



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 9, 2007

S. 597

**A bill to extend the special postage stamp for
breast cancer research for two years**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on August 1, 2007*

SUMMARY

The Stamp Out Breast Cancer Act (Public Law 105-41) authorized a special postage stamp for first-class mail. The price of this stamp is 55 cents, 14 cents above the regular rate of 41 cents. The authority to issue the stamp expires on December 31, 2007. After accounting for the Postal Service's administrative costs, amounts above the regular postal rate collected from sales of the special stamp are transferred to the National Institutes of Health (NIH) and the Department of Defense (DoD) to spend on breast cancer research. S. 597 would extend this program until December 31, 2009.

CBO estimates that enacting S. 597 would increase or decrease direct spending in each of the years 2008 through 2012, but would have no net effect on direct spending over the period as a whole. The legislation would not affect either revenues or discretionary spending, and would have no budgetary impact after 2012.

S. 597 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. 597 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									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CHANGES IN DIRECT SPENDING											
Off-Budget Effects											
Impact on the Postal Service											
Estimated Budget Authority		-4	0	4	0	0	0	0	0	0	0
Estimated Outlays		-4	0	4	0	0	0	0	0	0	0
On-Budget Effects											
Impact on NIH and DoD											
Estimated Budget Authority		0	0	0	0	0	0	0	0	0	0
Estimated Outlays		-2	-4	1	4	1	0	0	0	0	0
Unified Budget Effect											
Total Changes											
Estimated Budget Authority		-4	0	4	0	0	0	0	0	0	0
Estimated Outlays		-6	-4	5	4	1	0	0	0	0	0

BASIS OF ESTIMATE

Based on sales of the special breast cancer stamp in recent years, CBO estimates that enacting S. 597 would generate collections above the regular postage rate of \$18 million—roughly \$7 million in fiscal year 2008, \$9 million in 2009, and \$2 million in 2010. After covering its administrative costs (about \$50,000 over this period), the Postal Service would transfer those collections to NIH and DoD in May and November of each year. In fiscal year 2008, for example, the Postal Service would transfer \$3 million to NIH and DoD, resulting in a net reduction of \$4 million in Postal Service outlays in 2008. The net impact on the Postal Service over the 2008-2010 period, however, would be zero. Spending and collections of the Postal Service are classified as “off-budget.”

CBO estimates that enacting S. 597 would increase NIH and DoD collections (from Postal Service transfers) by \$3 million in 2008, \$9 million in 2009, and \$6 million in 2010. Spending of those collections by the two agencies would lag behind the amounts collected by several months. For example, in fiscal year 2008, we estimate that NIH and DoD would collect \$3 million from the Postal Service but spend only \$1 million. We estimate that research spending would be \$5 million in 2009, \$7 million in 2010, \$4 million in 2011, and about \$1 million in 2012. The on-budget NIH and DoD accounts would show net outlay reductions totaling \$6 million over the 2008-2009 period, and a corresponding increase in

outlays from 2010 through 2012. Thus, the net unified budget impact of the proposal (including on-budget and off-budget effects) would be zero over the 2008-2012 period, with no effect after 2012.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 597 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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