



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 14, 2005

S. 1317 **Stem Cell Therapeutic and Research Act of 2005**

*As reported by the Senate Committee on Health, Education, Labor, and Pensions on
July 11, 2005*

SUMMARY

S. 1317 would amend the Public Health Service Act to provide for the collection and storage of umbilical cord blood and to authorize establishment of a program to increase the number of transplants of bone marrow and cord blood.

CBO estimates that implementing S. 1317 would cost \$3 million in 2006 and \$212 million over the 2006-2010 period, subject to the appropriation of the authorized amounts. Enacting S. 1317 could affect direct spending. This estimate assumes that S. 1317 will be enacted near the end of fiscal year 2005, in which case, CBO estimates the bill would not have a significant effect on direct spending. (If the bill is enacted by early August, CBO estimates that S. 1317 would shift outlays of \$2 million from 2005 to 2006, thereby reducing direct spending by \$2 million in 2005 and increasing direct spending by \$2 million in 2006.) S. 1317 would have no effect on revenues.

S. 1317 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1317 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars					
	2005	2006	2007	2008	2009	2010
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Budget Authority ^a	10	0	0	0	0	0
Estimated Outlays	3	10	6	0	0	0
Proposed Changes						
Authorization Level	0	49	53	53	53	53
Estimated Outlays	0	15	43	50	52	52
Spending Under S. 1317						
Authorization Level ^a	10	49	53	53	53	53
Estimated Outlays	3	25	49	50	53	53

a. The 2005 level is the amount appropriated in that year for the National Cord Blood Stem Cell Bank program.

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1317 will be enacted in the fall of 2005, that the authorized amounts will be appropriated for each year, and that outlays will follow historical spending patterns for similar activities administered by the Health Resources and Services Administration (HRSA).

Spending Subject to Appropriation

S. 1317 would require the Secretary of Health and Human Services to enter into contracts with cord-blood banks to establish and maintain an inventory of cord blood for transplantation. The bill also would require the Secretary to establish the C. W. Bill Young Cell Transplantation program, with the purpose of increasing the number of transplants of bone marrow and cord blood.

The bill would authorize the appropriation of \$49 million in 2006 and \$53 million a year in 2007 through 2010. (For the program to establish an inventory of cord blood, the bill also would make available through 2007 the amounts appropriated in 2004 and 2005 for similar purposes—the effect of that provision is discussed below, under “Direct Spending.”) CBO

estimates that implementing S. 1317 would cost \$15 million in 2006 and \$212 million over the 2006-2010 period, assuming appropriation of the authorized amounts.

Cord Blood Inventory. The bill would authorize the Secretary to contract with qualified cord-blood banks to collect and maintain an inventory of 150,000 units of cord blood, and to make those units available for transplantation to recipients who are not related to the donor. In addition, the Secretary would conduct a demonstration program in which those cord-blood banks would collect and maintain cord-blood units donated by a family member for directed transplantation to a relative diagnosed with a condition that will benefit from transplantation.

C. W. Bill Young Cell Transplantation Program. The bill would require the Secretary to establish an advisory council to make recommendations concerning the design and operation of a program to encourage the donation of bone marrow and cord blood and to facilitate the matching and distribution of those substances for transplantation. The bill also would require the Secretary to contract with one or more entities to carry out those activities.

Direct Spending

In both 2004 and 2005, the Congress appropriated \$10 million to remain available until expended to establish a National Cord Blood Stem Cell Bank program within HRSA. The agency contracted with the Institute of Medicine (IOM) to conduct a study and recommend a structure for that program. That study was completed in April 2005, and HRSA currently is engaged in the process of implementing the IOM's recommendations. Under current law, CBO estimates that HRSA will spend \$3 million in 2005, \$10 million in 2006, and \$6 million in 2007 on the National Cord Blood Stem Cell Bank program.

The bill would make available for the program to collect and maintain an inventory of cord blood the funds appropriated in 2004 and 2005 for the National Cord Blood Stem Cell Bank program. Those funds would be available through 2007.

Assuming enactment near the end of the fiscal year, CBO estimates that S. 1317 would not have a significant effect on the rate as which the previously appropriated funds will be spent. Therefore, CBO estimates that enacting S. 1317 would not have a significant effect on spending.

However, if the bill is enacted by early August, CBO expects that HRSA would postpone the expenditure of about \$2 million from fiscal year 2005 to 2006, thereby reducing outlays by \$2 million in 2005 and increasing outlays by \$2 million in 2006. Any such changes in the

use of funds previously appropriated would constitute a change in direct spending. (That potential timing shift would have no net effect on outlays over the 2005-2006 period, and there would be no effect on budget authority.)

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1317 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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