

SEPTEMBER ADVOCACY UPDATE

9/29/2021

It looks like the Senate has reached an agreement. Senate Majority Leader Chuck Schumer announced late this evening that Democrats had reached an agreement with Republicans on a stopgap bill to keep the government funded through early December and will vote tomorrow on the measure to prevent a government shutdown.

As discussed on the Advocacy Call, the bill will include emergency funding for natural disaster relief and assist in Afghan refugee resettlement. Without an agreement, government funding will expire tomorrow. However, the Senate Majority Leader says the Senate can approve it tomorrow, send it to the House, and get it quickly signed before midnight tomorrow.

As we talked about on our monthly call, Democrats tried to tie the shutdown with the debt limit and hoped to get Republicans to vote on both together, but Republicans opposed putting both measures together. This means Congress will have to deal with the debt ceiling on another day. As Secretary Yellen says, we should reach the limit by mid-October.

As for the Infrastructure Package and Budget Reconciliation, things are still in flux. Speaker Pelosi said she plans on voting on infrastructure tomorrow but most likely won't bring anything to the floor without the votes. And it doesn't look like she's got the votes, but she risks infuriating the moderate members of her caucus if she delays the vote again. So, everything is in limbo, with moderates wanting to pass infrastructure first and progressives wishing to see the budget reconciliation pass the finish line first.

I'll keep you posted on progress with a weekly recap email!

All the best,
Elle

9/24/21

Happy FRIDAY!

If you couldn't make it to this week's Advocacy Call, here is a [link](#) to the recording.

Speaker Pelosi said today that the House plans to vote on the Infrastructure package on Monday even though many believe they do not have the votes for it. The House is also hoping to finalize the reconciliation package and bring it to the floor sometime next week to satisfy the progressive side of the Democratic Caucus. As we spoke about on the Advocacy Call, all things are very fluid because Moderate and Progressive Democrats are not on the same page.

The Senate will vote on Monday on whether to take up a House-passed bill to avoid a government shutdown and suspend the nation's borrowing limit. It will fail without the ten

votes from the Republican side. Sen. John Thune (S.D.), the No. 2 Senate Republican, indicated that they were waiting to see what Democrats do after the failed vote on Monday. He predicted that Democrats would turn to a short-term continuing resolution that doesn't include the debt limit.

WE NEED YOUR THOUGHTS!

- **Potential IRS Reporting Requirement**

As part of the reconciliation package, a piece would establish a new tax information reporting requirement. As described by the Department of Treasury, this proposal would require financial institutions and other providers of financial services to track and submit to the IRS information on the inflows and outflows of every account above a *de minimis* threshold of \$600 during the year, including breakdowns for cash. The stated goal of this vast data collection is to uncover tax dodging by the wealthy; however, it may have implications for you and your business.

- What would this mean for you and your business?
- Do you agree with this proposal?
- What are your concerns?
- *NAWBO is considering sending a letter, so if you have any concerns or feedback, please email epatout@nawbo.org.*

- **Consumer Financial Protection Bureau—We're Looking for Your Thoughts!!**

The Consumer Financial Protection Bureau (CFPB) proposed a new rule designed to help small businesses gain access to the credit they need and deserve by increasing transparency in the lending marketplace.

- This rule, mandated by Congress in the Dodd-Frank Act, would, if finalized, require lenders to disclose information about their lending to small businesses, allowing community organizations, researchers, lenders, and others to support small business and community development needs better.
- Under the proposal, lenders would be required to report the amount and type of small business credit applied for and extended, demographic information about small business credit applicants, and key elements of the price of the credit offered.
- [Read a summary of the proposed rule.](#)
- *NAWBO will be sending a comment letter, so if you have any concerns or positive feedback, please email epatout@nawbo.org.*

Here are this week's NAWBO updates and reminders:

- Please fill out the last extensive NAWBO survey for information about how your business is doing this year. It shouldn't take longer than 10 minutes! Click [here](#) to take it.
- In partnership with the Consumer Bankers Association (CBA), International Franchise Association (IFA), and U.S. Hispanic Chamber of Commerce (USHCC), NAWBO joined forces to acknowledge the perseverance of our nation's 30 million small and franchised businesses as well as the special role America's leading banks have played to support them during this economic crisis during National Small Business Week.
 - NAWBO CEO Jen Earle also co-authored an [OpEd](#) with the group.

