

February 19, 2013

The Honorable Mary Pilcher-Cook, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Pilcher-Cook:

SUBJECT: Fiscal Note for SB 199 by Senator Pilcher-Cook, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 199 is respectfully submitted to your committee.

SB 199 would establish the Midwest Stem Cell Therapy Center at the University of Kansas (KU) Medical Center. The Center would focus on activities that advance adult, cord blood and related stem cell and non-embryonic stem cell research, and therapies for patient treatment. It would also serve as a core facility to produce clinical grade stem cells, facilitate the delivery of therapies, and initiate clinical trials. Other activities would include maintaining a database resource for physicians and patients, creating education modules to train and educate physicians, and informing the public of therapeutic options.

The Director of the Stem Cell Facility would report to the Executive Vice Chancellor of the KU Medical Center. The Director would be responsible for the facility, and would also solicit and receive grants, gifts, contributions and bequests for the therapy center. The Endowment Association would be able to accept gifts on its behalf and it would receive interest earnings on its fund. Fees for services would go to KU's Medical Center Research Institute, Inc.

The Midwest Stem Cell Therapy Center would have a 13-member board and one ex officio member, all of whom would be appointed as specified in the bill. Duties would include advising the Director, fund raising, public speaking and other public relations activities. Members would serve without compensation.

The University of Kansas states that the estimated cost for the Midwest Stem Cell Therapy Center would be approximately \$10.7 million over ten years. In FY 2014, for staffing and equipment it would be approximately \$579,500 with an additional \$575,000 for lab

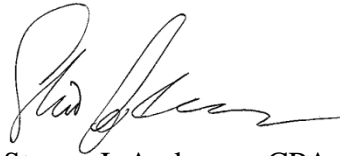
The Honorable Mary Pilcher-Cook, Chairperson

February 19, 2013

Page 2—SB 199

renovation, for a total of \$1,154,500. In FY 2015, operations would be approximately \$754,500. Funding for the project would come from federal grants, private gifts and other funds. Any fiscal effect associated with SB 199 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Kelly Oliver, Board of Regents