



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 19, 1997

H.R. 2429

A bill to reauthorize the Small Business Technology Transfer Program through fiscal year 2000

As ordered reported by the House Committee on Science on September 17, 1997

SUMMARY

H.R. 2429 would extend from 1997 to 2000 the expiration date of the Small Business Technology Transfer (STTR) program. Assuming appropriation of the necessary amounts, CBO estimates that enacting H.R. 2429 would result in new discretionary spending by the federal government of about \$3.6 million over the 1998-2002 period, with nearly all of those estimated outlays occurring in fiscal years 1998 through 2000. The average estimated cost of about \$1.2 million a year for 1998 through 2000 is about the same as is being spent for administering the STTR program in fiscal year 1997.

H.R. 2429 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply to the bill. H.R. 2429 contains no intergovernmental mandates or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

H.R. 2429 would extend the expiration date of the STTR program from 1997 to 2000. The STTR program requires federal agencies with annual appropriations for extramural research of more than \$1 billion to set aside 0.15 percent of their extramural research budget for cooperative research between small businesses and a federal laboratory or nonprofit research institution. The Small Business Administration is responsible for policy direction and oversight of the STTR program. The five federal agencies that meet the \$1 billion threshold and currently participate in the program are the Department of Defense, the Department of Energy, the Department of Health and Human Services, the National Aeronautics and Space Administration, and the National Science Foundation.

Assuming that the number of agencies qualified to participate in the program does not change, and that their research and development budgets remain at or near current levels, CBO estimates that the total amount allocated to small businesses would be about \$70 million annually for the 1998-2000 period.

The costs of the STTR program to the participating agencies consist primarily of salaries and expenses for personnel to evaluate grant applications, associated overhead costs, printing costs, and mailing expenses. The costs associated with administering awards through the STTR program are slightly higher than administering the same awards through regular program channels. Based on information from the affected agencies, CBO estimates that the costs of administering the awards would be about \$1 million a year for the next three years, assuming appropriation of the necessary amounts. We estimate that the costs to the Small Business Administration to provide policy direction and oversight would total about \$200,000 per year, subject to the availability of appropriated funds.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2429 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

ESTIMATE PREPARED BY: Rachel Forward

ESTIMATE APPROVED BY:

Paul N. Van de Water
Assistant Director for Budget Analysis