- As part of this effort, the groups launched a [new website](#) and released a [new video](#) in their series – the #SmallBusinessSpotlight – to showcase how, working together with banks, small and franchised businesses were able to keep their workforce employed, support local communities, and drive the nation’s economic recovery forward

On the Hill this week:

- The House passed the Fiscal Year 2022 National Defense Authorization Act this week.
 - The bill still needs to pass the Senate and then go through the conference. However, it may include the following items:
 - Raising the government-wide goals for small business participation in Federal contracts.
 - Ensure protections afforded to small businesses and taxpayers through surety bonds are not lost in smaller contracts due to continual adjustments for inflation.
 - Protect individual set aside contracts, which agencies are discouraged from awarding under the category management initiative.
 - The measure streamlines the 8(a) waiver process required when ownership and control of the 8(a) business passes to another 8(a) by enabling the Administrator to delegate the waiver determination. It also provides additional flexibilities in the program by allowing the sale of a contract from an 8(a) to another 8(a), subject to the same waiver process.

[House Small Business Hearings](#)

- **Wednesday, September 29, 2021- 10:00 AM- Hybrid Hearing:** [Sustainable Forestry's Role in Climate Solutions](#) (Subcommittee on Underserved, Agricultural, and Rural Development)
- **Thursday, September 30, 2021- 10:00 AM- Hybrid Hearing:** [Empowering Employee-Owned Businesses and Cooperatives Through Access to Capital](#)

Small Business Administration Announcements

- Happy #HispanicHeritageMonth! SBA celebrates the impact Hispanic entrepreneurs have had on the U.S. economy. According to the [State of Latino Entrepreneurship 2020 report](#) from the Stanford Latino Entrepreneurship Initiative:
 - Latinos are starting businesses at a faster rate than the national average across almost all industries.
 - Before the pandemic, Hispanic-owned employer businesses generated nearly \$500 billion in annual revenue and employed 3.4 million people.
- Today, the U.S. Small Business Administration (SBA) reached a major milestone as its Paycheck Protection Program (PPP) Direct Borrower Forgiveness Portal recorded its one-

millionth PPP loan forgiveness application for borrowers seeking forgiveness for \$150,000 or less.

- SBA's Office of International Trade welcomes you to join them in celebrating Manufacturing Month. This month-long Manufacturing webinar series starts on September 30 and continues every Thursday in October. All webinars are held at 2 PM ET. Click [here](#) to register.
 - **Manufacturing Day Celebration – September 30:** On the eve of Manufacturing Day 2021, hear stories from three manufacturers who have effectively tapped Federal Government export assistance to achieve global market success. Federal agencies will also review resources available to your company.
 - **Early-stage Manufacturers – October 7:** Explore federal resources available to support early-stage manufacturers' idea phase, commercialization, and global growth journey.
 - **Financing/Credit Insurance – October 14:** Listen in on a discussion of finance challenges and solutions for manufacturers. Learn from the experts!
 - **Supply Chain – October 21:** The Manufacturing Extension Partnership (MEP) will facilitate a discussion on supply chain solutions for SME manufacturers. Learn how your company can improve operations, reduce costs, and mitigate risk through effective supply chain management!
 - **Celebrando el Mes de la Manufactura – October 28:** This Spanish language webinar will feature Hispanic-owned manufacturers sharing their export success stories and an overview of Federal export promotion resources.
- SBA has “re-tooled” the Economic Injury Disaster Loan Program. **Fundamental changes announced by the SBA include:**
 - **Increasing the COVID EIDL Cap.** The SBA will lift the COVID EIDL cap from \$500,000 to \$2 million. Loan funds can be used for any normal operating expenses and working capital, including payroll, purchasing equipment, and paying debt.
 - **Implementation of a Deferred Payment Period.** The SBA will ensure small business owners will not have to begin COVID EIDL repayment until two years after loan origination so that they can get through the pandemic without having to worry about making ends meet.
 - **Establishment of a 30-Day Exclusivity Window.** To ensure Main Street businesses have additional time to access these funds, the SBA will implement a 30-day exclusivity window of approving and disbursing funds for \$500,000 or less loans. Approval and disbursement of loans over \$500,000 will begin after the 30-day period.
 - **Expansion of Eligible Use of Funds.** COVID EIDL funds will now be eligible to prepay commercial debt and make payments on federal business debt.
 - **Simplification of affiliation requirements.** To ease the COVID EIDL application process for small businesses, the SBA has established more simplified affiliation requirements to model the Restaurant Revitalization Fund.

