



Strategy and Legislative Update November 2022



Welcome to the November 2022 edition of the **NVSBC Strategy and Legislative Update**, the award-winning source of **Federal Insights for Veteran Small Business GovCons**. This publication is distributed to all NVSBC Members mid-month to provide updates on NVSBC legislative initiatives. In each monthly edition, we provide a detailed review of the current legislative actions, our insights on the potential impacts of this legislation on Veteran small businesses, and our federal advocacy activities.

Overview of NVSBC Legislative Priorities - 2022

NVSBC serves as the leading advocate for the 50,000+ Veteran owned small businesses serving as federal contractors. Working with the highly regarded advisory firm Van Scoyoc Associates, we are developing and implementing a focused engagement plan with both congress and federal agencies on behalf of our members and Veteran owned small businesses throughout the nation. Here is a summary of our priorities:

Priority #1: CVE Verification Across All Federal Agencies. Monitor the transition of the CVE verification program from VA to SBA as directed by the FY 2020 National Defense Authorization Act (NDAA) to ensure compliance and service levels.

Priority #2: Parity of Veteran Small Business Set-Asides. Advocate for an increase of the government-wide set-aside contracting award goal for Service-Disabled Veteran Owned Small Businesses (SDVOSB) from the current 3% level to 5%. Additionally, ensure that Veteran owned small businesses benefit from any future set aside program increases.

Priority #3: Addressing the Challenges of Category Management. Engage Congress and the lead agencies that are advancing Category Management as a federal acquisition policy (GSA, OMB, DoD) to mitigate and reverse its devastating impact on small businesses.

Priority #4: Addressing the Challenges of Unfunded Mandates. Relieve the burden of unfunded mandates (i.e., CMMC, vaccinations, etc.) through requirement guideline exemptions and/or SBA support programs.

Priority #5: Veterans First. Monitor VA adherence to Vets First acquisition policies for SD/VOSB acquisition awards. Leverage VA best practices to advocate for a DoD Vets First Program.

Priority #6: Access to New Contracting Opportunities. Promote, advance, and advocate for new and expanded Veteran small business opportunities at all federal agencies.

Upcoming Congressional Schedule and Key Dates

■ Both chambers in session
 ■ House only in session
 ■ Senate only in session
 ■ House committee work

November

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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

November Outlook

- Midterm elections were held 8 November.
- Congress currently working on completing the FY23 NDAA & Appropriations during the months of November/December.

December

				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

December Outlook

- Continuing Resolution expires 16 December
- As Congress works to complete end-of-year priorities, it is possible the House and Senate could extend their December work periods.

Congress Returns to Appoint New Party Leaders

Following the 2022 midterm elections, the Senate and House of Representatives reconvened last week to begin work on what is expected to be a very active lame duck session to finish up key legislation before the beginning of the 118th Congress. In each chamber, members are in the process of determining their party leadership.

In the House of Representatives, the House Republican Conference held its leadership election for the Republican Speaker of the House. Though Republicans achieved a majority, many were upset with the tight margin, and many blamed Republican Leader Kevin McCarthy (R-CA). Several Republicans questioned whether McCarthy should become Speaker. In the end, McCarthy beat Rep. Andy Biggs (R-AZ). The conference vote was 188-31. That is a strong showing for McCarthy, who’s appeal to Republicans was that he is the only person who could get 218 votes to support him.

The next step is the formal election of the Speaker on 3 January when the House will convene to start the 118th Congress. Unlike the nomination vote, that vote is not a secret ballot, and whoever gets the most votes wins, even if that is a Democratic nominee with fewer than 218 votes. McCarthy must convince those 31 defectors to support him on the floor or potentially face the election of a Democratic speaker. Further, Minority Whip Steve Scalise (R-LA) was promoted to Majority Leader, and Rep. Tom Emmer (R-MN) was elected as Majority Whip.

The most notable changes were among House Democrats. Though their leadership elections will be held after Thanksgiving, Speaker Nancy Pelosi (D-CA) announced in a floor speech that after 20-years as Democratic leader she is passing the baton to a new generation of Democrats. This is despite pleas from President Biden and Senate Majority Leader Schumer to stay to help shepherd the Biden agenda. For the 118th Congress she plans to resume her role as a rank-and-file member to advise her successor. Shortly thereafter, Majority Leader Steny Hoyer (D-MD) announced he would step back to give a new generation of Democratic leaders a chance to lead. This sets up a wide-open House Democratic leadership slate. With little opposition, it appears Democrats will elect Rep. Hakeem Jeffries (D-NY) as Minority Leader,

Rep. Katherine Clark (D-MA) as Minority Whip, and Rep. Joe Neguse (D-CO) as Democratic Caucus Chair. It is too early to determine the legislative implications of a new House Democratic leadership slate will mean for the 118th Congress. However, a Jeffries-led Democratic minority will likely be more inclined to bolster their messaging against the Republican majority.

