



## Strategy and Legislative Update April 2022



Welcome to the April 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 ■ House only in session □ House committee work

### April

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#### April Outlook

- April 7, Senate voted to confirm Ketanji Brown Jackson to the Supreme Court. She will be sworn in when Justice Stephen Breyer retires this summer.
- The House and Senate will be on Easter recess in mid-April.
- NVSBC and VSA conducting Congressional meetings on FY23 legislative efforts.

### May

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#### May Outlook

- Several states will hold primaries in May
- Texas will hold run-off elections on May 24

## 2022 Congressional Priorities

### COVID Supplemental

- The White House has underscored the importance of more funding for tests, vaccines, and treatment, but Republicans largely oppose new spending.
- On April 4, Senators reached a \$10 billion agreement to fund domestic programs and Majority Leader Chuck Schumer (D-NY) said the chamber would consider international aid "later this spring".
- The compromise measure is less than half of the \$22.5 billion the White House had originally requested.

### Next Steps/Impact

- A dispute over lifting a border control policy known as Title 42 -- barring asylum-seeking migrants from crossing the southern border during the pandemic -- derailed a bipartisan \$10 billion aid package. Republicans, along with some Democrats, sought an amendment to retain that policy, which the Biden Administration plans to lift. Lawmakers are using the Congressional recess to devise a rescue plan for the COVID Supplemental.
- If approved, the COVID aid funding would break down accordingly, \$10 billion appropriated to the "Public Health and Social Services Emergency Fund" to prepare for, and respond to COVID. Of that amount,
  - \$9.25 billion is appropriated to the Biomedical Advanced Research and Development Agency for vaccines, diagnostics, and therapeutics.
  - \$750 million is appropriated for vaccine research and maintaining & expanding the vaccine manufacturing capacity



### FY23 Appropriations

- President Biden released his FY23 budget request on March 28; the \$5.8 trillion budget request includes \$773 billion to the Pentagon as well as \$18 billion to combat the effects of climate change
- The House and Senate budget committees will propose budget resolutions and appropriations committees will allocate discretionary spending.
- Appropriations bills must be passed into law by Oct. 1, 2022, otherwise a continuing resolution will be needed to fund the government.

### Next Steps/Impact

- House Appropriations Committee has tentatively planned to start Subcommittee and Full Committee markups on the FY23 Appropriations bill in June.
- The House Armed Services Committee (HASC) also plans to start Subcommittee and Full Committee markups in June and would like to bring the FY23 Defense Authorization bill to the House Floor by July.
- While the Senate has not set any tentative schedules, they usually follow about a month or so behind the Senate.

### **FY23 budget request, non-defense**

BASE DISCRETIONARY FUNDING, IN BILLIONS OF DOLLARS

■ FY21 enacted ■ FY23 request



### Competition with China

- 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.

### Next Steps/Impact

- Congress continues to work on moving towards conference on a bill aimed at boosting domestic supply chains and scientific research to compete internationally, specifically with China.
- On March 28, two Senate votes amended the COMPETES Act to add in the USICA language and approved the underlying bill.
- The bill must now be reconciled in the House in a conference committee.
- Neither of these bills provides funding, only authorizations. Once the final version of the bill is passed, in order for the agencies to actually receive funding, Congress will need to appropriate funds in a separate process.



## US Response to war in Ukraine

- The FY22 Omnibus included \$13.6 billion in emergency funding to support humanitarian and defense aid to Ukraine. This funding is distributed to multiple Federal Agencies, which include:
  - \$6.528 billion to Department of Defense for equipment and European Command operations mission support
  - \$3.972 billion to Department of State for refugee assistance, response to macroeconomic needs, Foreign Military Financing (FMF) Program, and law enforcement programs
  - \$2.795 billion to U.S. Agency for International Development (USAID) to provide emergency food assistance, health care, and support for the Ukraine communities
  - \$100 million to Department of Agriculture for Food for Peace grants
  - \$59.4 million to Department of Justice for general legal activities
- On March 11, the White House suspended normal trade relations with Russia and the House passed H.R. 7108 shortly afterward to formalize the suspension with Russia and Belarus.
- On March 31, President Biden announced the largest release of oil from the Strategic Petroleum Reserve in US history to combat rising gas prices.
- WHAT TO WATCH: Members of Congress, along with business leaders and the Department of Energy, are calling on the President to do more to increase energy production and security in the U.S. and Europe.



## NVSBC Outreach & Planning Sessions Led by VSA

- During March & continuing into April, VSA and NVSBC continue to meet with Congressional Offices to request support for the Center for Verification and Evaluation (CVE) transfer to SBA and critical FY23 funding. VSA met with Members Offices on the House and Senate Appropriation Committees and their professional staff to discuss the importance of proper funding for the CVE transfer. VSA is currently in the process of submitting 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 is also conducting meetings and submitting FY23 legislative requests to Congressional leaders in the House and Senate Small Business Committees to request an increase in SDVOSB set asides (from 3% to 5%).



## SAVE THE DATE! PLAN TO ATTEND VETS22 and LAUNCH YOUR FUTURE!



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## 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!