Background – Recommendation 2

The Advisory Committee identified the discrepancies in the provisions relative to sole sourcing of contracts between VOSB/SDVOSB and the 8(a) program in its 2006 Report, specifically its recommendation number 3:

Agency-wide resistance to P.L. 108-183 by revising 13 CFR 125.20 to eliminate restrictions on the award of sole source contracts to SDVOSB. The change should mirror the following paragraph which applies to 8(a). 13 CFR 124.508 (c) reads "In order to be eligible to receive a sole source 8(a) contract, a firm must be a current Participant on the date of the award." (There are no other restrictions)

2008 Update: It is the assessment of the Advisory Committee that no action was taken by either the executive or legislative branch of the federal government to implement this recommendation as of 1 October 2008.

2009 Action Plan: The Advisory Committee will continue to advocate for change to eliminate this discriminatory treatment of SDVOSB, as compared to other small business entities.

Background Recommendation 3

Related to Recommendation 2 above, a change to Section 7(j) of the Small Business Act would allow VOSB and SDVOSB to participate in training programs and access training funds currently established to assist disadvantaged businesses and essentially place veteran businesses on an equal footing with companies in the 8(a) program, without adding VOSB and SDVOSB to that program. The Advisory Committee identified this issue in its 2006 Report as recommendation 7:

Change Section 7(j) of the Small Business Act to include Veteran Owned Companies.

2008 Update: It is the assessment of the Advisory Committee that no action was taken by either the executive or legislative branch of the federal government to implement this recommendation as of 1 October 2008.

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2009 Action Plan:

The Advisory Committee will continue to push for legislative changes that will put VOSB and SDVOSB on an equal footing with other government contracting programs that provide opportunities to certain classes of small businesses.

Background Recommendation 4:

P.L. 109-461 reflects what should be the contracting priorities of the federal government relative to VOSB and SDVOSB. Unfortunately, the contracting authority provided is limited to the Department of Veterans Affairs.

2009 Action Plan:

The Advisory Committee will continue to push for legislative changes that will put VOSB and SDVOSB on an equal footing with other government contracting programs that provide opportunities to certain classes of small businesses.

Background Recommendation 5:

P.L. 110-186 directed the President to establish an interagency task force to coordinate federal efforts to improve capital and business development opportunities for, and ensure achievement of the pre-established federal contracting goals for, small businesses owned and controlled by service-disabled veterans and veterans. This interagency task force has not been formed as of 1 October 2008.

2009 Action Plan:

The Advisory Committee will continue to push for the establishment of the interagency task force called for by P.L. 110-186 and to work with that task force to improve the business climate for veteran and disabled veteran owned businesses.

Topic 4: Federal Procurement

Issue: Despite modest improvements in performance, federal agencies consistently fail to achieve goals for contracting with VOSB and SDVOSB.

Recommendations:

1. Require federal agencies to establish ombudsman-like positions to promote and monitor achievement of contracting goals with VOSB and SDVOSB.
2. Develop and publicize a scorecard that reflects federal agency performance on achieving contracting goals for VOSB, SDVOSB, and cumulative DBE categories.

Background to Recommendation 1:

Fundamental to business success is the creation of opportunity. The federal government has established important contracting goals which create a favorable climate for veteran owned small businesses. Despite commendable efforts on the part of some federal agencies, overall, federal agencies have continued to fall short of these goals and, in many cases, have neither developed nor implemented plans to reach the established goals.

1. The SBA, through the efforts of one employee (Mr. Billy Jenkins), has taken the lead in conducting a campaign to educate federal contracting officers on the rules and regulations governing contracting with veteran owned small businesses. While his efforts are laudable, the efforts of one person in an underfunded office are insufficient to make a significant, speedy improvement. His efforts deserve both recognition and additional support.
2. The Department of Veterans Affairs made significant progress in working with veteran owned small businesses and has the authority under P.L. 109-461 to establish a model program for certifying and contracting with veteran owned small businesses.

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Unfortunately, since obtaining the statutory authority, the VA has been unable to promulgate the regulations necessary to fully implement the available authority.

