



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 16, 2018

S. 2419 **Support Startup Businesses Act of 2018**

*As reported by the Senate Committee on Small Business and Entrepreneurship
on March 19, 2018*

S. 2419 would make several changes to the operations of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.

Under current law, those programs require certain federal agencies to set aside a portion of their budgets for extramural research and development for contracts with small businesses or for cooperative research between small businesses and federal laboratories or nonprofit research institutions. The 11 agencies that participate in at least one program may provide technical assistance awards to small businesses that are in addition to any awards under the SBIR or STTR programs. S. 2419 would expand the assistance that small businesses can receive, raise the maximum award and technical assistance amounts, and direct agencies to include those amounts as part of an SBIR or STTR award. Because awarding additional amounts for technical assistance would decrease the amounts available for SBIR or STTR awards by corresponding amounts and would not affect the underlying costs of administering those programs, CBO estimates that implementing those provisions would have no budgetary effect.

S. 2419 also would direct the Small Business Administration (SBA) to conduct a survey of vendors and small businesses that provide and receive technical assistance and to submit a report to the Congress on the efficacy of that assistance. Using information from the SBA, CBO estimates that implementing the bill would cost the agency less than \$500,000 over the 2019-2023 period for the agency to update the program's regulations, conduct the required survey, and monitor the expanded awards. Such spending would be subject to the availability of appropriated funds.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 2419 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 2419 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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