

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 2, 2013

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2342 by Zedler (Relating to the research, collection, and use of adult stem cells.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2342, As Introduced: a negative impact of (\$20,362,856) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$10,188,928)
2015	(\$10,173,928)
2016	(\$10,173,928)
2017	(\$10,173,928)
2018	(\$10,173,928)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2014	(\$10,188,928)
2015	(\$10,173,928)
2016	(\$10,173,928)
2017	(\$10,173,928)
2018	(\$10,173,928)

Fiscal Year	Change in Number of State Employees from FY 2013
2014	2.0
2015	2.0
2016	2.0
2017	2.0
2018	2.0

Fiscal Analysis

The bill creates the Texas Adult Stem Cell Research Coordinating Board (Research Coordinating Board). The bill includes information regarding the composition of the Research Coordinating Board, which would include members from the Higher Education Coordinating Board, the Health and Human Services Commission and institutions of higher education. Under provisions of the bill, the Research Coordinating Board would establish an adult stem cell research program and the Texas Adult Stem Cell Research Consortium (Consortium). The Consortium would be composed of participating institutions of higher education and businesses that accept public money for adult stem cell research or otherwise agree to participate in the consortium. The Research Coordinating Board would administer the program to make grants and loans to consortium members for adult stem research projects, the development of facilities to be used solely for adult stem cell research projects and the commercialization of products or technology involving adult stem cell research and treatments. The Research Coordinating Board would also administer the program to support consortium members in all stages of the process of developing treatments and cures based on stem cell research, establish appropriate regulatory stands and oversight, and assist consortium members in applying for grants or loans under the program. The adult stem cell research program may be supported by legislative appropriations or gifts, grants and donations as defined by the bill. The Research Coordinating Board would be required to submit a report detailing the Board's activities and recommendations to the Higher Education Coordinating Board, governor, lieutenant governor, the speaker of the house of representatives and the presiding officer of each legislative standing committee or subcommittee with jurisdiction over higher education no later than September 1st of each even numbered year. The bill defines "adult stem cell" and provides for the use of adult stem cells by hospitals.

Methodology

For purposes of this fiscal note, it is assumed the the Higher Education Coordinating Board would provide support to the Consortium in administering the program. The Higher Education Coordinating Board has indicated that a new program director and administrative assistant would need to be hired at total cost for salaries and benefits of \$119,928 per year. They have also indicated that 30 consultants would be hired annually to conduct reviews of proposals at a cost of \$1,000 per reviewer. Travel costs associated with these consultants is estimated to be \$24,000 per year.

Based on information providing by the Higher Education Coordinating Board, regarding similar programs in Maryland and Connecticut, it is assumed that ten grants of \$1 million would be awarded to the Consortium. For reference, the Connecticut Stem Cell Research Advisory Committee, in conjunction with the Commissioner of Public Health, administers and monitors the Connecticut Stem Cell Research Grants Programs which supports basic and translational stem cell

research proposals that could result in clinical application. The Connecticut program includes Core Facilities Awards, which is intended to provide shared core facilities for stem cell researchers at eligible Connecticut institutions, hospitals or companies. The requested funding for these awards may be up to \$1 million for two years.

Technology

Technology costs of \$15,000 is included in fiscal year 2014 only.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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