

Legislative Analysis



APROPRIATION FOR STATEWIDE NETWORK OF CORD BLOOD STEM CELL BANKS

House Bill 6294 (H-3), as Reported from House Committee

Sponsor: Representative Tom Casperson

Committee: Appropriations

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SUMMARY:

House Bill 6294 (H-3) appropriates \$5.0 million of 21st Century Jobs Trust Fund monies to the Department of Treasury, Michigan Strategic Fund, as a supplemental appropriation for the current fiscal year, 2005-06, to be used to establish and support a statewide network of cord blood stem cell banks. The bill directs Treasury to distribute the funds to the Department of Community Health (DCH) to administer the initiative. The funds are to be expended by DCH for grants and contracts with qualified cord blood stem cell banks, promotion and state administration of the network, and to increase awareness and knowledge about the benefits of cord blood stem cell research. The funds cannot be used for any fixed capital costs.

Boilerplate in the bill states that this appropriation is authorized as part of the \$400.0 million bond proceeds from the tobacco securitization bond issuance deposited to the 21st Century Jobs Trust Fund. Boilerplate also establishes the funds as a work project appropriation under which any unencumbered or unallotted funds may be carried forward into future fiscal years for this initiative. The bill states that if the funds are carried forward, DCH is responsible for expending the funds as provided in this act. The bill requires a report from the Department of Community Health on the expenditure of the funds.

Companion bills in this package include HB 6291, HB 6292, HB 6293, and HB 6295, which amend the Public Health Code, the Income Tax Act, and the Michigan Strategic Fund Act.

FISCAL IMPACT:

The bill effectively provides \$5.0 million of 21st Century Jobs Trust Fund through the Michigan Strategic Fund to the Department of Community Health for establishment of a statewide network of cord blood stem cell banks. This is a one-time fund source from the proceeds of the tobacco securitization bond issuance. As of September 11, 2006, the Michigan Strategic Fund Board indicates that all but \$70.6 million of the \$400.0 million bond proceeds has been allocated and awarded, with the process currently underway to approve \$36 million of the remainder for awards and receive proposals for the remaining \$34 million. Enactment of this bill prior to September 30 will establish that \$5.0 million of the \$70.6 million, or of the amount yet unallocated as of the date of enactment, is to be used to fund this project, which may be carried forward into FY 2006-07.

Michigan currently has two cord blood stem cell banks. Data provided by the banks indicates a cost of \$1,000 to process and store one cord stem cell unit.

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