



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 2, 2015

**S. 1756
Small Business Energy Efficiency Act of 2015**

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

S. 1756 would broaden the activities that the Small Business Administration (SBA) may consider when determining whether to offer loan guarantees under the Small Business Investment Company (SBIC) program. The bill would allow the SBA to consider whether an applicant would help small businesses use energy more efficiently.

Under current law, businesses participating in the SBIC program are required to pay various fees that are sufficient to offset the program's estimated subsidy cost, that is, the estimated long-term cost to the government of a loan guarantee, calculated on a net-present-value basis. Based on information from the SBA, CBO expects that broadening the activities that would make firms eligible to receive a loan guarantee would not affect the estimated net subsidy cost of the SBIC program, nor would the changes significantly increase the cost to administer the program, which is recorded in the budget on a cash basis. Therefore, CBO estimates that implementing S. 1756 would have no significant effect on discretionary spending. Enacting S. 1756 would have no effect on direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 1756 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.