



# USWCC Legislative Update 2018

SAME Space Coast –  
Small Business Expo & Networking Event

Margot Dorfman, CEO  
U.S. Women's Chamber of Commerce  
February 15, 2018



USWCC: Advancing economic growth for women and small businesses.



*U.S. Women's Chamber of Commerce*

- The National Economic Development Organization for Women. driving economic growth for women and small businesses.
- Uniquely positioned as independent and non-captive
- Influence, innovation and opportunity.
- SBA approved 3rd-party certifier for WOSB & EDWOSB
- Drive legislation to ensure access to contracts
- News, Reports, Education and Connections



## Current / Pending Legislation

Senate: S. 2284 – Introduced January 9, 2018 as the BuyAmerican.gov Act of 2018

<https://www.congress.gov/bill/115th-congress/senate-bill/2284/>

*Cosponsors: Sherrod Brown (D-OH), Linsey Graham (R-SC), Christopher Murphy (D-CT)*

- The bill has bipartisan support for strengthening our Buy American laws.

# Current / Pending Legislation

**Senate: S. 2284 – Introduced January 9, 2018 as the BuyAmerican.gov Act of 2018**

Key Components

- Formal Recognition of the “Buy American Executive Order” that every executive agency should:
  - Maximize the use of goods, products and materials produced in the United States under federal procurements and federal financial assistance awards.
  - Scrupulously monitor, enforce and comply with Buy American Laws and minimize the use of waivers

## Current / Pending Legislation

**Senate: S. 2284 – Introduced January 9, 2018 as the BuyAmerican.gov Act of 2018**

Key Components

- Requires a Government-Wide “Buy American” Report to be produced by the Commerce Secretary to include:
  - Information on each agency’s monitoring and enforcement
  - Information about any waivers/exceptions
  - Recommendations for policies to ensure the maximum use of U.S. produce goods, products and materials.

## Current / Pending Legislation

Senate: S. 2284 – Introduced January 9, 2018 as the BuyAmerican.gov Act of 2018

Key Components

- Limit the use of Waivers/Exceptions and Increase Transparency
  - Establish BuyAmerica.gov to provide information about all waivers/exceptions
  - Provides details regarding what information is required to document and justify any waivers.

## Current / Pending Legislation

**House: H.R. 4754 - Change Order Transparency for Federal Contractors Act**

*Cosponsors: Steve Knight (R-CA), Al Lawson (D-FL), Stephanie Murphy (D-FL)*

- This legislation would require the contracting agency to provide details on their change order procedures and their historical performance data with solicitations.

# SBA Semi Annual Regulatory Agenda (January 12, 2018)

## Proposed Rule

### SBA Proposes Consolidated SDVOSB Eligibility Rules

- Will apply government-wide to both VA and non-VA SDVOSB contracts. The rules will bring uniformity to the program.
- Placed responsibility for issuing regulations relating to ownership and control for the Department of Veterans Affairs verification of Veteran-Owned (VO) and Service-Disabled Veteran-Owned (SDVO) Small Business Concern (SBC) with the SBA.
- Provides for one definition of ownership and control for these concerns.
- Provides that, in certain circumstances, a firm can qualify as VO or SDVO when there is a surviving spouse or an employee stock ownership plan (ESOP).
- Go here to read and comment - <https://www.federalregister.gov/d/2018-01392>

# **SBA Semi Annual Regulatory Agenda (January 12, 2018)**

## **Proposed Rule**

### **Small Business HUBZone Program; Government Contracting Programs**

- Office of Hearings and Appeals – will do a comprehensive revision of the current HUBZone Program regulations and implementation of new procedures.
- Target month to publish proposed rules is May 2018.

# SBA Semi Annual Regulatory Agenda (January 12, 2018)

## Proposed Rule

### Women-Owned Small Business and Economically Disadvantaged Women-Owned Small Business – Certification

- This is to implement the congressionally imposed requirement to end self-certification.
- This item was originally scheduled for September 2017, but was not done. Now, it is back on the list without a date.

