



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 20, 2005

### **H.R. 3207**

### **Second-Stage Small Business Development Act of 2005**

*As ordered reported by the House Committee on Small Business on July 14, 2005*

#### **SUMMARY**

H.R. 3207 would authorize the appropriation of \$6 million over the 2006-2009 period (\$1.5 million a year) for a pilot program to support certain small businesses. Under the bill, the Small Business Administration would make grants to eligible Small Business Development Centers to create learning opportunities for small businesses in the “second stage” of business development. Under the bill, such second-stage businesses would be those that meet specific size, revenue, growth, and market criteria. Assuming appropriation of the specified amounts, CBO estimates that implementing H.R. 3207 would not have a significant cost in 2006 and would cost about \$4 million over the 2006-2010 period, with about \$2 million in outlays after 2010. The bill would not affect direct spending or revenues.

H.R. 3207 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit state, local, and tribal governments receiving grants under the bill, and any costs incurred by grant recipients would result from complying with grant conditions.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 3207 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit). CBO assumes that the bill will be enacted by the end of 2005, that the specified amounts will be appropriated for each fiscal year, and that outlays will follow historical trends. CBO estimates that implementing the bill would increase spending subject to appropriation by less than \$500,000 in 2006 and by about \$4 million over the 2006-2010 period for grants for promoting job creation and growth for “second-stage” small businesses. The remaining amount—about \$2 million—would be spent after 2010.

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	By Fiscal Year, in Millions of Dollars				
	2006	2007	2008	2009	2010
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Authorization Level <sup>a</sup>	2	2	2	2	0
Estimated Outlays	*	1	1	1	1

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Note: \* = Less than \$500,000.

a. The bill specifies an authorization level of \$1.5 million a year. (The table shows a rounded amount of \$2 million a year.)

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## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 3207 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit state, local, and tribal governments receiving grants under the bill, and any costs incurred by grant recipients would result from complying with grant conditions.

### **ESTIMATE PREPARED BY:**

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