

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 H.R. 5450 and H.R. 6156 on February 13, 2024, and H.R. 7103 and H.R. 7104 on February 23, 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.
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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. 5450	0	*	No
H.R. 6156	0	*	No
H.R. 7103	0	*	No
H.R. 7104	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 H.R. 5450 and H.R. 6156 on February 13, 2024, and H.R. 7103 and H.R. 7104 on February 23, 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 regulations for small business contracts awarded in certain areas, prepare reports on for-profit childcare businesses, require other federal agencies to testify before the Congress if they fail to meet certain goals, and require an advisory board to report to the SBA.

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; that spending would be subject to the availability of appropriated funds.

H.R. 5450, a bill to amend the Small Business Act to modify the application of price evaluation preference for qualified HUBZone small business concerns to certain contracts, and for other purposes

The bill would clarify that the preferences given to small businesses in historically underutilized business zones (HUBZone) when awarding contracts also apply to task orders, which are generally small contracts used to carry out specific tasks under a primary contract. The HUBZone program gives preference for federal contracts to small businesses operating in areas that the SBA has identified based on criteria pertaining to levels of poverty or unemployment, whether it is a designated disaster area, an Indian reservation, affected by a closed military installation or designated by the governor of a state.

Based on the costs of similar activities, CBO estimates it would cost the SBA less than \$500,000 to update its regulations.

H.R. 6156, Child Care Small Business Insight and Improvement Act of 2023

The bill would require the SBA to collect data and report on for-profit businesses that provide childcare. The report would include the challenges facing for-profit childcare businesses, analysis of support they receive from SBA programs and related deficiencies, and recommended legislative solutions.

The SBA already collects much of the required data including when childcare businesses seek and obtain assistance from SBA programs. On that basis, CBO estimates that implementing the bill would cost less than \$500,000.

H.R. 7103, Agency Accountability Act of 2024

The bill would require the head of a federal agency to testify before the Congress if the agency failed to reach specific metrics (as defined in the bill) for awarding federal contracts to small businesses. Under current law, each year the SBA evaluates and scores all federal agencies for compliance with agency-level and government-wide small business contracting goals. H.R. 7103 also would require such agencies that failed to reach those metrics to include a plan to improve their performance in their annual report to the SBA about federal contracts.

Agencies regularly testify before the Congress in the course of their normal duties and prepare annual reports that include plans to meet goals related to contracts they award to small businesses. On that basis, CBO estimates that implementing the bill would cost less than \$500,000.

H.R. 7104, National SBDC Advisory Board Improvement Act

The bill would require the National Small Business Development Center Advisory Board to report annually about its activities and recommendations for improving the small business development center program. Based on the costs of similar reports, 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.

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