



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 12, 2007

**H.R. 2366
SBA Veterans' Programs Act of 2007**

As ordered reported by the House Committee on Small Business on May 23, 2007

SUMMARY

H.R. 2366 would authorize the Small Business Administration (SBA) to award grants to Small Business Development Centers (SBDC) to create a program to improve outreach to veterans and veterans organizations. The bill also would make a number of changes in the SBA's programs that support veterans who own small businesses. Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 2366 would cost about \$1 million in 2008 and \$34 million over the 2008-2012 period. Enacting H.R. 2366 would not affect direct spending or revenues.

H.R. 2366 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would benefit state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2366 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				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	10	11	12	12	13
Estimated Outlays	1	3	8	10	12

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted before the end of fiscal year 2007, that the necessary amounts will be appropriated each year, and that outlays will follow historical trends for those programs.

H.R. 2366 would authorize SBA to award grants to SBDCs to expand their efforts to provide assistance and services to veterans who are small business owners. Currently, SBA provides funds for five Veterans Business Outreach Centers (VBOC) that provide targeted assistance to veterans each year. Based on information from SBA, we expect that under the bill, more than 50 eligible SBDCs would be awarded grants of approximately \$150,000 to provide the same type of services as provided by VBOCs. CBO estimates that awarding grants to target outreach efforts to veterans would cost about \$1 million in 2008 and \$29 million over the 2008-2012 period, assuming appropriation of the necessary amounts.

The bill also would require VBOCs to participate in certain training workshops offered by the Department of Labor's Training Assistance Program (TAP). Currently, TAP workshops are offered at 173 locations in the United States and at 53 locations in eight foreign countries. Based on information from SBA, CBO expects that SBA would enter into an agreement with a qualified small business to participate in approximately 5,000 TAP workshops each year, a small increase over the number of workshops that were held in 2006. CBO estimates that implementing a TAP workshop program for veterans would cost \$3 million over the 2008-2012 period, assuming appropriation of the necessary amounts.

Finally, the bill would increase the number of VBOCs by at least two in each of fiscal years 2008 and 2009, and as needed each year thereafter. Based on information from SBA, CBO estimates that increasing the number of centers would cost \$2 million over the 2008-2012 period, assuming appropriation of the necessary amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2366 contains no intergovernmental or private-sector mandates as defined in UMRA. By allowing SBDCs to apply for additional grants from the SBA for veterans assistance programs and by increasing the number of Veterans Business Outreach Centers, the bill would benefit state, local, and tribal governments.

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