CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 21, 2017

S. 607
Native American Business Incubators Program Act

As ordered reported by the Senate Committee on Indian Affairs on March 29, 2017

SUMMARY

S. 607 would authorize the Bureau of Indian Affairs (BIA) to award grants to eligible public and private organizations for the purpose of providing physical workspaces and other resources to Native American entrepreneurs and businesses. The bill would authorize the appropriation of $5 million annually over the 2018-2023 period.

CBO estimates that implementing S. 607 would cost $18 million over the 2018-2022 period, assuming appropriation of the authorized amounts. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 607 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 607 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars						
	2017	2018	2019	2020	2021	2022	2017-2022
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Authorization Level	0	5	5	5	5	5	25
Estimated Outlays	0	1	3	4	5	5	18

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 607 will be enacted in 2017, that the authorized amounts will be appropriated for each fiscal year, and that spending will follow historical patterns for similar programs.

S. 607 would authorize the appropriation of $5 million annually over the 2018-2022 period and whatever sums are necessary in years after 2023, to fund a grant program to aid development of Native American businesses. The program would be managed by BIA and would include providing physical workplaces, business skills training, and access to networks of potential investors, among other services. All grants would be awarded for three-year periods and could be renewed for additional three-year terms. CBO estimates that implementing the program would cost $18 million over the 2018-2022 period.

PAY-AS-YOU-GO CONSIDERATIONS: None

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 607 contains no intergovernmental or private-sector mandates as defined in UMRA. Tribal governments would benefit from grants established in the bill to support the growth of Native American businesses and Native American entrepreneurs. Any costs to tribal governments would result from complying with conditions of assistance.

ESTIMATE PREPARED BY:

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