

Joint Committee on Ways and Means

Carrier – House: Rep. Kotek  
Carrier – Senate: Sen. Carter

Revenue: Revenue statement issued

Fiscal: Fiscal statement issued

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Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 13 – 7 – 1

House – Yeas: D. Edwards, Galizio, Nathanson, Nolan, Shields  
– Nays: Garrard, Hanna, Jenson, Morgan  
– Exc:

Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Schrader, Verger, Westlund  
– Nays: Morse, Nelson, Whitsett  
– Exc: Winters

Prepared By: John Britton, Legislative Fiscal Office

Meeting Date: 6/1/07

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**WHAT THE MEASURE DOES:** As amended, this measure refers to the voters of Oregon, a Healthy Kids Program and an increase in the state's tobacco tax to provide health insurance coverage for uninsured children. The measure (if approved) would also raise the Oregon Health Plan income eligibility standard for pregnant women from 185% of the federal poverty level (where it is today) to 250% of the federal poverty level. The Healthy Kids Program would provide funding to expand health insurance coverage for eligible children in households with incomes up to 250% of the federal poverty level. Households with incomes above 250% of the federal poverty level would be allowed to purchase Healthy Kids insurance coverage, but there would be no state subsidy to assist them. The measure would distribute a portion of the new tobacco tax revenue to the Tobacco Use Reduction Account (\$7.1 million), the Rural Health Revolving Account (\$2.1 million) and the Healthy Kids Safety Net Fund (\$5.6 million) during the 2007-09 biennium.

**ISSUES DISCUSSED:**

- Anticipated costs of the referral to voters
- The need for an additional measure to establish the date of the election for the referral, the fiscal impact statement, the explanatory statement, and ballot measure title
- Overall revenue amounts produced from tobacco tax increases in HB 2967
- Distribution of the revenue and the anticipated costs of the Healthy Kids Program established in HB 2967
- Sustainability of the Healthy Kids Program given gradual reductions of tobacco tax revenue and increasing health costs
- The unused tobacco tax revenue remaining in the Healthy Kids Program Fund at the end of the 2007-09 biennium that could be used for future Healthy Kids Program costs
- The – 1 Amendment

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the entire original measure and is described above.

**BACKGROUND:** The Governor's recommended budget for the Department of Human Services and the Office of Private Health Partnerships includes expenditure limitation to implement the Healthy Kids Plan. This plan expands health insurance coverage for children by raising the income eligibility ceiling to 350% of the federal poverty level. Currently, eligibility is limited to children in homes with incomes below 185% of the federal poverty level. The Governor's budget for 2007-09 also included \$18 million of new tobacco tax revenue for tobacco prevention and education programs.

Both DHS and the OPHP, in their 2007-09 budget presentations, provided information on the Healthy Kids Program, and the DHS Public Health Division discussed its tobacco prevention and education programs.