



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 30, 2000

H.R. 4464

A bill to amend the Small Business Act to authorize the Administrator of the Small Business Administration to make grants and to enter into cooperative agreements to encourage the expansion of business-to-business relationships and the provision of certain information

As ordered reported by the House Committee on Small Business on May 25, 2000

SUMMARY

H.R. 4464 would reauthorize the Business LINC (learning, information, networking, and collaboration) program, through which the Small Business Administration (SBA) makes grants and enters into cooperative agreements to expand relationships between large and small businesses. The bill would authorize the SBA to make grants to coalitions of private and public entities, provided that such entities match the grant with an equal amount of cash or in-kind contributions. Finally, the bill would authorize the appropriation of \$6.6 million for each of fiscal years 2001, 2002, and 2003 for Business LINC grants.

Based on the historical spending patterns of this program and other programs administered by the SBA, CBO estimates that implementing H.R. 4464 would cost about \$19 million over the 2001-2005 period. H.R. 4464 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 446 contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state and local governments would be the result of complying with new grant conditions and would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For the purpose of this estimate, CBO assumes that H.R. 4464 will be enacted during fiscal year 2000, and that amounts authorized in the bill will be provided each year. The estimated budgetary impact of H.R. 4464 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

	2000	2001	2002	2003	2004	2005
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SPENDING SUBJECT TO APPROPRIATION

Business LINC Spending						
Under Current Law						
Budget Authority ^a	2	0	0	0	0	0
Estimated Outlays	1	1	0	0	0	0
Proposed Changes						
Authorization Level	0	7	7	7	0	0
Estimated Outlays	0	3	6	6	3	1
Business LINC Spending						
Under H.R. 4464						
Authorization Level ^a	2	7	7	7	0	0
Estimated Outlays	1	4	6	6	3	1

a. The 2000 level is the amount appropriated for that year.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4464 contains no intergovernmental mandates as defined in UMRA. The bill would authorize the Administrator of the SBA to make grants and enter into cooperative agreements with any coalition of entities, including public entities, that further certain goals of the Business LINC program and provide 100 percent matching funds. Participation in the program is voluntary, and thus any costs incurred by participating state and local governments would be voluntary.

ESTIMATE PREPARED BY:

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