

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2967 **STATUS:** A-Engrossed
SUBJECT: Creates Oregon Healthy Kids Program; Increases tobacco taxes; Referring Oregon Healthy Kids Program to ballot measure to a special election
GOVERNMENT UNIT AFFECTED: Secretary of State
PREPARED BY: John F. Borden
REVIEWED BY: Daron Hill and John C. Britton
DATE: May 30, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES: See Comments		

REVENUES:
See Legislative Revenue Office impact statement

EFFECTIVE DATE: January 1, 2008

GOVERNOR'S BUDGET: This bill is anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: This measure creates the Oregon Healthy Kids Program (OHKP) by referring the Program with its associated tobacco tax increase to Oregon voters for approval. The OHKP intent is to provide medical insurance coverage for uninsured children in Oregon less than 19 years of age by expanding current eligibility through the state's Medicaid program or Children's Health Insurance Program (CHIP), both administered by the Department of Human Services (DHS), and by offering a commercial insurance product through the Office of Private Health Partnerships (OPHP). The provisions have an operative date of January 1, 2008.

The fiscal impact of this measure pertains only to the cost of a special election to which the measure is referred. The fiscal impact does not include OHKP costs because this measure is a referral of the Program to voters for their approval, rather than a legislative measure establishing the Program (e.g., HB 2201B). A companion measure will be necessary to set the special election date and to provide for the ballot measure title, explanatory statement, and fiscal impact of the OHKP.

The fiscal impact of this measure is related to the Secretary of State's Office (SOS), which estimates a total cost of \$1.6 to \$1.8 million General Fund for a special election based on similar elections in 2002 and 2003 adjusted for inflation. The fiscal impact includes \$250,000 to publish the state voters' pamphlet, and county costs which are anticipated to be \$1.4 to \$1.6 million. The final fiscal for a special election will be affected by the following: a) whether counties or local jurisdictions place measures or candidates on the ballot; and b) the complexity of the issue, which impacts the size of the voters' pamphlet as more arguments in support and opposition are filed.

The Legislative Fiscal Office assumes that the Secretary will seek a General Fund appropriation from the Emergency Board or the Legislative Assembly when the actual election costs are known. This is generally two months after the election results are certified.