

SBA Update

Veterans Small Business Conference

Eric Ness, Wisconsin District Director

May 10, 2017



Contracting

Government-wide Small Business Contracting

Goals are a floor—not a ceiling!

**\$90.7 Billion to Small
Business in FY2015**

\$52.4 Billion from DoD alone

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What are the Government-wide Small Business Contracting Goals and Achievement?

Category	Goal	2013	2014	2015
Small Business	23%	23.39%	24.99%	25.75%
SDB (8(a))	5%	8.61%	9.46%	10.06%
HUBzone	3%	2.01%	1.82%	1.82%
Women	5%	4%	4.68%	5.05%
SD Vets	3%	3.03%	3.68%	3.93%

Bold=Goal met

Woman-Owned Small Business Goal achieved for the first time in 2015

Contracting: Eligibility

Sample Size Standards

NAICS Industry Sector	Standard
Manufacturing	500 employees
Wholesale Trade	100 employees
Agriculture	\$750,000
Retail Trade	\$7 million
General & Heavy Construction	\$33.5 million
Dredging	\$20 million
Special Trade Contractors	\$14 million
Travel Agencies	\$3.5 million
Business and personal services	\$7 million
Architectural, Engineering, Surveying, Mapping Services	\$4.5 million
Temporary staffing services	\$13.5 million

Updates to selected industry size standards effective 2/26:

- Manufacturing
- Wholesale Trade
- Retail Trade
- Program specific size standards adjusted for inflation

*As directed by the Jobs Act

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Small Disadvantaged Businesses (8(a))

- **Goal: 5% of all federal contracts**
 - **2015: 10.06%**
- Socially and economically disadvantaged businesses and businesses in 8(a) assistance program
- 8(a) provides development assistance with mentoring, training, matchmaking events—
9 year program

Women Owned Small Business Certification

- Self Certification

- WOSB or EDWOSB may self certify
- **NEW portal for certification (<https://certify.sba.gov/>)**
- Contracting officer may/will request additional documentation
- If already certified, all documents are transferred to certify.sba.gov, **firm must create as a new user account and update their records**

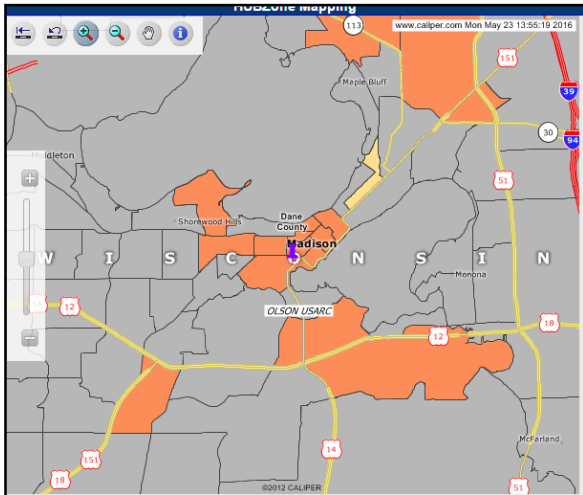
- Third Party Certification

- May be certified by an authorized Third Party Certifier (not required)
- Existing 8(a) program certification may be eligible

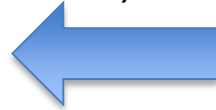
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HUBzones

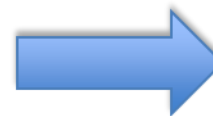
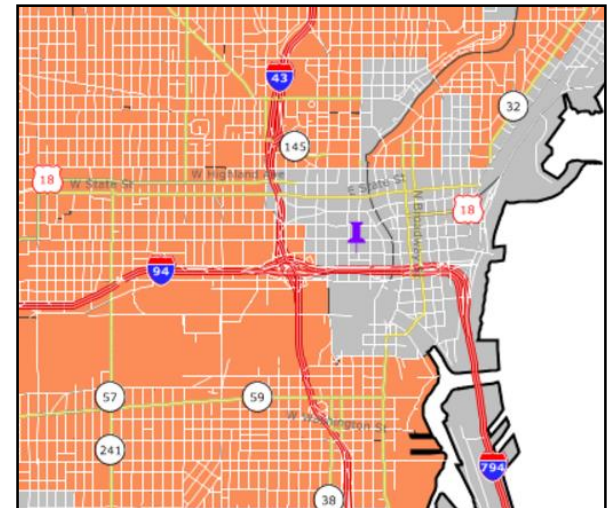
- **Goal: 3% of all federal contracts**
 - **2015: 1.82%**
- **Businesses in distressed urban, rural areas**



Madison area HUBzones
(reference point is SBA
office, 740 Regent Street)



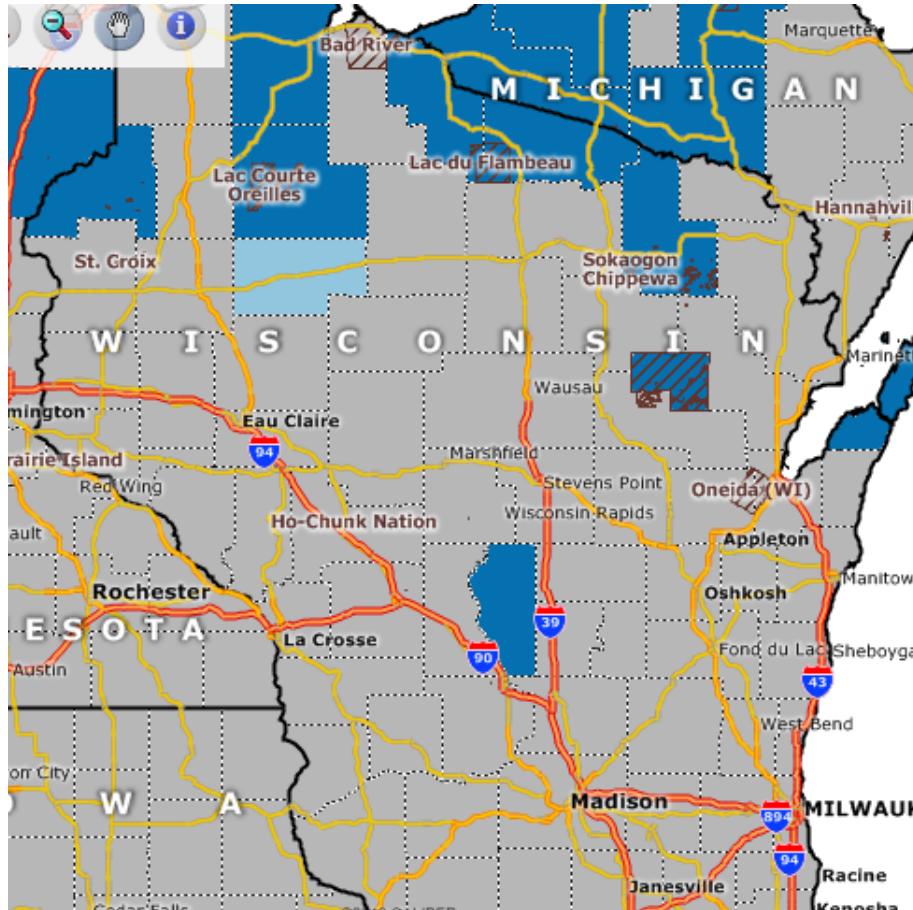
Milwaukee area HUBzones
(reference point is SBA
office, 310 W. Wisconsin)



www.sba.gov/hubzone

Contracting

HUBzones throughout Wisconsin



Indian/tribal lands; parts of Milwaukee, Waukesha, Kenosha, Racine, Madison, Green Bay, Stevens Point, other communities throughout the state

www.sba.gov/hubzone
map tool on page

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Service Disabled Veteran Owned Small Business (SDVOSB)

- **Goal: 3% of all federal contracts**
 - **2015: 3.93%**

- **VA certifies veteran as Service-Disabled**

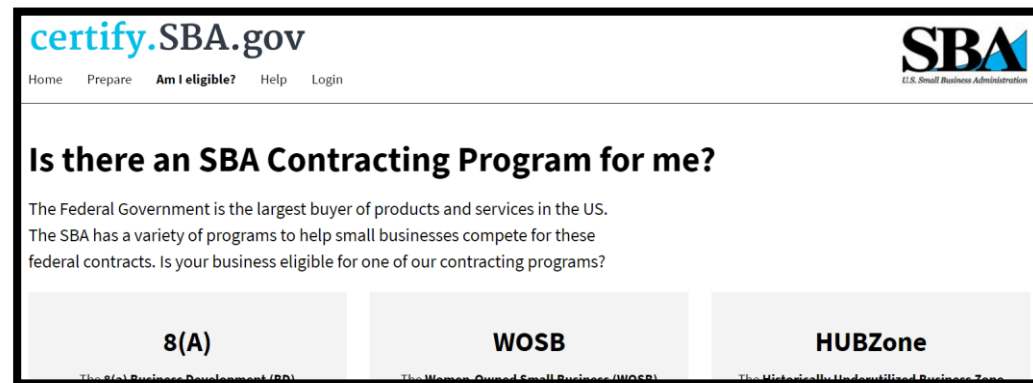
Service Disabled Veteran Owned Small Business - Eligibility

The Service Disabled Veteran (SDV) must have a service-connected disability that has been determined by the Department of Veterans Affairs or Department of Defense

The SDVOSB must be small under the North American Industry Classification System (NAICS) code assigned to the procurement

All Small Mentor/Protégé Program

- Effective August 24, 2016-expanded to all contracting categories
- Allows large business to mentor a smaller one
- Online applications accepted since November 1, 2016 at certify.sba.gov



All Small Mentor/Protégé Status

- Oct 1, 2016 to May 5, 2017:
 - 3,900+ Online Tutorial Views
 - 9 8(a) Transfer MPAs to ASMPP
 - 21 ASMPP applications declined
 - 161 Approved MPA agreements in portfolio
 - SBs - 22%
 - SDVOB - 38%
 - HUBZONE - 15%
 - 8(a) - 26%
 - WOSB - 10%

Counseling

- **SCORE** – Counselors to America’s Small Businesses (25 locations)
 - **Women’s Business Centers** (7 locations)
 - **Small Business Development Centers (SBDC)**-12 locations plus Specialty Centers
- 14,562 Wisconsin residents were counseled or mentored by an SBA resource partner in FY2016***
- **Online Training SBA.Gov**
 - More than 130 free courses and webinars

Counseling

Veterans Business Outreach Center



Business counseling, lending, advising on Federal contracting for active duty military, veterans, and their families

For more information, contact:

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Capital: 7(a) loans

Overview

- **SBA's primary loan program**
- Maximum loan: \$5 million
- Guarantees: 85% <\$150,000; 75% > \$150,000;
- Maturities
 - 5 – 10 years: working capital, machinery, equipment
 - Up to 25 years for real estate, construction
- \$15 million tangible net worth; \$5 million net profits

Capital: 7(a) loans

Express Loans

- 50% Guarantee
- Up to \$350,000
- *Includes Lines of Credit*
- Lender makes credit decision
- Up-front guaranty fees waived for vets

Capital: Lending-WI

*Wisconsin 7(a) and 504 lending
Through May 5*

903 total loans guaranteed

\$388.9 million

504: 118/\$90.6million

7(a): 785/\$298.4 million

As of March 31 (1st half FY2017)

273 startups/\$103.8 million

350 loans \$150,000 or under/\$27.6 million

Loans to women: 125/\$35.7 million

Loans to veterans (as of 4/30): 43/\$17.2 million

2017 Loan fee reductions

Who's eligible	Program	Loan Amount	Borrower Fees	Lender fees	SBA Guarantee Amt
All borrowers	7(a)	\$150,000 and less	Up front fees paid	.546%	85%
Veterans, transitioning service members, family members	7(a)	\$150,001 to \$500,000	50% fee reduction	.546%	75%
	Express	\$350,000 and less	None	.546%	50%



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