



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 30, 2002

S. 2335

Native American Small Business Development Act

As ordered reported by the Senate Committee on Small Business and Entrepreneurship on July 24, 2002, with subsequent technical changes provided on July 29, 2002

SUMMARY

S. 2335 would authorize the Small Business Administration (SBA) to issue grants for small business development centers (SBDCs) and other business training programs targeted to Native Americans. These programs would be operated by the private sector, schools, community groups, or tribal governments and would provide management assistance to current and prospective small business owners.

S. 2335 would authorize the appropriation of \$4 million a year for SBDCs during the 2003-2007 period and \$2 million a year for other training programs through 2006. CBO estimates that implementing the bill would cost \$27 million over the 2003-2007 period, assuming the appropriation of the authorized amounts. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 2335 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit tribal governments receiving grants under this bill, and any costs they incur would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2335 is shown in the following table. For this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 2002 and that the authorized amounts will be appropriated for each year. Estimated outlays are based on historical spending patterns for similar SBA programs. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	6	6	6	6	4
Estimated Outlays	4	6	6	6	5

PAY AS YOU GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2335 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit tribal governments receiving grants under this bill, and any costs they incur would be voluntary.

PREVIOUS CBO COST ESTIMATE

On August 14, 2001, CBO transmitted a cost estimate for H.R. 2538, the Native American Small Business Development Act, as ordered reported by the House Committee on Small Business on August 1, 2001. H.R. 2538 authorized the appropriation of \$7 million a year during the 2002-2004 period for SBDCs that assist Native Americans. CBO estimated that implementing that bill would cost about \$20 million over the 2002-2006 period, assuming the appropriation of the authorized amounts.

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