



## Strategy and Legislative Update June 2022



Welcome to the June 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 together 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 ■ Senate only in Session □ NDAAs work □ Appropriations work

### June

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#### June Outlook

- June 8-9: House Armed Services Committee (HASC) Subcommittee Markups
- June 13 & 14: Senate Armed Services (SASC) Subcommittee Markups
- June 15 & 16: SASC Full Committee Markup
- June 13-22: House Appropriations Committee (HAC) Subcommittee Markups
- June 20: Federal Holiday Juneteenth
- June 22: HASC Full Committee Markup
- June 22-30: HAC Full Committee Markup Dates
- Several states will hold primary elections and some states will hold primary runoff elections

### July

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#### July Outlook

- Week of July 11: House FY23 Defense Authorization bill floor vote

## 2022 Congressional Priorities

### FY23 Appropriations

- President Biden released his FY23 budget request on March 28; the \$5.8 trillion budget request includes \$1.6 trillion in discretionary spending (\$773 billion for defense and \$796 billion in nondefense).
- Top House and Senate appropriators have already begun meeting to discuss top-line figures. But there is currently no agreement on these figures.
- House appropriators began markups in June and facing November election, Congress will likely push to pass a spending bill before the beginning of the 118th Congress.

### Impact to Veteran Owned Small Businesses

- Appropriations bills must be passed into law by Oct. 1, 2022, otherwise a Continuing Resolution (CR) will be needed to fund the government.
- We are hearing from Congressional leaders that CR will likely be needed through November or December 2022.
- 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 Senate has not set any tentative schedules to consider their FY23 appropriations bill yet.

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

- House Authorizers have been vocal they want to increase the \$773 billion Defense funding level given the War in Ukraine and rise in inflation.
- The House Armed Services Committee (HASC) & Senate Armed Services Committee (SASC) have started Subcommittee and Full Committee markups in June and would like to bring the FY23 Defense Authorization bill to the House Floor by July.
- The SASC endorsed a \$45 billion increase to the President's defense spending plans, bringing the topline to \$847 billion.

**Impact to Veteran Owned Small Businesses**

- This bill establishes policy for the Department of Defense, but also authorizes program funding.
- The annual NDAA is considered a must-pass piece of legislation and is often a vehicle for Small Business and Veteran-Owned Small Businesses initiatives to move through.

**Competition with China**

- There is bipartisan support to boost investments in science and technology to compete with Chinese innovation, notably through the Senate-passed US Innovation and Competition Act (USICA) and House-passed America COMPETES Act
- Both bills include funding for domestic chip production, but substantial differences remain and will have to be resolved via the conference process
- Leadership intent is to address by July 4th, but it will more likely move into the fall/end of the year for action.

**Impact to Veteran Owned Small Businesses**

- The bipartisan US Innovation and Competition Act (USICA) passed the Senate in June 2021 and authorizes more than \$120 billion over 5-years at the National Science Foundation (NSF), the Department of Commerce, and the Department of Energy. This is a large increase in NSF funding over 5-years. The Senate bill also includes \$52 billion for domestic semiconductor production and sets aside \$17.5 billion over 5-years for Defense Advanced Research Projects Agency (DARPA) (doubling the agency).
- The House response to the USICA, the America COMPETES Act, passed along party lines on Feb. 4 and includes \$52 billion in grants and subsidies for semiconductor makers and \$45 billion in grants and loans to support supply chain resilience. The House bill also includes a measure to reauthorize the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.

**Gun Violence Prevention**

- Congress renewed efforts to pass gun violence prevention legislation following a spate of mass shootings across the US, including a school shooting in Uvalde, Texas.
- The House voted 223-204 to pass a broad package of gun control legislation in the Protecting Our Kids Act on June 8; the House also passed a federal red-flag law on June 9.
- On June 12, a bipartisan group of 20 Senators announced it had agreed to a tentative framework of limited gun control provisions and investments in mental health and school security.
- The Senate legislative package would close the "boyfriend loophole," establish a federal grant program to encourage states to enact red flag laws, and mandate enhanced background checks for gun buyers aged 21 and younger, including juvenile justice and mental health records.
- Negotiators excluded a provision supported by President Biden that would increase the minimum age of purchase to 21 for some rifles.

**Impact to Veteran Owned Small Businesses/  
Next Steps**

- The House-passed bills are mostly symbolic as they are unlikely to secure 60 votes in the Senate.
- The text of the Senate legislation still needs to be fully drafted, but Senate and House Democratic leadership say they will put the completed bill to a vote as soon as possible.

