



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 14, 2015

S. 1170 **Breast Cancer Research Stamp Reauthorization Act of 2015**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on July 29, 2015*

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 60 cents, 11 cents above the current rate of 49 cents. The authority to issue the stamp expires on December 31, 2015. 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. 1170 would extend this program until December 31, 2019.

CBO estimates that enacting S. 1170 would result in a net reduction in direct spending of \$1 million over the 2016-2020 period, but those savings would be offset by increased direct spending in 2021 and 2022. Thus, under the bill there would be no net effect on direct spending over the 2016-2025 period. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending. Enacting the legislation would not affect revenues.

S. 1170 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. 1170 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).

BASIS OF ESTIMATE

Extending the authority to issue the special breast cancer stamp would generate additional offsetting receipts that could be spent without further appropriation for research on the disease. The amounts collected and transferred by the Postal Service would be direct spending but are classified as “off-budget.” The amounts received and subsequently spent by NIH and DoD also would be direct spending and are classified as “on-budget.” The budgetary effects in individual years and in each category would vary because of the timing of such collections and spending, but CBO estimates that enacting this bill would have no net effect on the unified budget over the 2016-2025 period.

Based on sales of the special breast cancer stamp in recent years, CBO estimates that enacting S. 1170 would generate collections above the regular postage rate of roughly \$6 million over the next five years. After covering its administrative costs (less than \$100,000 in total over the period), the Postal Service would transfer those collections to NIH and DoD in May and November of each year. In fiscal year 2016, for example, the Postal Service would transfer about \$0.5 million to NIH and DoD.

Those transfers from the Postal Service would increase NIH and DoD collections by about \$6.3 million over the 2016-2020 period. Because spending of those collections would lag behind the amounts collected by several months, we estimate that the NIH and DoD accounts would show net outlay reductions totaling \$1 million over the 2016-2020 period and a corresponding increase in outlays from 2021 through 2022. CBO estimates that enacting S. 1170 would have no net impact on the unified budget (including on-budget and off-budget effects) over the 2016-2025 period.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table. Only on-budget changes to outlays or revenues are subject to pay-as-you-go procedures. Enacting S. 1170 would affect on-budget direct spending by NIH and DoD.

CBO Estimate of Pay-As-You-Go Effects for S. 1170 as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 29, 2015

	By Fiscal Year, in Millions of Dollars										2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025
NET INCREASE OR DECREASE (-) IN THE ON-BUDGET DEFICIT												
Statutory Pay-As-You-Go Impact	0	-1	0	0	0	1	0	0	0	0	-1	0

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1170 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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