3. The GSA implemented the VETS GWAC, providing a significant contracting opportunity to veteran owned small businesses. While this did not bring the GSA into full compliance with federal contracting goals, it was a step in the right direction. Agencies should be encouraged to use the VETS GWAC as a source vehicle to assist them in meeting their goals, and in developing similar programs, as applicable to their agency operations.

4. Despite being the federal agency from which veterans, especially service disabled veterans, transition to civilian life, DOD provides minimal support to the veteran business community. DOD has recognized this shortcoming, but has not moved aggressively to develop and implement a strategy to assist veterans, VOSB and SDVOSB.

5. Agencies consistently fail to achieve the statutory contracting goals. Although the SBA scorecard is not available at the time this report is submitted, the information available to the committee is that SDVOSB goals are not being met.

The contracting goals are not new; since 1999, federal agencies have had obligations to contract with veteran owned small businesses and service disabled veteran owned small businesses. Continued disregard for VOSB / SDVOSB contracting goals should not be tolerated. Federal agencies should be required to develop and implement agency specific plans to achieve their veteran related contracting goals, with periodic reviews and accountability criteria established to ensure successful outcomes.

The Administration and Congress should establish an ombudsman-like position within each federal agency responsible for ensuring that veteran related contracting goals are achieved. This ombudsman-like position should have the authority to take those actions necessary to achieve compliance. Further, since federal agencies are entering the 9th year of goal shortfalls, performance penalties should be established for the senior management of federal agencies that fail to make a good faith effort to achieve those requirements.

2009 Action Plan:

The Advisory Committee intends to strengthen its oversight of federal agency performance and intends to invite a representative from each federal agency to a Committee meeting in 2009, to gather information and to discuss agency plans.

Background to Recommendation 2:

The Advisory Committee identified the need for better tracking of federal agency performance regarding the achievement of contracting goals with VOSB and SDVOSB in its 2006 Report, as recommendation number 5:

The SBA should identify all agencies affected by the Executive Order. Assist them in developing a strategic plan and establish realistic reporting criteria. Once the information is received, disseminate this data to all agencies, Veteran Organizations and post on SBA website as a bellwether of our progress.

2008 Update: The SBA scorecard is not available as of the date this report is being submitted.

No agency not in compliance with the SDVOSB contract targets should be eligible for any rating higher than yellow.

2009 Action Plan: The Advisory Committee intends to invite individual federal agencies to participate in panel discussions during each of its 2009 meetings. These panels will involve 4 agencies at a time and will address the agencies' performance on contracting with VOSB

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and SDVOSB and the agencies' plans to achieve the requirements of the law. The form of invitation is shown at Appendix C.

The Advisory Committee will conduct separate discussions with the Department of Defense and the Department of Veterans Affairs.

Topic 5: Bonding

Issue: Current SBA bonding limits are insufficient for DBE's to be competitive in the current market place.

Recommendations:

1. The Surety Bonding Guarantee Program bonding limits should be revised upward to \$15,000,000 and reviewed and revised annually as needed to keep current with market conditions.
2. Establish an outreach and education program for all SDVOSBs with construction as their primary NAICS code to increase their "bondability."

Background:

The Advisory Committee identified this bonding issue in its 2006 report as its first recommendation:

The Surety Bond Guarantee Program bonding limits should be revised upward to 15,000,000 for small businesses to insure their competitiveness in today's construction environment. Establish an outreach and education program for all SDVOSBs with construction as their primary NAICS code to increase their "bondability".

2008 Update: Recent regulatory changes increased the guarantee amount to 90% by a Prior Approval Surety (13 CFR Part 115), but this did not address the fundamental problem of insufficient bonding limits. The assessment of the Advisory Committee is that no action has been taken by either the executive or legislative branch of the federal government to increase bonding limits..

2009 Action Plan: The Advisory Committee intends to conduct further hearings to obtain additional testimony to support this recommendation.

Topic 6: Advisory Committee on Veterans Business Affairs

Issue: P.L. 110-186 made the Advisory Committee a permanent committee and its new charter was issued in May 2008.

