



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 4, 2015

S. 1400
Veterans Small Business Enhancement Act of 2015

*As ordered reported by the Senate Committee on Small Business and Entrepreneurship
on July 29, 2015*

S. 1400 would authorize the Administrator of the Small Business Administration (SBA), in coordination with the General Services Administration (GSA), to distribute surplus property and certain personal property owned by the United States to small businesses owned or controlled by veterans.

Under current law, GSA makes surplus government property available to public and nonprofit entities free of charge; any property not taken by those entities is sold. Most personal property is typically auctioned. Proceeds from those sales are recorded in the budget as offsetting receipts, which are certain collections that are treated as reductions in direct spending. Based on information from GSA, CBO expects that adding a new group of entities to those already eligible to receive surplus property would increase competition for that property; however, we expect that such competition would not substantially reduce the amounts of surplus property, generally the least desirable items, that would eventually be sold to the public. While enacting S. 1400 could reduce offsetting receipts, and thus pay-as-you-go procedures apply to the bill, CBO estimates that those forgone receipts would be insignificant. (In 2014, the GSA collected \$11 million from sales of surplus property.)

Based on information from SBA, CBO expects that that agency would have to hire one additional staff person to oversee the program and coordinate with GSA. Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 1400 would cost \$1 million over the 2016-2020 period.

S. 1400 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.