SBA believes these enhancements to the COVID EIDL program will allow more businesses greater and more flexible support from the over \$150 billion in available COVID EIDL funds.

9/17/2021

Happy Friday!

I can't wait to have all of you join us on our Advocacy Call **Tuesday, September 21, 12 PM ET**. All are welcome! If you are unable to attend, please send someone else from your chapter to represent the viewpoint of your community. Also, please share the announcements below with your chapters.

Here is the call-in information:

<https://us02web.zoom.us/j/75870625171?pwd=YmRMLys1RThqNmDaUFVDYnNIQ2tOQT09>

Meeting ID: 758 7062 5171

Passcode: 8MUVut

I've also attached the Introduction to Advocacy PDF in case you missed it last week. This document will help explain your role in your chapter and on the national level. Please review this document before the call.

Here are this week's updates and reminders:

- This week NAWBO joined other organizations on a [letter](#) to House Ways and Means to continue stepped up basis, which prevents family-owned businesses and farms from being hit by the capital gains tax on any appreciated assets and the estate tax on whatever is left when a family member passes away. This is in response to one section of the American Families Plan, which proposed making death a taxable event.
- House Ways and Means started work on marking up the reconciliation package this week, and we expect the tax portions of the reconciliation package to happen next week. It seems the House and Senate are still ways apart in their [approach](#).
- This week the House Small Business Committee approved \$25 billion in funding for small business programs. The legislation heads to the House Budget Committee for inclusion in the reconciliation package. NAWBO has been on several calls to receive more information on the details of the package and the Administration's efforts to include more access to capital in it. It includes:
 - \$35 million in funding for veteran federal procurement entrepreneurship training
 - \$1 billion in funding for an uplift accelerator program and business development academy at Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs) for underrepresented small businesses

- Provides \$1 billion to establish a national network of business incubators
- \$20 million to enhance the SBA's Office of Native American Affairs
- \$9.5 billion to establish a subprogram within the Small Business Investment Company program to provide patient capital to underserved markets and small manufacturers
- \$600 million to enhance, improve, and expand the SBA's Community Advantage program
- \$4.465 billion to fund a direct loan product under the current 7(a) lending program administered by the SBA
- \$500 million to fund a pilot program for eligible cooperatives and employee-owned businesses to receive SBA loan products without the requirement of a personal or entity guarantee
- Invests \$2.746 billion to establish a direct lending subprogram under the 504/CDC lending program to allow CDCs to make loans to small contractors, small manufacturers, and small businesses in underrepresented markets
- Over \$100 million to invest in entrepreneurial training initiatives for the formerly incarcerated

Click [here](#) for a section-by-section summary of the proposal.

House Small Business Hearings

- **Tuesday, September 14, 2021- 11:00 AM- Remote Hearing:** National Small Business Week: Celebrating our Main Street Champions
- **Tuesday, September 21, 2021- 10:00 AM- Hybrid Hearing:** SBA's Entrepreneurial Development Programs
- **Wednesday, September 22, 2021- 10:00 AM- Hybrid Hearing:** Protecting Workers in a Covid Economy (Subcommittee on Innovation, Entrepreneurship, and Workforce Development)
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Biden Administration Announcements

- President Biden issued an [Executive Order](#) yesterday requiring the entire Federal workforce to be vaccinated. While some medical exceptions will be allowed, final guidance is expected within the next seven days.
- The specifics have not yet been made public. Still, the president said two new [requirements](#) would apply to businesses with 100 or more employees: They must require that workers get vaccinated against the coronavirus or be tested at least once a week, and they must give workers paid time off to receive the vaccine and recover from any side effects.

