



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 28, 2015

S. 552
Small Business Investment Capital Company Act of 2015

*As ordered reported by the Senate Committee on Small Business and Entrepreneurship
on April 23, 2015*

S. 552 would raise the maximum amount of debt that the Small Business Administration (SBA) can guarantee for a group of companies participating in the Small Business Investment Company (SBIC) program that are operated together (defined as “a family of funds”) from \$225 million to \$350 million.

Under current law, businesses participating in the SBIC program are required to pay various fees that are sufficient to offset the program’s estimated subsidy cost, that is, the estimated long-term cost to the government of a loan guarantee, calculated on a net-present-value basis. Based on information from the SBA, CBO expects that increasing the maximum loan guarantee level for a family of funds would not affect the estimated net subsidy cost, nor would the changes increase the SBA’s cost to administer the program, which is recorded in the budget on a cash basis. Therefore, CBO estimates that implementing S. 552 would not affect discretionary spending. Enacting S. 552 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 552 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.