



NATIONAL VETERAN
SMALL BUSINESS
COALITION

Strategy & Legislative

NEWSLETTER

MAY 2026

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2026 Legislative Roundup

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Congress is in session this week. With less than 60 days remaining before the end of the fiscal year, lawmakers are balancing multiple legislative priorities. FY26 appropriations wrapped up last month, with the Department of Homeland Security funding bill signed into law on 30 April 2026. Although the House has remained committed to moving full steam ahead on FY27 appropriations, several other key actions are also drawing significant attention:

- Reconciliation 2.0. As a reminder, budget reconciliation is a special congressional process that allows certain tax, spending, and debt-limit legislation to pass the Senate with a simple majority vote rather than the typical 60-vote threshold. "Reconciliation 2.0" refers to the second major budget reconciliation effort of this Congress, focused primarily on immigration enforcement and border security funding. President Trump has set a target of 1 June for enactment.
- Reconciliation 3.0. Reconciliation 3.0 is emerging as a potential follow-on legislative package intended to address remaining Republican policy priorities after

completion of the immigration and border security-focused Reconciliation 2.0. While no formal text has been released, this package is likely to serve as a vehicle for advancing additional fiscal, defense, and domestic policy objectives through the reconciliation process.

- Midterm Elections. With 2026 midterm elections approaching, both Congress and the White House are increasingly focused on electoral positioning. This year, Congress will have an October recess, which compresses the legislative calendar. Ongoing redistricting efforts in several states continue to reshape the political landscape ahead of the elections.

Authored by the Van Scoyoc Associates Team

NVSBC and Van Scoyoc Associates

Working with Van Scoyoc Associates, NVSBC is 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.

Meet the VSA Team



Col. Mike Shupp, USMC (Ret.)

Vice President (Team Leader)

- Lead's Defense Practice
- 18-years VSA Experience
- Retired Marine with 27-years of service
- Former Legislative Assistant to Chairman of the Joint Chiefs of Staff



Jennifer Cave

Associate Vice President

- 18-years VSA Experience
- Hill experience with Senator John Warner of Virginia, SASC and with the NSC
- Assists with execution of engagement strategies, research and analysis



Madhu Thyagarajan

Legislative Assistant

- Joined the VSA team in October 2024
- Interned with Department of State
- Assists with Congressional & Federal Agency research and analysis focused on Veteran Affairs, Small Business, Defense and Homeland Security Issues



Van Scoyoc Associates (VSA) is a bipartisan, bicameral government relations firm comprised of talented and experienced policy experts. Established more than 30-years ago, VSA has earned its reputation as one of the most successful and highly regarded lobbying firms in Washington, DC.

NVSBC 2026 Legislative Priorities

National Veteran Small Business Coalition serves as the leading advocate for the 50,000+ Veteran owned small businesses serving as federal contractors. Working with 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. NVSBC and Van Scoyoc Associates are working diligently to define and advance legislative priorities that will most effectively support the Veteran small business community. Engaging our members is essential to this process and we are actively advocating for these key focus areas,

- **Expand Congressional and Executive Branch Advocacy.** Highlight NVSBC activities, expand engagements, and seek support for legislative priorities that create opportunities for Veteran small business owners.
- **Legislative and Executive Policy Oversight.** Monitor, introduce, shape, and endorse legislation and policy initiatives that support Veteran small business owners.
- **NVSBC Counseling and Fellowship Program.** Strengthen and expand Veteran workforce and entrepreneurial development programs.

In this ever-changing climate, NVSBC and VSA are committed to furthering your legislative priorities by expanding Congressional, Federal, and Executive engagements. Your suggestions are important and guide NVSBC's legislative efforts. If you have any issues that you would like to bring to our attention, please contact us at members@nvsbc.org.

2026 Veteran Owned Small Business Legislation

Federal Acquisition Revision (FAR). NVSBC is monitoring and ensuring the interests of Veteran-Owned businesses are considered and guarded in the FAR rewrite (otherwise known as FAR 2.0).

NVSBC is actively supporting the following Legislation:

In April 2026, Congress advanced key small business innovation legislation, including passage of the Small Business Innovation and Economic Security Act, signaling continued momentum toward strengthening and securing federal R&D programs for small businesses.

