



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 18, 1998

H.R. 3853 **Drug-Free Workplace Act of 1998**

As ordered reported by the Senate Committee on Small Business on September 15, 1998

SUMMARY

H.R. 3853 would establish a drug-free workplace demonstration program and require that Small Business Development Centers (SBDCs) provide small businesses with information regarding drug-free workplace programs. The act would authorize the appropriation of \$10 million to SBA for grants or contracts with not-for-profit organizations to provide small businesses with drug-free workplace programs. Assuming appropriation of the authorized amount, CBO estimates that implementing this legislation would cost \$10 million over the 1999-2001 period.

H.R. 3853 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. H.R. 3853 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state and local governments from enactment of the legislation would be incurred voluntarily.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For the purposes of this estimate, CBO assumes H.R. 3853 will be enacted near the start of fiscal year 1999 and that the authorized amount will be appropriated for fiscal years 1999 and 2000. The estimated budgetary impact of H.R. 3853 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

	1999	2000	2001	2002	2003
--	------	------	------	------	------

SPENDING SUBJECT TO APPROPRIATION

Authorization Level	5	5	0	0	0
Estimated Outlays	3	6	1	0	0

BASIS OF ESTIMATE

H.R. 3853 would authorize appropriations totaling \$10 million over fiscal years 1999 and 2000 for the drug-free workplace demonstration program and for SBA to provide information and assistance (through SBDCs) to help small businesses develop drug-free workplace programs. Based on information from SBA, CBO estimates that implementing H.R. 3853 would cost \$10 million over the 1999-2001 period.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3853 contains no intergovernmental or private-sector mandates as defined in UMRA. The legislation would expand the services that Small Business Development Centers are required to provide. SBDCs are operated solely or jointly by state and local governments and institutions of higher education. SBDCs are funded by the federal government, and requirements imposed on them are conditions of receiving federal assistance.

PREVIOUS CBO ESTIMATE

On June 17, 1998, CBO transmitted an estimate for H.R. 3853, as ordered reported by the House Committee on Small Business on June 11, 1998. The House version also would authorize the appropriation of \$10 million for the drug-free workplace demonstration program. In addition, it would direct SBA to study the effects of drug use in the workplace and require that SBDCs provide small businesses with information regarding drug-free workplace programs. As a result, CBO estimated that implementing the House version of H.R. 3853 would cost about \$12 million over the 1999-2003 period.

ESTIMATE PREPARED BY:

Federal Costs: Mark Hadley

Impact on State, Local, and Tribal Governments: Marc Nicole

ESTIMATE APPROVED BY:

Robert A. Sunshine

Deputy Assistant Director for Budget Analysis