

## At a Glance

### Small Business Legislation

**As ordered reported by the House Committee on Small Business on January 31, 2024**

On January 31, 2024, the House Committee on Small Business ordered reported nine bills. This comprehensive document provides estimates for four of those bills. The committee subsequently reported three of the bills, H.R. 6591 on February 9, 2024; H.R. 7128 on February 13, 2024; and H.R. 7105 on February 20, 2024.

- All of the bills would increase spending subject to appropriation by less than \$500,000.
- None of the bills would affect direct spending or revenues; thus, pay-as-you-go procedures do not apply.
- None of the bills would impose intergovernmental or private-sector mandates.

Details of the estimated costs of each bill are discussed in the text.

Bill	Net Increase or Decrease (-) in the Deficit Over the 2024-2034 Period (Millions of Dollars)	Changes in Spending Subject to Appropriation Over the 2024-2029 Period (Outlays, Millions of Dollars)	Mandate Effects?
H.R. 6591	0	*	No
H.R. 7102	0	*	No
H.R. 7105	0	*	No
H.R. 7128	0	*	No

\* = between zero and \$500,000.

**Detailed estimate begins on the next page.**

## Summary of Legislation

On January 31, 2024, the House Committee on Small Business ordered reported nine pieces of legislation. This document provides estimates for four of those bills. The committee subsequently reported three of the bills, H.R. 6591 on February 9, 2024; H.R. 7128 on February 13, 2024; and H.R. 7105 on February 20, 2024. The estimated costs of the bills as ordered reported and as reported are the same.

The bills would require the Small Business Administration (SBA) to update certain financial thresholds for inflation, codify the existing Office of Native American Affairs, require federal agencies to exclude women-owned small businesses (WOSBs) that are self-certified from contracting goals, and clarify that certified WOSBs must be verified to meet the size requirements for a small business.

## Estimated Federal Cost

The bills' costs fall within budget function 370 (commerce and housing credit).

## Basis of Estimate

For this estimate, CBO assumes that the bills will be enacted near the middle of fiscal year 2024. The estimated costs do not include any interaction effects among the bills. If all four bills were combined and enacted as a single piece of legislation, the estimated costs would be different than the sum of the separate estimates, although CBO expects that any difference would be small.

CBO estimates that implementing each of the four bills would cost less than \$500,000 in every year and over the 2024-2029 period; any spending would be subject to the availability of appropriated funds.

### **H.R. 6591, Encouraging Success Act**

The bill would require the SBA to update the financial thresholds for a person to qualify as economically disadvantaged. Under the business development program, the federal government's goal is to award at least 10 percent of federal contract dollars annually to businesses whose ownership is composed of at least 51 percent disadvantaged individuals.

H.R. 6591 would require the SBA to update those thresholds in the first year after enactment and then every four years thereafter. The SBA updated the current limits in November 2022, and under current law, assesses and updates the limits for other programs for inflation, as necessary, every five years. On that basis, CBO estimates that implementing the bill would cost less than \$500,000.

### **H.R. 7102, Native American Entrepreneurial Opportunity Act**

The bill would codify the mission and authorities of the existing Office of Native American Affairs within the SBA. The bill also would require the Administrator to prepare annual budgets and reports about clients in Tribal communities who received services. Because the SBA already collects and compiles information for both purposes, CBO estimates that implementing the bill would cost less than \$500,000.

### **H.R. 7105, WOSB Certification and Opportunity Expansion Act**

The bill would require the SBA to update regulations within one year to direct federal agencies to exclude women-owned small businesses that self-certify from counting toward WOSB contracting goals in data they send to the SBA. Federal agencies would have an additional two years to implement the new regulations. The bill also would require the SBA to prepare quarterly reports on statistics about WOSBs seeking certification until the new regulations are in place.

Based on the costs of similar activities, CBO estimates that implementing the bill would cost less than \$500,000.

### **H.R. 7128, WOSB Integrity Act of 2024**

The bill would require the SBA to update regulations for certifying women-owned small businesses to ensure that they meet the size requirements to qualify as a small business. Under current law, the ownership of a WOSB must be at least 51 percent women, meet the size requirements for small businesses, and be recertified every three years to remain eligible for certain contracting preferences. However, regulations promulgated by the SBA in 2020 do not require applicants to submit information necessary to determine the size of the business.

Based on the costs of similar activities, CBO estimates that implementing the bill would cost less than \$500,000.

### **Pay-As-You-Go Considerations**

None of the bills would affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

### **Increase in Long-Term Net Direct Spending and Deficits**

None of the bills would increase net direct spending or deficits in any of the four consecutive 10-year periods beginning in 2035.

## **Mandates**

None of the bills contain intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

## **Previous CBO Estimate**

On September 28, 2023, CBO transmitted a [cost estimate for S. 1156](#), the Native American Entrepreneurial and Opportunity Act of 2023, as reported by the Senate Committee on Small Business and Entrepreneurship on July 25, 2023. That bill is similar to H.R. 7102, and CBO's estimates of the budgetary effects are the same for both bills.

## **Estimate Prepared By**

Federal Costs: Aurora Swanson

Mandates: Rachel Austin

## **Estimate Reviewed By**

Justin Humphrey  
Chief, Finance, Housing, and Education Cost Estimates Unit

Kathleen FitzGerald  
Chief, Public and Private Mandates Unit

H. Samuel Papenfuss  
Deputy Director of Budget Analysis

## **Estimate Approved By**



Phillip L. Swagel  
Director, Congressional Budget Office