NDIA Government Policy Division

Legislative Update

NDIA National Small Business Conference
May 25, 2010
Small Business Legislation
111\textsuperscript{th} Congress

• Bills Introduced in the House:  51
• Bills Passed by the House:  10
• Bills Introduced in the Senate:  24
• Bills Passed by the Senate:  3
• Bills Enacted into Law:  5

Four Short Term SBIR Extensions for all except DoD, one on the use of previously appropriated funds
111th Congress Small Business Legislation Introduced in the Senate

S 177: Strengthening Our Economy Through Small Business Innovation Act of 2009
S 1070: Establish the Small Business Information Security Task Force
S 1161: Small Business Paper Relief Act of 2009
S 1196: International Trade Enhancements Act of 2009
S 1208: Export Opportunity Development Act of 2009
S 1229: Entrepreneurial Development Act of 2009
S 1489: Small Business Contracting Programs Parity Act of 2009
S 1615: Next Step for Main Street Credit Availability Act of 2009
S 1831: Venture Capital Act of 2009
S 2770: Venture Business Center Act of 2009
S 2780: Intermediary Lending Pilot Program Act of 2009
111th Congress Small Business Legislation Introduced in the Senate

S 2862: Export Enhancement and International Trade Act of 2009
S 2869: Job Creation and Access to Capital Act of 2009
S 2918: Helping Small Business Succeed Act of 2009
S 3084: Export Promotion Act of 2010
S 3089: Require a Study and Report by Office of Advocacy of the SBA regarding the effects of proposed changes in patent law
S 3103: Job Creation Act of 2010
S 3190: Small Business Programs Parity Act of 2010
S 3228: SBA to make grants to small business concerns to assist the commercialization of research developed with funds received under the second phase of the SBIR Program
S 3020: HUBZone Improvement Act of 2010
S 1233: SBIR/STTR Reauthorization Act of 2009
S 2989: Small Business Contracting Revitalization Act of 2010
HR 440: Small Business Liability Reform Act
HR 456: Disabled Veteran SB Eligibility Expansion Act of 2009
HR 535: Working small business regulatory relief act
HR 575: Increase guaranteed loans for small businesses
HR 648: Women’s Business Ownership Act
HR 1491: Securing Equity for the Economic Development of Low Income Areas Act of 2009
HR 1538: Repeal SB Competitiveness Demonstration Program
HR 1763: The Responsible Reinvestment Act of 2009
HR 1803: Veterans Business Center Act of 2009
HR 1838: Funding for SBA Woman's business center
HR 1839: Amend the Small Business Act to improve SCORE
HR 1842: Expanding Entrepreneurship Act of 2009
111th Congress Small Business Legislation Introduced in the House

HR 1845: Small Business Development Centers Modernization Act of 2009
HR 2281: Small Business Opportunity Act of 2009
HR 2299: Minority SB Enhancement Act
HR 2415: Use of federal supply schedules to meet contracting goals
HR 2416: Use of federal supply schedules to meet contracting goals
HR 2461: Veterans Small Business Verification Act
HR 2527: Small Business debt refinancing
HR 2568: Fairness and Transparency in Contracting Act 2009
HR 2769: Commercializing Small Business Research and Development Act
HR 2747: Rural Technology Development and Outreach Act
111th Congress Small Business
Legislation Introduced in the House

HR 2767: Investing in Tomorrow’s Technology Act
HR 2772: SBIR and STTR Enhancement Act
HR 3223: VA Contracting Goals
HR 3363: To amend the Small Business Act to improve the preference for small business concerns owned and controlled by veterans
HR 3558: Small Business Fair Competition Act
HR 3684: American Small Business Innovation Act
HR 3722: Enhanced New Markets and Expanded Investment in Renewable Energy for small Manufacturers Act of 2009
HR 3723: Credit Expansion and Loan Markets Stabilization Act of 2009
HR 3729: To amend section 31 of the Small Business Act with respect to awarding contract opportunities to qualified HUBZone small business concerns,

HR 3738: Early-Stage Investment Act of 2009

HR 3740: Small Business Company Investment Act of 2009

HR 3771: Establish Mentorship and Assistance programs

HR 3854: Financing and Investment Act of 2009

HR 4125: Service-Disabled Veteran Owned SB Procurement Reform Act of 2009

HR 4220: Promoting Jobs for Veterans Act of 2009

HR 4253: To amend the Small Business Act to change the net worth amount under the small business program for socially and economically disadvantaged individuals from $750,000 to $978,722, and for other purposes

