



## Strategy and Legislative Update October 2022



Welcome to the October 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 supported 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

### October

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#### October Outlook

- The House designated October a district work period and will be on recess throughout the month.
- The Senate was originally scheduled to be in session for two weeks in October, but majority leader Chuck Schumer (D-NY) cancelled the session to give more time for Senators to campaign.
- The Senate met on 11 October to proceed with the FY23 National Defense Authorization Act (NDAA). The Senate is expected to resume with the NDAA when they return in November.

### November

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#### November Outlook

- Midterm elections will be held 8 November.
- Congress passed a Continuing Resolution to avoid a government shutdown through 16 December; legislative priorities through November will shift towards a longer-term solution.
- Congress will also work on completing the FY23 NDAA during the months of November/December.

## 2022 Congressional Priorities

#### FY23 Appropriations

- On 30 September, Congress approved a Continuing Resolution (CR) that will fund the government through 16 December.
- Several measures (including permitting reform) were excluded from the CR, making them a potential priority as a more permanent budget is negotiated.
- Funding for multiple government programs including National Flood Insurance, Temporary Assistance for Needy Families, Medicaid Assistance for Territories, and FDA User Fee programs will expire with the CR unless a new budget or CR is passed.

#### 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.

#### Text of the CVE funding included in the CR:

“SEC. 133. In addition to amounts otherwise provided by section 101, amounts are provided for “Small Business Administration— Salaries and Expenses” at a rate for operations of \$20,000,000, for an additional amount for costs associated with the establishment and implementation of a Government-wide service-disabled veteran-owned small business certification program within the Small Business Administration, as required by section 36 of the Small Business Act (15 U.S.C. 657f) and section 862 of Public Law 116–283: Provided, That such amounts may be apportioned up to the rate for operations necessary to establish and implement such certification program: Provided further, That such amounts may be obligated in the account and budget structure set forth in H.R. 8294, as passed by the House of Representatives on July 20, 2022.”

**Key provisions of the CR:**

<b>\$12 B</b>	Economic and military assistance to <b>Ukraine</b>
<b>\$2.5 B</b>	New Mexico <b>wildfire</b> relief
<b>\$2 B</b>	<b>Block grant</b> funding for community rebuilding after 2021-22 <b>natural disasters</b>
<b>\$35 M</b>	Preparation for and response to potential <b>nuclear incidents</b> in Ukraine
<b>\$20 M</b>	Establishment and implementation of <b>SDVOSB Certification Program</b> for SBA
<b>\$20 M</b>	<b>Water and wastewater</b> infrastructure improvements in Jackson, Mississippi
<b>\$15 M</b>	<b>Investigative activities</b> undertaken by the FBI for Afghan resettlement operations

**FY23 National Defense Authorization Act (NDAA)**

- On 11 October, a small group of Senators met to debate the annual NDAA.
- A final vote on the proposal won't be held until after the midterms.
- 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.

**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%.

**Post-Roe landscape**

- The House has passed numerous bills to codify access to abortion care, contraceptives, and same-sex marriage in the wake of the Supreme Court's decision to overturn *Roe v. Wade* in June.
- Sen. Lindsey Graham (R-SC) has proposed a national abortion ban parallel to efforts to expand protections.
- While most protections are unlikely to pass the Senate, Sen. Tammy Baldwin (D-WI) has been negotiating with Republican Senators to protect same-sex marriage since July and a vote could take place after the midterms with Majority Leader Chuck Schumer's (D-NY) support.

### **Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR)**

- On 30 September, the President signed into law a 3-year reauthorization of the SBIR/STTR program. [This article](#) gives a good summary of the SBIR reauthorization. This legislation:
  - Requires an annual due diligence assessment in each Federal Agency with an SBIR or STTR program to determine the potential risk posed by foreign ties and obligations
    - SBIR/STTR applicants are required to disclose any business or financial relationships with foreign entities before receiving an award
    - Agencies shall not make an award if they determine existence of improper business ties to or affiliations with foreign countries of concern
  - Allows agencies to recover SBIR and STTR award funds in the case of material misstatements or change in ownership/structure that poses a risk to national security
  - Increases minimum performance standards for firms that have won more than 50 Phase I awards in the previous 5 years
  - Reporting
    - Requires reports from the Departments of Defense, Energy, Health and Human Services, and the National Science Foundation on the national security and research and integrity risks in the SBIR and STTR programs (as well as the agency's capabilities to identify and mitigate such risks)
    - Requires a GAO study on companies that have won 50 or more Phase II SBIR or STTR awards within 18 months
    - Requires a GAO report on subcontracting practices of SBIR and STTR awardees

### **Impact to Veteran Owned Small Businesses**

- This reauthorization allowed no gap of funding to small businesses for SBIR and STTR awards as the previous reauthorization expired 30 September 2022.
- While Senator Rand Paul (R-KY) initially had concerns about continuing the SBIR/STTR program, NVSBC and VSA have been advocating Congressional leaders about the importance of the SBIR/STTR program and the impact it makes on the Small Business community and Nation. Several letters, calls and meetings were held with Senator Paul's office, Senate and House Small Business Committee Chairmen, Ranking Members, and other senior Members.

### **Presidential Election Reform Act**

- The House passed the Presidential Election Reform Act (H.R. 8873) in September, reigniting a congressional effort to prevent a recurrence of the 6 January Capitol riot.
- The proposal comes after a bipartisan coalition in the Senate introduced a similar bill in July, leaving room for Congress to reconcile the two proposals.
- If adopted, the bill would clarify the Electoral Count Act of 1887 and help bridge the gap between states certifying election results and a new President being sworn in.

### **Response to War in Ukraine**

In total, the United States has committed more than \$18.2 billion in security assistance to Ukraine since January 2021. Since 2014, the United States has committed more than \$20.3 billion in security assistance to Ukraine and approximately \$17.6 billion since the beginning of Russia's unprovoked and brutal invasion on 24 February.

### **NVSBC/VSA Congressional Outreach**

On 5 October, VSA supported NVSBC in a meeting held with numerous Staff Directors and Professional Staff on the House and Senate Veterans Affairs Committees, Senate Small Business & Entrepreneurship Committee, and the House Small Business Committee. The purpose of this meeting was to discuss the CVE transfer from VA to SBA. Congressional Committees have indicated that during this month they plan to determine what to do about the 1 January 2023 CVE transfer date and will provide guidance about a potential delay in the FY23 NDAA. NVSBC comments about supporting a 2-to-3-month delay, but not a year were well-received by Capitol Hill. NVSBC also opposed self-certification efforts. Congressional staff intended to get the VA and the SBA together on 13 October to go over everything. They will use all these conversations to prepare their guidance for SBA and VA (to be included in the FY23 NDAA).

## **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!