Senate Republicans had hoped to retake the Upper Chamber but were unable to pick up any additional seats. Current Republican Leader Mitch McConnell (R-KY) fended off a challenge from Senator Rick Scott (R-FL) who was the chair of the Senate Republican campaign arm. Both candidates blamed each other for Republican failures, and some senators insinuated they misspent campaign dollars in the process. Ultimately, McConnell won 37-10, with one abstention.

Meanwhile Senate Democrats, whose leadership elections will be held after Thanksgiving, plan to rely on established leaders. It appears Senate Majority Leader Chuck Schumer (D-NY) will continue in his role. Senator Patty Murray (D-WA) will replace retiring Senator Patrick Leahy (D-VT) as President Pro Tempore. Democrats are eagerly awaiting the results of the Georgia runoff. A 51-seat Majority in the Senate will give Democrats a slight governing advantage and an ability to speed up the legislative process, whereas a 50-seat Majority requires evenly balanced Committees and Subcommittees, and bipartisan support to bypass a procedural hurdle when moving legislation and nominations to the floor.

2022 Congressional Priorities

FY23 Appropriations

- On 30 September, Congress approved a Continuing Resolution (CR) that will fund the government through 16 December.
- Currently House and Senate appropriators are trying to reach a bipartisan, bicameral budget framework and subcommittee allocations.
- The Biden Administration is asking for additional funds for Ukraine (\$38B) and COVID Emergency Health Funding (\$10B) but is pessimistic Congress will raise the debt limit during the lame-duck session, preparing for one of the first showdowns with the expected Republican-controlled House.
- Other potential additions to the FY23 funding includes disaster relief for hurricane victims in Florida and Puerto Rico; a possible Capitol Police supplemental to help provide member security; staving off steep cuts to Medicare and other sensitive programs; & compensation for 9/11 victims' families.



Impact to Veteran Owned Small Businesses

- Under a CR, the U.S. Government can only spend at the previous Fiscal Year levels, and no new programs are allowed to start. Program offices cautiously spend as it is unclear when the final appropriations measures will be completed.
- The CR included \$20 million for CVE so that the SBA can continue with the transfer and will not experience any delays in getting money due to the later appropriations deadline. This was something NVSBC and VSA pushed hard to support.
- It is unclear at this moment, if Congress will complete work on FY23 Appropriations prior to 16 Dec or if another CR will be needed.

FY23 National Defense Authorization Act (NDAA)

- The White House requested \$813.1 B in military funding for FY23 – both the House and the Senate are considering boosting that figure by \$39.3 B and \$57.5 B, respectively.
- Tentative plan is to file the NDAA the first week in the House on 2 December, allowing the House (Week of 5 December) and Senate (Week of 12 December) to finalize and pass the NDAA.



Impact to Veteran Owned Small Businesses

- Congress hopes to pass a final version by early December 2022.
- VSA is working closely with Congressional advocates to add a provision to the FY23 NDAA that would increase SDVOSB set asides from 3% to 5%.



Other Potential Legislation for the Lame Duck Session

- *Federal Agency and Judicial Nominations*
- *Tax Extenders*
- *Health Care Bills*
- *SAFE Act on Cannabis Banking*
- *Marriage Equality (same-sex marriage protection)*
- *Electoral Count Act Reform*
- *Infrastructure/energy permitting reform*
- *Debt ceiling raise/suspension*

Impact to Veteran Owned Small Businesses

- The legislative priority remains the FY23 NDAA and Appropriations. Some of these legislative issues may be added to the NDAA or Appropriations.
- These legislative issues will compete for Congressional attention, and some may slip to the 118th Congress.
- VSA will monitor and report on any impacts to the small business and VOSB community.

NVSBC/VSA Congressional Outreach

During the month of November, VSA has worked with NVSBC to continue to advocate for FY23 legislative requests and start to refine the list of FY24 legislative priorities.

NVSBC Events

NVSBC Events are specially designed to provide networking and training for those VOSB & SDVOSB ready to take their business to the next level! These include:

- Charlie Mike Webinar Training Series
- VetFedBootCamps
- Washington DC Networking Dinners
- Many more...

Let us help you get "Procurement Ready!" Click on the on the button below to learn more and register.

[NVSBC Events](#)

NVSBC is the Lifeline for the Veteran Small Business Community

Facing the challenges of the COVID crisis and new funding initiatives, and the opportunities to support one another as Veterans always do, **NOW** is the time to **ACT**.

NVSBC needs **YOUR HELP** and **YOUR INVOLVEMENT!** Please **REACH OUT** to your fellow veteran business owners. Let them know that **HELP IS OUT THERE**. Let them know what we are doing to help them.

ASK THEM TO JOIN NVSBC today to be part of this great expansion!