### **Inflation**

- Following Treasury Secretary Janet Yellen’s admission that she had been wrong about the trajectory of inflation in the US, moderate House Democrats released an inflation reduction plan.
- The plan includes actions to strengthen supply chains, ease trade restrictions, increasing the domestic housing supply, and more.
- Inflation levels have become a key election issue and could seriously impact Democrats in the midterm elections.

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

- Although there is no formal timeline for legislation to be passed, addressing inflation is a priority for Congressional leaders on both sides of the aisle.
- In addition, Congress has been concerned with the rising gas prices and supply chain disruptions.
- DoD recently issued a [Memo](#) on contracts and possible options to adjust terms for inflation. Both the type of contract and the terms of the contract will determine if an adjustment can be possible.

### **Veterans Care**

- After over a decade of advocacy, the Senate and House passed the Promise to Address Comprehensive Toxics (PACT) Act on June 16 to expand care for an estimated 3.5 million Veterans exposed to toxic burn pits in Iraq and Afghanistan. It is now with the President for signature.
- President Biden also signed nine bipartisan bills on June 7 to expand health care for Veterans
  - [S. 4089](#) – Veterans Rapid Retraining Assistance Program Restoration and Recovery Act, which restores entitlement to educational assistance under the Veterans Rapid Retraining Program under certain conditions
  - [S. 2533](#) – the “Making Advances in Mammography and Medical Options for Veterans Act,” which makes a number of changes to VA’s mammography screening and access to related medical care
  - [S. 2102](#) – Dr. Kate Hendricks Thomas SERVICE Act, which expands eligibility for VA mammography screening to veterans who served in locations associated with toxic exposures
  - [S. 3527](#) – To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to transfer the name of property of the Department of Veterans Affairs designated by law to other property of the Department
  - [S. 1760](#) – designates the community-based outpatient clinic of the Department of Veterans Affairs planned to be built in Oahu, Hawaii, as the Daniel Kahikina Akaka Department of Veterans Affairs Community-Based Outpatient Clinic
  - [S. 2514](#) – which renames the Provo Veterans Center in Orem, Utah, as the Col. Gail S. Halvorsen “Candy Bomber” Veterans Center
  - [S. 2687](#) – Strengthening Oversight for Veterans Act of 2021, which temporarily authorizes the Department of Veterans Affairs’ Office of Inspector General to issue subpoenas in certain circumstances
  - [S. 1872](#)- United States Army Rangers Veterans of World War II Congressional Gold Medal Act, which provides for the award of a Congressional Gold Medal to the United States Army Rangers Veterans of World War II, in recognition of their dedicated service in WWII
  - [S. 4119](#)- “RECA Extension Act of 2022,” which extends by two years the availability of compensation for radiation exposure related to nuclear weapons development

### **US Response to war in Ukraine**

On June 15, the Department of Defense (DoD) announced \$1 billion in additional security assistance for Ukraine. This includes an authorization of a Presidential Drawdown of security assistance valued at up to \$350 million, as well as \$650 million in Ukraine Security Assistance Initiative (USAI) funds.

The Presidential Drawdown Act (PDA) authorization is the twelfth drawdown of equipment from DoD inventories for Ukraine since August 2021. Capabilities in this package include:

- 18x 155mm Howitzers;
- 36,000 rounds of 155mm ammunition;
- 18 Tactical Vehicles to tow 155mm Howitzers;
- Additional ammunition for High Mobility Artillery Rocket Systems;
- Four Tactical Vehicles to recover equipment;
- Spare parts and other equipment.

Under USAI, the DoD will provide Ukraine with near-term priority capabilities to defend against Russian aggression. Included in this package are:

- Two Harpoon coastal defense systems;
- Thousands of secure radios;
- Thousands of Night Vision devices, thermal sights, and other optics;
- Funding for training, maintenance, sustainment, transportation, and administrative costs.

The United States has now committed approximately \$6.3 billion in security assistance to Ukraine since the beginning of the Biden Administration, including approximately \$5.6 billion since the beginning of Russia's invasion on February 24.

We are hearing that another Ukraine aid package might be needed in the fall timeframe.

### **NVSBC Outreach & Planning Sessions Led by VSA**

- VSA submitted FY23 appropriations requests to Congressional Members on the House and Senate Appropriations Committees to support \$20 million that is included in the FY23 budget request for the proper transfer of verification responsibilities to the SBA.
- VSA has also submitted FY23 legislative requests to Congressional leaders in the House and Senate Small Business Committees to increase SDVOSB set asides (from 3% to 5%).
- Now that all members of Congress have submitted their requests to the appropriate committees, VSA is continuing to engage with Professional Staff Members on the Appropriations and Authorizations committees to continue advocating on behalf of NVSBC's FY23 requests.

### **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!