Recommendations:

The Advisory Committee recommends that

3. The Advisory Committee be authorized to hold meetings at locations other than the SBA Headquarters, as necessary to accomplish its mission; and that
4. The Advisory Committee meet for a minimum of 8 days per year.

Background to Recommendation 1: The current statute mandates that the only place where the Advisory Committee can hold an official meeting is in the SBA Building at 409 3rd Street, SW, Washington, DC. This location limitation creates scheduling problems with meetings in Washington, DC and prevents the Committee from holding formal hearings outside of Washington, DC to gather information relevant to the Committee's mission.

Background to Recommendation 2: This past year, the Committee was restricted to three one day meetings, to take place once each quarter, with a one and a half day meeting in the last quarter, for a total 35 hours. In one meeting, nearly one half of one day was lost

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because of scheduling issues with the court reporter. Considering the scope of the Committee's charter, the quarterly meetings should be at least two days each, with the ability to add additional days, if justified by particular Committee activity.

2009 Action Plan: Upon receipt of its new charter, the Advisory Committee prepared its four year plan, which is attached as Appendix A. The Advisory Committee has adopted a generic agenda for future meetings in an attempt to establish a committee-centric focus for FY2009 and beyond activities. The agenda is shown at Appendix B.

Topic 7: Agency and Corporate Recognition of Veteran Outreach

Issue: Support for the veteran business community, either by federal agencies or government prime contractors, should be recognized and encouraged.

2008 Update: During 2008, the GSA issued its 21 Gun Salute program and the Chief, US Army Corps of Engineers issued a directive, each intended to encourage contracting with VOSB and SDVOSB. Within the DoD, individual agencies and significant prime contractors have begun to focus on working with VOSB and SDVOSB. When there was a lack of funding for three veteran business service centers, Boeing donated approximately \$75,000 to keep these centers open.

Recommendation: The Advisory Committee explore with VSO's the idea of creating additional methods of recognition of agencies and contractors showing extraordinary support to VOSB and SDVOSB.

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Appendix A – Four Year Plan

In accordance with the Charter of the Advisory Committee on Veterans Business Affairs, the Committee has identified the following key areas of interest to small businesses owned and operated by veterans. The Committee intends to monitor, evaluate, observe and provide advice and counsel on these issues. Included in this effort will be those efforts necessary to collect data for analysis of these issues. This is not intended as a final, all inclusive list, but a starting point for Committee activities.

Identify services required for Veteran/Service Disabled Veteran and Reserve Components Owned Small Businesses

Identify differences between VOSB/SDVOSB/RCOSB and other businesses.

Transition from Military to Civilian Life

Monitor efficiencies of Transition Assistance Program - TAP/Turbo Tap and make recommendations on improvements and how to promote veteran entrepreneurship;

DoD component - one year before discharge, two years before retirement –

Department of Labor component

DTAP – VA Disability TAP

Evaluate potential role of SBA in TAP

Impact of continued Reserve/NG duties on business

SBA focus– Self – Employed Reservists

DoL/DoD focus – Effect on Employers

How should pay gap created by active service be covered. (home foreclosures, bankruptcy and other credit issues created by active service). Evaluate efforts of federal, state agencies deal with issue, such as State Dept 3 “free” weeks.

Review and evaluate the impact of service disabilities on small business ownership

Identify differences between VOSB & SDVOSB

Evaluate potential employment incentives to encourage hiring of disabled veterans

Review federal agency veteran programs (DoL Vets, GSA 21 gun salute, etc.)

VA vocational rehabilitation programs

Review, propose and monitor organization used to deliver veteran business services to determine best way to deliver the identified services. Effort will include, but not be limited to, evaluating the role of all agencies delivering veteran business services, to include:

SBA (at a minimum to ensure that all SBA veteran activities/programs are coordinated with Office of Veterans Business Development);

Other federal agencies

VSO's

TVC (at a minimum, engage TVC board of directors

National Chambers of Commerce

State agencies

Federal Contractors, especially major DoD Prime Contractors.

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Appendix A – Four Year Plan (Cont.)

