



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 8, 2016

S. 2014 **Next Generation Researchers Act**

*As reported by the Senate Committee on Health, Education, Labor, and Pensions
on April 4, 2016*

SUMMARY

S. 2014 would make several changes to the programs for repaying loans for biomedical or behavioral research at the National Institutes of Health (NIH). The bill also would establish an initiative in the NIH Office of the Director to coordinate programs that are focused on promoting opportunities for new researchers at NIH. CBO estimates that implementing S. 2014 would cost \$477 million over the 2017-2021 period, assuming appropriation of the necessary amounts. Enacting S. 2014 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply to the bill.

CBO estimates that enacting S. 2014 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

S. 2014 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 effect of S. 2014 is shown in the following table. The costs of this legislation fall primarily within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars					2017- 2021
	2017	2018	2019	2020	2021	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	120	124	126	130	133	634
Estimated Outlays	29	86	115	121	126	477

Note: Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

NIH supports health professionals in research careers through its programs to repay loans. Under the programs, NIH will repay up to \$35,000 of an awardee’s qualified educational debt each year in exchange for a commitment to conduct biomedical or biobehavioral research. S. 2014 would increase the maximum award in those programs to \$50,000 per year and authorize the Director of NIH to change the subcategories of research eligible for the loan repayments. The authorization of appropriation for research programs at NIH expired at the end of fiscal year 2009, but the Congress has continued to appropriate funds for those purposes. In fiscal year 2015, \$73 million was allocated out of money appropriated to NIH for the loan repayment programs. Based on historical spending patterns, CBO estimates that reauthorizing the programs with the increased maximum repayment level would cost \$471 million over the 2017-2021 period, assuming appropriation of the necessary amounts.

S. 2014 also would establish a new initiative within the Office of the Director at NIH to coordinate and promote opportunities at NIH for researchers who are new or early in their careers. Based on information from NIH on similar activities, CBO estimates the coordinating activities would require the equivalent of about ten full-time employees and would cost about \$6 million over the 2017-2021 period, assuming appropriation of the necessary amounts.

Finally, the bill would require the Government Accountability Office to prepare a report on the efforts of NIH to attract, retain, and develop emerging scientists. CBO anticipates that conducting that study would cost about \$500,000, subject to the availability of appropriated funds.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting S. 2014 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2014 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On July 7, 2015, CBO transmitted a cost estimate for the Rules Committee print of H.R. 6, 21st Century Cures Act. That legislation included similar language modifying the loan repayment programs at NIH; H.R. 6 would allow the award amounts to increase with inflation and would create a new program for repaying loans. H.R. 6 also reauthorized NIH in fiscal years 2016-2019 and specified the amounts authorized for appropriations. In contrast, S. 2014 would not reauthorize NIH, nor adjust the maximum award amount for loan repayments to reflect inflation, but the legislation would allow the Director of NIH to eliminate or establish a subcategory of research for the loan programs as long as the number of subcategories remained the same. CBO's estimate of S. 2014 reflects those differences.

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