



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 25, 2009

**S. 1229
Entrepreneurial Development Act of 2009**

*As ordered reported by the Senate Committee on Small Business and
Entrepreneurship on June 18, 2009*

SUMMARY

S. 1229 would authorize funding for a number of Small Business Administration (SBA) programs that provide technical support and assistance to small business owners in targeted populations, including Native Americans, women, and veterans. The bill also would authorize the Government Accountability Office (GAO) to prepare several reports on issues related to those assistance programs.

Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 1229 would cost \$614 million over the 2010-2014 period. (Those totals include about \$3 million per year for estimated administrative costs.) Enacting the bill would not affect direct spending or revenues.

S. 1229 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1229 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars					2010-2014
	2010	2011	2012	2013	2014	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Grant Programs						
Authorization Level	223	231	238	0	0	692
Estimated Outlays	35	106	178	167	113	599
Additional Administrative Costs						
Estimated Authorization Level	4	4	4	3	3	18
Estimated Outlays	2	2	3	3	3	13
GAO Reports						
Estimated Authorization Level	2	0	0	0	0	2
Estimated Outlays	0	1	1	0	0	2
Total Changes						
Estimated Authorization Level	229	235	242	3	3	712
Estimated Outlays	37	109	182	170	116	614

BASIS OF ESTIMATE

S. 1229 would authorize appropriations through fiscal year 2012 to continue several SBA programs that provide assistance to owners of small businesses. CBO estimates that implementing the provisions of S. 1229 would cost \$614 million over the 2010-2014 period, assuming appropriation of the necessary amounts.

Grant Programs

The bill would reauthorize through 2012 the Service Corps of Retired Executives program, the Small Business Development Center (SBDC) program, the Drug-free Workplace program, and the Program for Investment in Microentrepreneurs and would authorize the appropriation of \$565 million over the 2010-2012 period for those programs. CBO estimates that implementing those provisions would cost \$488 million over the 2010-2014 period, assuming appropriation of the specified amounts.

The bill also would reauthorize SBA's Women's Small Business Center program and the National Women's Business Council for three years. CBO estimates that implementing those programs to support businesses owned by women would cost \$57 million over the 2010-2014 period, assuming appropriation of the specified amounts.

Several programs supporting business ownership by Native Americans would be authorized through 2012 under the legislation as well. S. 1229 would establish a small business development program for Native Americans to offer assistance that is tailored to Native American culture. The bill also would authorize SBA to develop a tool to evaluate various economic development options for Indian tribes. CBO estimates that those provisions would cost \$27 million over the 2010-2014 period.

S. 1229 would establish a veterans' business center program to provide training and counseling to veterans, service-disabled veterans, reservists and their spouses, and surviving spouses. The bill also would require the Office of Veterans' Business Development to create an online system to support the activities of the veterans' business centers. CBO estimates that those provisions would cost \$27 million over the 2010-2014 period, assuming appropriation of the specified amounts.

Additional Administrative Costs

Based on information from SBA, CBO estimates that the agency would need an additional eight full-time equivalent positions to establish an Office of Native American Affairs and to meet the additional administrative requirements that arise from changes to various programs made by the bill. Costs for that additional support would total an estimated \$13 million over the 2010-2014 period.

GAO Reports

Finally, S. 1229 would authorize GAO to prepare a number of studies and reports on topics that include the difficulties both women's business centers and Native American business centers face as a result of economic factors in the areas they serve, the effectiveness of the veterans business center program, and the feasibility of extending certain pilot programs created in the bill. CBO estimates that completing these reports would cost about \$2 million over the 2010-2014 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1229 contains no intergovernmental or private-sector mandates as defined in UMRA. By authorizing grants to SBDCs, tribal business information centers, and veterans business centers, the bill would benefit state, local, and tribal governments. Any costs that those entities incur would result from complying with conditions of federal assistance.

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