Review financing of veteran business support from Congress, State and local government.

Determine total funding for VOSB/SDVOSB support activities across all government agencies (including grants, all federal agencies, state government);

Address issues of funding parity between VOSB/SDVOSB and other business support activities;

Develop role for Committee in developing budget for Veteran services;

Determine how best to ensure the cost effective delivery of all necessary services are provided to VOSB/SDVOSB/RCOSB without unnecessary duplication of existing programs; and

Review, evaluate and recommend improvements to bonding resources available to support veteran business operations.

Develop committee so that it serves as a Veteran Business focal point between SBA, VSO, TVC, other federal agencies and other federal agency veteran advisory boards and state and local agencies involved in veteran business support.

Develop and disseminate standards/recommendations for Veteran Outreach Activities.

Consult with VOSB/SDVOSB to determine needs; and

Coordinate with agency OSDDBU on Veteran Outreach Activities.

Establish Committee guidelines regarding communications with policy makers on Capitol Hill.

Monitor performance of federal agencies and major federal suppliers to comply with 3% contracting target to ensure veteran business are given equal opportunity to obtain government contracts.

Bundling/unbundling of federal contracts;

Wording of FAR (will/shall);

Sole Sourcing of contracts; and

Section 7(j) participation for veteran owned small businesses.

Evaluate, develop and implement method to recognize agency and private sector support for VOSB and SDVOSB activities.

Perform all other activities and coordinate with all entities as deemed appropriate by the Committee to advance veteran business opportunities.

Advisory Committee on Veterans Business Affairs

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Appendix B - Generic Committee Agenda

Time	Topic	Notes
Day One		
0830 – 0900	Administrative matters	
0900 – 1100	Oversight Panel (4 Agencies per meeting)	
1100 – 1200	Committee Oversight Discussion	
1200 – 1300	Lunch	
1300 – 1500	Selected Meeting Topic	
1500 – 1600	DOD Update or Selected Meeting Topic	
Day Two		
0900 – 1000	Recurring SBA Reports Bill Elmore Billy Jenkins Matt Teague Advocacy	Subject Matter Finance Procurement Staffing Research
1000 – 1030	TVC Report & Plan Development Discussion	
1045 - 1115	VA Update on Vets First	
1130 – 1200	Public Comment	
1200 – 1300	Lunch	
1300 – 1700	Internal Committee discussions Working Group Updates Analysis of data gathered from presentations Work on Annual Report Meeting Wrap Up	

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Appendix C - Letter of Invitation to Federal Agencies

The SBA Advisory Committee on Veterans Business Affairs (Veterans Committee) invites your agency to participate in our 2009 hearings. The Veterans Committee was established by Public Law 106-50 to serve as an independent source of advice and policy recommendations to the SBA Administrator, Associate SBA Administrator for Veterans Business Development, the Congress, the President and other US policymakers. Each year, the Veterans Committee prepares a report on its activities.

In 2009, the Veterans Committee intends to gather information on the effectiveness of the plans of federal agencies to work with Veteran Owned Small Businesses (VOSB) and Service Disabled Veteran Owned Small Businesses (SDVOSB). This information will be integrated into the Veterans Committee annual report and used to develop recommendations on policy initiatives that will assist VOSB and SDVOSB.

Because we consider this critical to the activities of the Veterans Committee, we intend to set aside three hours of each meeting for this information gathering. These three hour sessions will consist of a 2 hour panel discussion involving up to four federal agencies. These panel discussions will consist of a 15 minute presentation from each agency to describe its veteran business programs, followed by an hour long question and answer period. The third hour will involve further discussion of veterans' issues, with the agency representatives invited to participate in that discussion period.

The Committee meets four times a year and is targeting January 6 & 7 2009, February / March XXX, 2009, July 21 & 22, 2009 and September 15 & 16, 2009 for the next four meetings. We are requesting the participation of your agency at our _____ meeting. If that is not convenient, please contact us to identify a mutually convenient date for your agency's participation. The Veterans Committee looks forward to your presence and discussion on behalf of our joint efforts to support the veteran business community.