➤ **[H.R. 2804, Protecting Small Business Competitions Act for 2025](#)**

This legislation was introduced by Representative Nydia Velazquez (D-NY-07) in April 2025. The Act would codify the “Rule of Two” to ensure fair competition for small businesses, broaden the industrial base, and promote economic growth. It will not only encourage Veteran Owned and Service-Disabled Veteran Owned Small Business owners but will support the entire small business community. This legislation has been referred to the House Small Business Committee.

➤ **[S. 3971 – Small Business Innovation and Economic Security Act](#)**

This bill was introduced by Sen. Joni Ernst (R-IA) in March 2026. The measure would reauthorize through FY2031 and modify the Small Business Innovation Research (SBIR) program, the Small Business Technology Transfer (STTR) program, and related pilot programs. The bill expands the requirements for federal agencies administering these programs to evaluate the security risks of the small businesses that apply for awards under the programs, directs agencies to set maximum number of proposals per fiscal year, expands the training requirements for agencies’ contracting officers, and establishes strategic breakthrough allocations for critical technology areas. This legislation was signed into law on 13 April 2026.

Several bipartisan bills introduced in 2025 remain under consideration in the 119th Congress, focusing on expanding opportunities, improving procurement practices, and strengthening support for Veteran-owned small businesses. Please see [here](#) for legislation we continue to monitor.

NVSBC encourages our members to contact your Member of Congress and Senators to support these pieces of legislation for Veteran Owned Small Businesses.

Find your Member of Congress here: www.house.gov/representatives/find-your-representative.

FY27 Appropriations Update

FY27 Appropriations Update

Impact to Veteran Owned Small Businesses

House Update. The House Appropriations Committee has formally begun the FY27 cycle and is moving through regular order markups for the 12 annual appropriations bills. Committee leadership, particularly Chairman Cole, has emphasized advancing bills earlier than in previous years to avoid another shutdown-driven funding cycle. See current markup schedule [here](#) (subject to change).

7 bills have passed respective subcommittee markups

5 bills have passed full committee markups

1 bill (Military Construction/Veterans Affairs) has passed the House floor vote, awaiting Senate action

Senate Update. While the Senate Appropriations Committee has yet to set a tentative markup schedule, it was reported last week that markups could start as soon as 4 June. Despite no topline spending limit deal, the following subcommittees have received tentative allocations: Agriculture, Military Construction and Veterans Affairs, and Commerce–Justice–Science.

The Senate unanimously approved a resolution to withhold senators' pay during future government shutdowns. Led by Sen. John Kennedy (R-LA), the measure places pay in escrow until the shutdown ends, taking effect after the 2026 general election (3 November 2026). The measure does not need approval from the House nor the President and is binding for Senators.

- Due to compressed timelines and competing legislative priorities, many lawmakers expect at least a short-term Continuing Resolution (CR) to avoid a government shutdown at the start of FY27 (1 October 2026).
- Under a CR, the U.S. Government can only spend at the previous Fiscal Year levels, and no new programs are allowed to start. Program offices cautiously spend as it is unclear when the final appropriations measures will be completed.
- VSA is working with NVSBC to advocate for SBA and VOSB/SDVOSB programs in the FY27 appropriations bills.

Status of the 12 Fiscal Year 2027 Appropriations Bills

■ Completed ■ Skipped ■ In Progress ■ Still to Complete



FY27 National Defense Authorization Act

FY27 National Defense Authorization Act (NDAA)

Impact to Veteran Owned Small Businesses

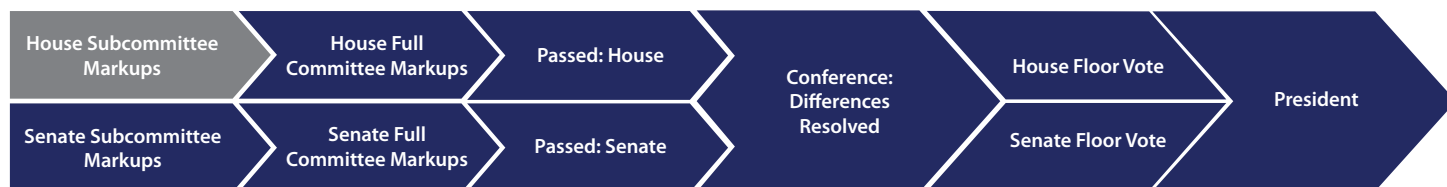
House Update. The House Armed Services Committee (HASC) will hold their full committee markup on 4 June 2026. Like last year, the committee will skip subcommittee markups and go straight to a full committee markup.

