



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 16, 2018

S. 2679

Veterans Small Business Enhancement Act of 2018

*As reported by the Senate Committee on Small Business and Entrepreneurship
on October 11, 2018*

Under current law, the General Services Administration (GSA) is responsible for the management and distribution of surplus federal personal property. Some of that property is transferred to state agencies for distribution to certain qualifying entities. S. 2679 would direct the Small Business Administration (SBA), in coordination with GSA, to provide small businesses owned and controlled by veterans with access to surplus personal property and foreign excess personal property.

Using information from the SBA and GSA, CBO estimates that implementing the bill would cost less than \$500,000 for the GSA to expand the scope of its current activities to include the management and transfer of property to small businesses owned and controlled by veterans through a memorandum of agreement with the SBA.

Under the bill, GSA may transfer surplus equipment that it otherwise could sell under current law. The proceeds of those sales are recorded in the budget as offsetting receipts, which are treated as reductions in direct spending. Using information from GSA, CBO expects that adding a new group of entities to those already eligible to receive surplus property would increase competition for that property; however, we expect that such competition would not substantially reduce the amounts of surplus property, generally the least desirable items, that would eventually be sold to the public. Because enacting S. 2679 could reduce offsetting receipts, pay-as-you-go procedures apply; however, CBO estimates that those forgone receipts would be insignificant. Enacting the bill would not affect revenues.

CBO estimates that enacting S. 2679 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 2679 contains no intergovernmental or private-sector mandate as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Stephen Rabent. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.