# SBA Semi Annual Regulatory Agenda (January 12, 2018)

## Proposed Rule

Small Business Size Standards updates for a variety of sectors  
(Target month is September 2018) to include:

- Educational Services
  - Health Care and Social Assistance
  - Arts, Entertainment and Recreation
  - Accommodation and Food Services
  - Other Services
  - Agriculture, Forestry, Fishing and Hunting
  - Mining, Quarrying, and Oil and Gas Extraction
  - Utilities
  - Construction
- Transportation and Warehousing), Information
  - Finance and Insurance
  - Real Estate and Rental and Leasing
  - Professional, Scientific and Technical Services
  - Management of Companies and Enterprises
  - Administrative and Support, Waste Management and Remediation Services

# DOD Section 809 Panel

## Purpose

- The 18-person panel, created in section 809 of the FY 2016 National Defense Authorization Act (NDAA) is tasked with finding ways to streamline and improve the defense acquisition process.
- The panel is charged with making recommendations that will shape DoD's acquisition system into one that is bold, simple, and effective.

# DOD Section 809 Panel

## Report of the Advisory Panel on Streamlining and Codifying Acquisition Regulations - Volume 1 of 3 - January 2018

[https://section809panel.org/wp-content/uploads/2018/01/Sec809Panel\\_Vol1-Report\\_Jan18\\_FINAL.pdf](https://section809panel.org/wp-content/uploads/2018/01/Sec809Panel_Vol1-Report_Jan18_FINAL.pdf)

### **Section 6 - Small Business** (pages 167 – 194)

- Rec. 21: Refocus DoD's small business policies and programs to prioritize mission and advance warfighting capabilities and capacities.
  - 21a: Establish the infrastructure necessary to create and execute a DoD small business strategy, ensuring alignment of DoD's small business programs with the agency's critical needs.
  - 21b: Build on the successes of the SBIR/STTR and RIF programs.
  - 21c: Enable innovation in the acquisition system and among industry partners.

## DOD Section 809 Panel

### Concerns

- The number of DoD small business contracts (actions) have dropped 70% - even as the total amount of small business dollars increased significantly.
- High potential for bundling and consolidation.
- The report states: “Small companies are receiving contracts of substantial value from the government, including DoD, but the decline in the number of small business contract actions indicates DoD’s small business contracting is not promoting competition and fostering robustness in the defense market.”
- Where is the emphasis on DoD complexity, burdensome processes, long lead times and lack of clear entry points into the defense market?

# Category Management

A range of products purchased or sold, broken down into groups of similar or related products known as product categories.

- GSA States: Category Management enables the government to eliminate redundancies, increase efficiency, and deliver more value and savings from the government's acquisition programs.
  - Identifying core areas of spend;
  - Collectively developing heightened levels of expertise;
  - Leveraging shared best practices; and,
  - Providing acquisition, supply and demand management solutions.

# Category Management

## Negatively Impacts Small Businesses -

- Reduces the number of contracts while increasing size.
- Buyer for the purchase may be located in a new region – small businesses lose relationship and the ability to compete.
- Many ordering guides provide for post-award socioeconomic set-aside task orders after each of the solicitations was issued as a general SB set-aside. (puts small businesses at a disadvantage)

