



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 23, 2004

S. 1172 **Improved Nutrition and Physical Activity Act (IMPACT)**

As passed by the Senate on December 9, 2003

SUMMARY

S. 1172 would amend the Public Health Service Act (PHSA) to reauthorize and expand a Centers for Disease Control and Prevention (CDC) grant program that provides funding to state and local governments to plan and implement programs that would increase childhood physical activity and improve nutrition. The act would authorize the appropriation of \$60 million in fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008 for that purpose. The act also would reauthorize a CDC training program for health professionals to treat obesity and eating disorders and would permit the agency to make extramural training grants. The act would authorize the appropriation of such sums as may be necessary for fiscal years 2006 and 2007 for that purpose.

S. 1172 also would allow the Department of Health and Human Services (HHS) to give special consideration to obesity-related conditions in an existing grant program for health profession students and require the department to submit reports to the Congress about children and obesity. Other provisions of the act would permit CDC's National Center for Health Statistics to collect and analyze data on children's fitness levels and specify that allotments under CDC's Preventive Health Services Block Grant may be used for activities and education programs to prevent obesity and eating disorders and promote healthy eating behaviors.

CBO estimates that implementing the physical activity and nutrition grant provision of S. 1172 would cost \$3 million in 2004 and a total of \$199 million from 2004 through 2009, if inflation adjustments are included and assuming appropriation of authorized amounts. CBO estimates that the report-writing requirements would require \$1 million to implement in 2005, assuming appropriation of the necessary amount. CBO estimates that other provision of the bill would not have a significant effect on spending. Enacting S. 1172 would not affect direct spending or receipts.

S. 1172 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State, local, and tribal governments may benefit from the grant provisions of the bill, and none of the bill's provisions would compel them to take any action.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated cost to implement S. 1172 is shown in the following table and assumes enactment of the bill by July 1, 2003. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars					
	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Estimated Authorization Level ^a	45	46	0	0	0	0
Estimated Outlays	14	34	28	10	3	1
Proposed Changes for Grant Program						
Estimated Authorization Level	15	15	62	63	64	0
Estimated Outlays ^b	3	13	30	51	60	42
Proposed Changes for Other Activities						
Estimated Authorization Level	0	1	0	0	0	0
Estimated Outlays ^b	0	1	0	0	0	0
Spending Under S. 1172						
Estimated Authorization Level	60	62	62	63	64	0
Estimated Outlays	17	48	58	61	63	43

a. The 2004 level is the amount appropriated for that year for Centers for Disease Control and Prevention for activities related to prevention and treatment of obesity and promotion of physical activity and nutrition. The 2005 amount reflects adjustments for anticipated inflation.

b. Including adjustments for anticipated inflation, the estimated outlay changes would total \$200 million over the 2004-2008 period. Without such adjustments, the five-year total would be \$190 million.

BASIS FOR ESTIMATE

The PHSA currently authorizes such sums as may be necessary through 2005 for CDC to administer grant programs to promote childhood nutrition and physical activity and to educate and train health professionals in dealing with obesity or eating disorders. CDC also conducts prevention research and collects data on obesity and levels of physical activity. In 2004, \$45 million was appropriated for those activities, an increase of \$11 million over the 2003 level. Almost all of the funding is directed toward the childhood nutrition and physical activity grant program, which currently is limited to state and local governments. Under current law, CBO estimates that spending from the authorized funding for 2004 and 2005 for obesity-related activities at CDC will be \$91 million over the 2004-2009 period.

S. 1172 would authorize the appropriation of \$60 million in fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008 for CDC to administer grant programs for the promotion of nutrition and fitness for children, and for the expansion of the types of entities eligible to receive grants. Under the act, entities such as community-based organizations, educational institutions, and other groups deemed appropriate by the Secretary also would be eligible to receive grants. As specified in the act, grant funds could be used for a range of activities, such as increasing opportunities for biking, promotion of healthy eating in the workplace, and establishing incentives for groceries to offer nutritional foods. Based on historical spending patterns for similar activities at CDC and assuming enactment by July 1, 2003, CBO estimates that implementing the act would cost \$17 million in 2004 and \$290 million over the 2004-2009 period, assuming appropriation of the authorized amounts. The proposed changes would add \$199 million (relative to authorized spending under current law) over the 2004-2009 period.

Requirements for HHS to submit reports to Congress would require about \$1 million in additional resources to implement in 2005, CBO estimates.

The act also would reauthorize a CDC training program for health professionals to treat obesity and would authorize such sums as may be necessary for fiscal years 2006 and 2007 for that purpose. Based on discussions with the agency about the cost of training activities in this area, CBO estimates that this provision would not have a significant budgetary effect.

The other provisions of S. 1172 would allow HHS to give special consideration to obesity-related conditions in certain grants and research and would not require additional resources. CBO estimates that those provisions would not have a budgetary effect.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1172 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments may benefit from the grant provisions of the bill, and none of the bill's provisions would compel them to take any action.

ESTIMATE PREPARED BY:

Federal Cost: Jeanne De Sa
Impact on State and Local Governments: Leo Lex
Impact on the Private Sector: Samuel Kina

ESTIMATE APPROVED BY:

Peter H. Fontaine
Deputy Assistant Director for Budget Analysis