- According to the New York times, lawyers said Thursday that it was not immediately clear whether the rule would apply to all employees or only those who work in company offices or facilities.

Small Business Administration Announcements

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- [National Small Business Week Virtual Summit](#) is September 13-15, 2021, and honors the nation's 31 million small businesses for their perseverance, ingenuity, triumphs, and creativity. Click [here](#) for the schedule and here to [sign up](#).
- The Small Business Office of Advocacy released [Small Business Facts: Equally Male/Female-Owned Employer Businesses](#), which showed equally-owned businesses, which are half-owned by men and half-owned by women, totaled 860,754 employers in 2018. These businesses employed 7,970,121 workers, generated \$1.3 trillion in annual sales receipts, and paid \$280 billion in annual payroll.

IRS Announcements

During Small Business Week, the IRS encourages employers to help get the word out about the [advanced payments of the Child Tax Credit](#). Employers have direct access to their employees, who may receive this credit. More information on the Advanced Child Tax Credit is available on [IRS.gov](#). The website has [tools employers can use](#) to help spread the word.

Below are some helpful resources for small businesses and the self-employed:

- [“A Closer Look”](#) at Celebrating Resilience and Renewal During National Small Business Week.
- The [Small Business and Self-Employed Tax Center](#) provides various resources, forms, and tools in Spanish, Chinese, Korean, Vietnamese, Russian, and Haitian Creole. The Center includes a [Self-Employed Individuals Tax Center](#), information on [independent contractors vs. employees](#), [filing and paying your business taxes](#), and more.
- The [Gig Economy Tax Center](#) is a resource for people who earn income by providing on-demand work, services, or goods.
- The [Online Learning and Educational Products](#) page has tools to help business owners learn at their own pace, such as the [Small Business Virtual Tax Workshop](#).
- The [IRS YouTube Video Channel](#) has videos for small businesses on the [Small Business playlist](#).
- [E-News for Small Businesses](#) is a free electronic mail service that offers tax information for small business owners and self-employed individuals, including reminders, tips, and special announcements.

Consumer Financial Protection Bureau—We’re Looking for Your Thoughts!!

Last week, the Consumer Financial Protection Bureau (CFPB) proposed a new rule designed to help small businesses gain access to the credit they need and deserve by increasing transparency in the lending marketplace.

This rule, mandated by Congress in the Dodd-Frank Act, would, if finalized, require lenders to disclose information about their lending to small businesses, allowing community organizations, researchers, lenders, and others to support small business and community development needs better. Under the proposal, lenders would be required to report the amount and type of small business credit applied for and extended, demographic information about small business credit applicants, and key elements of the price of the credit offered. [Read a summary of the proposed rule.](#)

NAWBO will be sending a comment letter once the rule is in the Federal Register (it takes a few weeks), so if you have any concerns or positive feedback, please email epatout@nawbo.org.

9/3/2021

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Happening on the Hill

The House continues its committee work on Thursday or next week while the Senate returns late next week. Here are some important dates this month and coming up.

Key September Dates:

- **September 6:** Enhanced federal unemployment benefits expire
- **September 15:** Non-binding deadline for House committees to craft their portions of the reconciliation bill
- **September 27:** Deadline for House to begin consideration of Senate's infrastructure package
- **September 30:** Government funding runs out
- **September 30:** TANF (Temporary Assistance for Needy Families) and increased benefits under SNAP expires
- **September 30:** Federal highway program authorization & National Flood Insurance Program authorization expires
- **October / November:** Treasury Department will likely reach the debt limit

House Hearings

- On **September 1, 2021**, at 1:00 PM EDT, the Committee on Small Business will hold a remote hearing titled: "What Comes Next? PPP Forgiveness." To view an archive of the hearing, please click [here](#).
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- SBA Office of Advocacy released their [annual State Profiles](#), which provide a snapshot of each state's small businesses. Traditional small business datasets still predate the effects of the COVID-19 pandemic. For more information on how COVID-19 has impacted small businesses, see [here](#).

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