

H.R. 5065, Prison to Proprietorship for Formerly Incarcerated Act
 As passed by the House of Representatives on January 8, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	2	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 5065 would direct the Small Business Administration (SBA), in coordination with the Federal Bureau of Prisons (BOP), to establish a program to provide entrepreneurship counseling and training services to people formerly incarcerated in a federal prison. Under the legislation, the SBA would work through the Service Corps of Retired Executives (SCORE) to provide those services across the nation.

SCORE works with nonprofit organizations to provide training to owners and aspiring owners of small businesses across the nation. In recent years, SCORE has trained around 500,000 clients each year with a federal cost of about \$16 million a year (or about \$30 per client). The program is supported by more than 11,000 business professionals that volunteer their time and expertise to mentor aspiring entrepreneurs.

Each year about 43,000 people are released from federal prisons. Using information on participation rates in education and training programs for former prisoners, CBO estimates that about 5 percent of that population would participate in the entrepreneurship program each year. Based on the initial costs of establishing other SBA programs, estimated participation rates, and the ability to use existing training materials and locations, CBO estimates that it would cost about \$2 million to develop the curriculum and coordinate with BOP to reach out and provide services to previously released prisoners. After establishing the program, CBO expects that the costs to mentor and train new participants that would

become eligible each year would be similar to the cost of serving SCORE’s existing clients and would thus be insignificant in every year through 2025.

The costs of the legislation, detailed in Table 1, fall within budget function 370 (commerce and housing credit).

Table 1.
Estimated Increases in Spending Subject to Appropriation Under H.R. 5065

	By Fiscal Year, Millions of Dollars						2020-2025
	2020	2021	2022	2023	2024	2025	
Estimated Authorization	2	*	*	*	*	*	2
Estimated Outlays	*	1	1	*	*	*	2

Components may not sum to totals because of rounding; * = between zero and \$500,000.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.