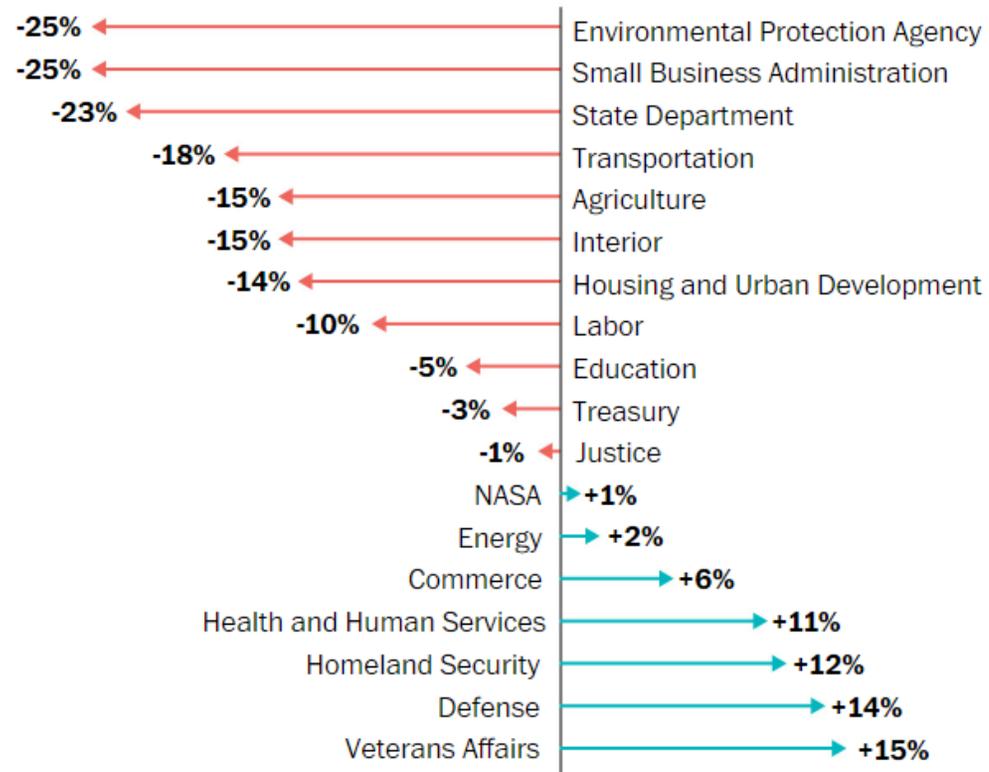
# Category Management: Negative Impact on Small Businesses

## U.S. Leaders Weigh In:

- “When small businesses win federal work, they often bring on new employees to meet the additional demand for their goods and services, creating badly needed jobs,” Ranking Member Velázquez said. “Unfortunately, we see a pattern of decisions being made at GSA that are restricting entrepreneurs’ ability to win these contracts. We need this agency to be more proactive in working to include small businesses in the contracting process.”
- “For too long, the GSA has been stacking the deck against America’s small businesses by preventing full and fair competition for federal contracts,” said House Small Business Committee Steve Chabot (R-OH). “Our Committee will continue to work in a bipartisan manner to ensure that the GSA treats small businesses fairly by giving them every opportunity to provide quality products and services for the taxpayer at competitive prices.”
- Sean Crean, director of the SBA’s Office of Government Contracting stated, “The concern that we have at SBA with category management is that it shrinks the playing field of competitors that are out there.”

# PRESIDENT'S FY2019 BUDGET

PROPOSED CHANGE TO FUNDING IN TRUMP'S BUDGET



# PRESIDENT'S FY2019 BUDGET

## Small Business Administration

The Trump administration is seeking to cut the Small Business Administration's budget by 5.9 percent, reducing the agency's federal funding by 25 percent while the agency uses unspecified new fees and unspent funding from previous years to cover the difference.

### Key proposed changes

- ✂ Despite the funding reductions, the agency does not plan to roll back any of its small business loan guarantees.
- ✂ The agency is considering increasing the fees it charges to back small business loans larger than \$1 million, something that could deter lenders from offering small business loans.

2018 BUDGET	2019 PROPOSAL	CHANGE
\$0.9B	\$0.8B	-\$0.1B



\$1 billion



# PRESIDENT'S FY2019 BUDGET

## Reduction: Community Development Financial Institutions Fund – Dept of Treasury

- Proposes to eliminate funding for CDFIs grant programs while requesting \$14M for oversight of existing commitments in other CDFI fund's programs.
- Proposes to eliminate funding for Fund's four discretionary grant and direct loan programs
- Maintain funding to support New Markets Tax Credit program
- Extends CDFI Bond Guarantee Program

# PRESIDENT'S FY2019 BUDGET

## Why is the CDFI Program Important to Small Business?

- CDFI's goal is to broaden economic opportunity by providing greater access to financial services for individuals and businesses.
- About 4 in 10 small business with less than \$1M in revenues were denied financing at small banks and more than 50% were rejected by big banks. (2016 Federal Reserve Small Business Credit Survey)
- CDFI loaned \$3.62B in 2016 – 25% went to small businesses.
- CDFI Loans: higher likelihood of approval, simpler loan products (fixed rates), also provide business development assistance.

**Thank You!**

**U.S. Women's  
Chamber of Commerce**

**[www.uswcc.org](http://www.uswcc.org)**

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**We are at your service!**



*U.S. Women's Chamber of Commerce*