Senate Update. The Senate Armed Services Committee (SASC) has begun budget hearings with Service Secretaries and Chiefs to review priorities in the FY27 NDAA and in future years. No date is set up for the SASC markup of the FY27 NDAA.

- The annual NDAA establishes policy for the Department of Defense but also authorizes funding. However, programs must be appropriated to receive funds.
- The NDAA is considered an annual must-pass piece of legislation.
- This bill is often seen as a vehicle for small business initiatives.
- VSA is closely monitoring the FY27 NDAA process and will report items of interest as they come to fruition.

Status of the Fiscal Year 2027 National Defense Authorization Act

■ Completed ■ Skipped ■ In Progress ■ Still to Complete



Department of Homeland Security Re-Opening

After a roughly 10-week partial shutdown, Congress moved to reopen the Department of Homeland Security through a bipartisan funding package passed by the House and signed by President Trump on 30 April 2026. The package restored funding for most DHS operations – including FEMA, TSA, CISA, the Coast Guard, and disaster response functions – but excluded core immigration enforcement accounts tied to ICE and CBP. The shutdown originated from a standoff over immigration enforcement funding. Democrats resisted providing full-year appropriations for ICE and Border Security Operations, while Republicans argued those agencies required significant expansion to support the administration’s immigration agenda. The reopening of DHS is a two-track strategy negotiated between Congressional Republicans and the White House:

1. Pass a bipartisan appropriations bill to restart most DHS functions
2. Use a reconciliation bill to separately fund immigration enforcement priorities

With the budget resolution now adopted, lawmakers are expected to address remaining border and enforcement funding through a forthcoming reconciliation package (“Reconciliation 2.0”). President Trump has set a target of 1 June for enactment.

RECONCILIATION 2.0

“Reconciliation 2.0” refers to the second major budget reconciliation effort of this Congress, focused primarily on immigration enforcement and border security funding. Congressional Republicans framed the package as the legislative vehicle to fully fund ICE, CBP, and additional border security efforts after those accounts were omitted from the bipartisan DHS funding bill. Republicans are pursuing reconciliation because it bypasses the Senate filibuster and can pass with a simple majority. Earlier this month, the Senate GOP released the text for Reconciliation 2.0 ([see here](#)). Key provisions include:

1. \$38.2 billion for ICE
2. \$26 billion for CBP
3. \$6 billion for DHS as a whole
4. \$1.5 billion for DOJ
5. \$1 billion for the Secret Service, including funding for White House Ballroom security infrastructure

Senate Republicans are aiming to have this funding package on the floor this week, rewriting parts of the bill to comply with the Senate’s strict reconciliation rules. Senate Democrats have now received an updated version of the GOP’s bill text, in which elements such as \$1 billion in security funding for the White House Ballroom are not included. Markups of the reconciliation bill kick off on 19 May and the vote-a-rama could begin as soon as 20 May.

RECONCILIATION 3.0

Reconciliation 3.0 is emerging as a potential follow-on legislative package intended to address remaining Republican policy priorities after completion of the immigration and border security-focused Reconciliation 2.0 effort. While still largely conceptual, discussions on Capitol Hill indicate the package could serve as a vehicle for advancing additional fiscal, defense, and domestic policy objectives through the reconciliation process. Key provisions are likely to include mandatory spending reductions to offset increased DHS and border security funding, potential extensions or modifications to tax policy, additional defense and national security funding, and broader budgetary reforms tied to deficit reductions. Conservative lawmakers have also discussed including reforms to programs such as Medicaid and SNAP as part of a longer-term fiscal strategy.

