



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

July 11, 2016

**S. 2838**

**Small Business Transforming America's Regions Act of 2016**

*As reported by the Senate Committee on Small Business and Entrepreneurship  
on May 24, 2016*

S. 2838 would add the Small Business Administration (SBA) to the Federal Acquisition Regulatory (FAR) Council, and make several changes to the Historically Underutilized Business Zone (HUBZone) program. CBO estimates that implementing S. 2838 would cost \$7 million over the 2017-2021 period. Such spending would be subject to the availability of appropriated funds.

The FAR Council consists of the Department of Defense, the National Aeronautics and Space Administration, and the General Services Administration and is overseen by the Office of Management and Budget. The FAR council manages, coordinates, monitors, and changes federal acquisition regulations. Each member agency contributes staff and technical expertise to the operations of the council. On the basis of information from current FAR council members, CBO estimates that the SBA's inclusion on the council would cost around \$2 million in 2017 and \$1 million in each subsequent year for additional staff and administrative expenses related to performing the duties required for membership on the FAR council.

The SBA administers the HUBZone program, which gives preference to participating small businesses located in areas with certain economic characteristics when they seek contracts with the federal government. S. 2838 would permit the governor of a state to petition the SBA to designate certain counties as a HUBZone that would not otherwise be eligible for designation, if they meet criteria specified in the bill. On the basis of information from the SBA, CBO estimates that implementing this provision would cost \$1 million in 2017, and less than \$500,000 in subsequent years, for SBA to evaluate petitions and update HUBZone maps.

Enacting S. 2838 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting S. 2838 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 2838 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would benefit state governments and some counties in cases where the governor successfully petitioned the SBA for a county to be designated as a HUBZone. Any costs to states or counties would result from complying with conditions of federal assistance.

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