HR 4265: Direct Lending Program for Small Businesses
111th Congress Small Business Legislation Introduced in the House

HR 4295: Small Business Emergency Capital Assistance Act of 2009
HR 4302: Job Creation and Access to Capital Act of 2009
HR 4420: SB Contracting Protection Act of 2010
HR 4422: Minority Entrepreneurship and Business Development Act
HR 4496: Helping SB Compete Act of 2010
HR 4549: SB Innovation to Job Creation Act of 2010
HR 4660: To direct the Comptroller General of the United States to conduct a study on the performance of Federal Government in meeting certain small business procurement contracting goals, and for other purposes
HR 4818: Not Too Small to Succeed in Business Act of 2010
HR 4849: Small Business and Infrastructure Jobs Tax Act of 2010
HR 4929: Expanding Opportunities for Main Street Act of 2010
HR 4508: To provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958
Unresolved Major Issues

• SBIR/STTR Re-Authorization:
  – House Passed Version: July 8, 2009
  – Senate Passed Version: July 13, 2009
  – Final Resolution of Differences Under Consideration by Conference Committee
  – Both Versions expire on January 1, 2010
SBIR/STTR Re-Authorization Continued

- Major Differences Between Senate and House Versions:
  - Senate Re-Authorizes to 2017
  - House Re-Authorizes to 2011

- Increase in Agency Participation
  - Senate Increases Agency Allocations by 0.1% per year until 2020
  - House – no increases

- Venture Capital Participation
  - Senate Permits VC participation as long as a Single VC company owns no more than 49%. Allows Majority Ownership participation (up to 8% of SBIR funds) by Multiple VC Companies.
  - House Permits VC participation only if no single VC company owns more than 49%. No Multiple VC Ownership allowed.
SBIR/STTR Re-Authorization Continued

• Increase in SBIR/STTR Award Levels
  – SBIR/STTR Phase One Increases
    • House: $250K
    • Senate: $150K
  – SBIR/STTR Phase Two Increases
    • House: $2 Million
    • Senate: $1 Million

• Senate version requires a GAO Report to Congress on Intellectual Property Protection (IP) for SBIR awardees

• Senate version establishes a SBIR-STEM Pilot Program
3% Withholding

Current Law mandates that federal, state, and local governments withhold 3% of Contract Payments as of January 1, 2012

Significant Impact on Small Businesses

$17 Billion – DoD Estimated Cost to Implement Just within DoD over five years.

H.R. 275 Repeal of Withholding Tax

Introduced 1/7/2009, 150 co-sponsors

Referred to House Ways & Means Committee

H.R. 1 American Recovery & Reinvestment Act of 2009 (House Passed Version) Included Repeal of Withholding – Changed in Conference to delay implementation date until January 2012.
Presidential Memorandum
Establishing Small Business Task Force

• Established 4/20/2010: Interagency Task Force on Federal Contracting Opportunities for Small Businesses in order to coordinate executive departments’ and agencies’ efforts towards ensuring that all small business have a fair chance to participate in Federal Contracting
  – 16 Agencies led by Secretary of Commerce
  – Report due to the President by August 20, 2010
Executive Order
Establishing Interagency Task Force on Veterans Small Business Development

- Established 4/26/2010: Interagency Task Force on Veterans Small Business Development in order to coordinate the effort of Federal agencies to improve capital, business development opportunities, and pre-established Federal contracting goals for small business concerns owned and controlled by veterans and service-disabled veterans

- 7 Agencies led by the SBA Administrator plus four members from Veterans’ service or military organizations selected by SBA
- Report due to the President one year after first meeting and annually thereafter
Impact of DoD Insourcing on Small Businesses

- Congress Mandated Single government-wide criteria for inherently governmental functions.
- May 2009 – DoD guidance on Insourcing
  - Requires Review of all Contracted Services for Possible Insourcing.
  - Provides Insourcing Guidance, Requires Cost Analysis
- March 2010 – OMB Issued Proposed Policy Letter
  - Definition of Inherently Governmental Function (IGF)
  - Establishes Criteria to Identify Critical Functions (CF)
  - Guidance on Internal Management of IGF & CF
  - Comments due by June 1, 2010
- Small Business Losing Traditional Contracts and Employees
• For any **Questions or Comments**, please let us know...

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