



## Strategy and Legislative Update February 2022



Welcome to the February 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 on behalf of Veteran small businesses. 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 serving as federal contractors, 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 full compliance and maintain high 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-Disable Veteran Owned Small Businesses (SDVOSB) firms from the current 3% level to 5% or above to match Women Owned Small Business levels. 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

### February

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#### February Outlook

- President Biden is expected to name a successor to retiring Supreme Court Justice Stephen Breyer
- The House will be in recess the last two weeks of February.
- The Senate will be in session the week of Feb 14 but will be out the week of Feb 21.
- **February 21** – President’s Day

### March

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#### March Outlook

- **March 1** – President Biden will deliver his first State of the Union address to Congress
- **March 1** – The first state primaries for the 2022 midterm elections begin
- **March 11** – Continuing Resolution (CR) extending FY21 government funding is set to expire

## 2022 Congressional Priorities



#### FY22 Appropriations & FY23 Presidential Budget Update

- Last week the House passed a CR that extends the funding deadline from February 18 to March 11, the Senate is expected to pass the CR extension this week.
- House and Senate Appropriators have also reached a deal last week on FY22 top-line numbers for defense and non-defense spending, fixing the parity disagreement by increasing defense spending by \$25 billion, possibly even up to \$31 billion. The top-line appropriations numbers should be made public imminently, and Congress appears to be moving forward to complete an FY22 Omnibus spending package before the March 11 deadline.

#### Next Steps/Impact

- Under a CR, the U.S. Government continues spending at the previous Fiscal Year levels and no new programs are allowed to start. Any existing contracts that industry has with the Federal Government will continue to carry on at previous Fiscal Year levels. Federal Program Offices tend to be conservative with spending under a CR since it is not always clear when the final appropriations measures will be completed.
- The delayed FY22 appropriations work will delay the FY23 appropriations and authorization process on Capitol Hill. President Biden is not expected to unveil his FY23 budget request until March.



**Competition with China**

- Congress is making progress on a bill aimed at boosting domestic supply chains and scientific research to compete internationally, particularly 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 over 5-years. It takes the agency from \$8.5 billion in FY20 to \$21.3 billion in FY26. 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.

**Next Steps/Impact**

- We anticipate a formal conference between the House and Senate will kick-off in March, however it will not be a quick process to reconcile the two bills and we do not anticipate this will move quickly.
- The House and the Senate are going to bring differences between the two bills to conference. The much larger and more partisan America COMPETES Act is likely going to lose a large number of provisions in this process before it is palatable for Senate passage.
- Neither of these bills makes appropriations, only authorizations. Once the final version of the bill is passed, in order for the agencies to actually get any money, Congress will need to appropriate funds in a separate process.



**Build Back Better Act (BBBA) Outlook**

- After the Build Back Better Act stalled in the Senate, Democrats acknowledged they would have to break the package down to pass key measures
- Provisions could pass include climate investments, early childhood education, and health care provisions to reduce the cost of premiums and prescription drugs

**Next Steps/Impact**

- BBBA has faded into the background in the beginning of February as lawmakers have turned to other priorities.



**Electoral Reform**

- Broad-based voting rights and electoral reform legislation has stalled in the Senate after Sens. Joe Manchin (D-WV) and Kyrsten Sinema (D-AZ) voted against a filibuster carveout.

**Next Steps/Impact**

- A group of bipartisan lawmakers are working towards reforming the 1887 Electoral Count Act, which would change how Congress tallies presidential election results.



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

- During February, VSA worked closely with NVSBC and the Small Business Administration (SBA) to draft a letter from NVSBC to Congressional leaders regarding the Center for Verification and Evaluation (CVE) transfer and critical FY22 funding shortfalls. VSA contacted the Chairs and Ranking Member Offices of House and Senate Appropriation Committees and their professional staff to discuss the importance of proper funding for the CVE transfer.
- VSA prepared background material to support NVSBC FY23 legislative priorities to include an increase in SDVOSB set asides.
- NVSBC – VSA advocacy engagements and legislative priorities have gained the recognition of SBA leadership. The SBA Administrator's #1 priority is supporting the CVE transfer. The Administrator's #2 priority is the SBA will not fail Veterans.

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



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**ORLANDO, FL**  
 ★ ★ ★ ★  
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- Registration opens in January
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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!