



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 2, 2018

S. 607
Native American Business Incubators Program Act
*As ordered reported by the House Committee on Natural Resources
on September 27, 2018*

SUMMARY

S. 607 would authorize the Bureau of Indian Affairs (BIA) to award grants to eligible public and private organizations to provide physical workspaces and other resources to Native American entrepreneurs and businesses. The legislation would authorize the appropriation of \$5 million annually over the 2019-2023 period.

CBO estimates that implementing S. 607 would cost \$18 million over the 2019-2023 period, assuming appropriation of the authorized amounts. Enacting the legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 607 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 607 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of S. 607 is shown in the following table. The costs of the legislation fall within budget function 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					2019-2023
	2019	2020	2021	2022	2023	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	5	5	5	5	5	25
Estimated Outlays	1	3	4	5	5	18

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 607 will be enacted near the end of 2018 and that the authorized amounts will be appropriated for each fiscal year beginning in 2019. Estimated outlays are based on historical spending patterns for similar programs.

S. 607 would authorize the appropriation of \$5 million annually over the 2019-2023 period to fund a grant program to aid the development of Native American businesses. The program would be managed by BIA and would include providing physical workplaces, business skills training, and access to networks of potential investors, among other services. All grants would be awarded for three-year periods and could be renewed for additional three-year terms. CBO estimates that implementing the program would cost \$18 million over the 2019-2023 period and \$7 million after 2023.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 607 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 607 contains no intergovernmental or private-sector mandates as defined in UMRA. Tribal governments would benefit from grants established in the bill to support the growth of Native American businesses and Native American entrepreneurs. Any costs to tribal governments would result from complying with conditions of assistance.

PREVIOUS CBO ESTIMATE

On April 21, 2017, CBO transmitted an estimate for S. 607 as ordered reported by the Senate Committee on Indian Affairs on March 29, 2017. The two versions of S. 607 are similar and the differences in CBO's estimate of their cost reflect differences in CBO's assumed date of enactment of the legislation.

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