Calendar of Congressional Events

Congressional Schedule and Key Dates

MAY 2026

					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

May Calendar

- 6 May, NVSBC Huntsville Engagement Breakfast
- 4-7 May, Both Senate and House out for District Work Period
- 13 May, NVSBC Dayton Engagement Dinner
- 13 May, NVSBC DC Metro Engagement Dinner and Training Academy
- 25 May, Memorial Day (Federal Holiday)
- 26-29 May, Senate and House Out for District Work Period

JUNE 2026

	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

June Calendar

- 1 - 4 June, VETS26 Conference
- 4 June, HASC Full Committee Markup of the FY27 NDAA (Tentative)
- 12 - 18 June, House Out for District Work Period (Only Senate in Session)
- 16 June, NVSBC DC Metro Engagement Dinner and Training Academy
- 19 June, Juneteenth (Federal Holiday)
- 24 June, NVSBC Colorado Springs Engagement Breakfast
- 29 June - 2 July, Only House in Session

Both chambers in session
 House only in session
 Senate only in session
 Federal Holiday

Please see a joint full-year House and Senate 2026 Congressional Calendar [here](#).

*While congress usually likes to adjourn on Thursday evenings to travel back to their states/districts for the weekends, please note that the Senate is planning to stay in session for most Fridays.

May Legislative Focus Areas



National Veteran Small Business Coalition



Over the past month, VSA has actively supported NVSBC in the following activities:

- VSA, on behalf of NVSBC, sent a letter to SBA Administrator Loeffler to seek assistance in establishing a government wide sole source parity for SBA certified SDVOSBs that would strengthen federal acquisition and the industrial base. This executive action will increase SDVOSB sole source authority to \$100,000.
- NVSBC/VSA met with Ryan Lambert, Associate Administrator, Government Contracting and Business Development at the SBA to discuss the letter shared with Administrator Loeffler.
- NVSBC signed a letter of support for the “Protecting Small Business Competitions Act of 2025” which would codify the “Rule of Two” to ensure fair competition for small businesses, broaden the industrial base, and promote economic growth. VSA will track this legislation as it moves forward.
- VSA is coordinating with NVSBC to support upcoming events for Veterans entrepreneurs, including OMB participation in a NVSBC fireside chat, a Congressional breakfast, and a virtual townhall with leaders of Senate Small Business Committee. More details will be forthcoming.

Van Scoyoc Associates looks forward to joining NVSBC in New Orleans next month to speak at VETS26. We hope to see you there!

NVSBC is the Lifeline for the Veteran Small Business Community

Facing the challenges of Federal contracting and uncertain funding initiatives, NVSBC provides 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!

Less than TWO WEEKS left Until VETS26!



Time is winding down to register and attend VET26! If you need a reason to attend, we have plenty, but with time winding down to register for VETS26, here are three to get you started:

- **Accelerate your business growth** by connecting directly with small business professionals, large primes, and federal agencies actively seeking new partners and suppliers.
- **Gain insider access to real acquisition intelligence**, with federal representatives and industry SMEs sharing pipeline insights you won't find anywhere else.
- **Learn actionable GovCon strategies** from trainers, speakers & panelists who bring hands-on experience and practical tips, tricks, and techniques you can put to work immediately.

The VETS26 Conference is the nation's most vibrant experience for everyone who participates in federal contracting and commercial business.

Register today and plan to join us on June 1-4, 2026 at the Hyatt Regency New Orleans in New Orleans, LA at the VETS26 Conference, which is NVSBC's premier annual event focused entirely on GROWING YOUR BUSINESS!

Register at the link [here](#) or click on the button below where **VETERANS COMMAND TOMORROW!**



Upcoming NVSBC Events

The NVSBC-*EF* Charity Golf Tournament is Almost SOLD-OUT!



Registration is open and sponsorships are available for the NVSBC Education Foundation Charity Golf Tournament, happening Monday, August 17, at the prestigious Army-Navy Country Club in Arlington, VA.

If you want to lock in your spot on the course, sponsorship is the most reliable way to do it. Options include the Tasting Sponsor, Lunch Sponsor, Golf Ball Sponsor, and more; each offering one foursome, a superticket, and additional benefits. Beyond securing your place, sponsorship provides meaningful visibility and directly fuels NVSBC's educational mission.

Every year, this tournament brings together industry leaders for a full day of networking, friendly competition, and camaraderie, and it sells out fast. Players may register individually or as a foursome, but

early registration is strongly encouraged as team slots are limited.

Only 4 teams remain! Secure your foursome through sponsorship or register yourself or your team today. Act quickly so you don't miss your chance to be on the course this August.