



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 27, 2000

### **S. 2386**

### **Breast Cancer Research Stamp Reauthorization Act of 2000**

*As ordered reported by the Senate Committee on Governmental Affairs on June 14, 2000*

#### **SUMMARY**

The Stamp Out Breast Cancer Act (Public Law 105-41) established a special postage stamp for first-class mail. The United States Postal Service set the price of this stamp at 40 cents, 7 cents above the regular rate of 33 cents. Amounts collected from the special stamp above the regular postal rate are later transferred to the National Institutes of Health (NIH) and the Department of Defense (DoD) to spend for breast cancer research (after accounting for the Postal Service's administrative costs). S. 2386 would extend this program for two years beyond its expiration date of July 28, 2000.

Over the 2000-2005 period, CBO estimates that enacting S. 2386 would result in a negligible net effect on direct spending. Because enactment of the bill would affect direct spending, pay-as-you-go procedures would apply. S. 2386 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 2386 is shown in the following table. The costs of this legislation fall within budget functions 050 (national defense), 370 (commerce and housing credit), and 550 (health) .

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
<b>CHANGES IN DIRECT SPENDING</b>						
<i>Off-Budget Effects</i>						
Net Impact on the Postal Service						
Estimated Budget Authority	-1	-2	1	2	0	0
Estimated Outlays	-1	-2	1	2	0	0
<i>On-Budget Effects</i>						
Net Impact on NIH and DoD						
Estimated Budget Authority	0	-2	-2	1	2	1
Estimated Outlay	0	-2	-2	1	2	1
<i>Total Changes</i>						
Estimated Budget Authority	-1	-4	-1	3	2	1
Estimated Outlays	-1	-4	-1	3	2	1

## **BASIS OF ESTIMATE**

Since the program's inception in July 1998, sales of the stamps have resulted in collections of about \$15 million for breast cancer research. CBO estimates that enacting S. 2386 would increase such collections by the Postal Service by about \$1 million in fiscal year 2000, \$5 million in 2001, and \$4 million in 2002. After covering its administrative costs, the Postal Service would transfer the collections to NIH and DoD in April and November of each year. Thus, the net impact on the Postal Service over the 2000-2005 period would be zero. Postal Service spending and receipts are defined as off-budget.

We estimate that enacting S. 2386 would increase NIH and DoD collections by \$3 million in 2001, \$5 million in 2002, and \$2 million in 2003. Spending of these collections by those two agencies would be about \$1 million in fiscal year 2001, \$3 million a year in 2002 and 2003, \$2 million in 2004, and about \$1 million in 2005. Thus, the changes in spending would sum to the changes in collections but outlays would lag behind collections. CBO estimates that the change in net outlays for NIH and DoD over the 2000-2005 period would be near zero.

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Because cash flows of the Postal Service are categorized as off-budget, only the transfer and spending of these funds by NIH and DoD under S. 2386 would be subject to pay-as-you-go procedures. Over the 2000-2005 period, such spending would sum to near zero. The bill's pay-as-you-go effects are summarized in the following table.

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	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	-2	-2	1	2	1	0	0	0	0	0
Changes in receipts						Not applicable					

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## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 2386 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:**

Federal Costs: Mark Grabowicz

Impact on State, Local, and Tribal Governments: Shelley Finlayson

Impact on the Private Sector: John Harris

### **ESTIMATE APPROVED BY:**

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis