



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 17, 1998

H.R. 3853
Drug-Free Workplace Act of 1998

As ordered reported by the House Committee on Small Business on June 11, 1998

SUMMARY

H.R. 3853 would establish a drug-free workplace demonstration program, require that Small Business Development Centers (SBDCs) provide small businesses with information regarding drug-free workplace programs, and direct the Small Business Administration (SBA) to study the effects of drug use in the workplace. The bill would authorize the appropriation of \$10 million to SBA for grants or contracts with not-for-profit organizations to provide small businesses with drug-free workplace programs. In addition, CBO estimates that implementing the other provisions of the bill would require expenditures of about \$2 million over the 1999-2003 period. Assuming appropriation of the authorized and estimated amounts, CBO estimates that implementing the bill would cost \$12 million over the 1999-2003 period.

H.R. 3853 would not affect direct spending or receipts; therefore, pay-as-you go procedures would not apply. H.R. 3853 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments except as conditions of federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For the purposes of this estimate, CBO assumes H.R. 3853 will be enacted by the end of fiscal year 1998, and that the authorized and estimated amounts will be appropriated by the start of each fiscal year. The estimated budgetary impact of H.R. 3853 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

By Fiscal Year, in Millions of Dollars

	1999	2000	2001	2002	2003
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SPENDING SUBJECT TO APPROPRIATION

Estimated Authorization Level	11	a	a	a	a
Estimated Outlays	3	6	2	a	a

a. Less than \$500,000.

BASIS OF ESTIMATE

Based on information from SBA, CBO estimates that implementing H.R. 3853 would result in total costs to the government of about \$12 million over the 1999-2003 period. Of that amount, \$10 million is specifically authorized in the bill for the drug-free workplace demonstration program. In addition, we estimate that SBA would spend about \$1 million in 1999 to conduct the required study of drug use and less than \$500,000 a year (through SBDCs) to provide information and assistance to help small businesses develop drug-free workplace programs.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3853 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments except as conditions of federal assistance. The bill would expand the services that Small Business Development Centers are required to provide. SBDCs are operated solely or jointly by state and local governments and institutions of higher education. SBDCs are funded by the federal government, and requirements imposed on them are conditions of receiving federal assistance.

ESTIMATE PREPARED BY:

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