

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2740 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Directs the State Registrar of the Center for Health Statistics to send the State Treasurer information on each child born in Oregon to residents of this state, for purposes of providing the child's parents with information about the Oregon 529 Oregon College Savings Network.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Oregon State Treasurer

Expenditure Impact:

See Analysis

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.

Analysis:

House Bill 2740 requires the State Registrar of the Center for Health Statistics, Oregon Health Authority (OHA) to provide, quarterly, data containing information about the birth of each child born in Oregon to residents of the state to the State Treasurer. The State Treasurer is directed to use this information to notify each child's parents of the opportunity to open an Oregon 529 College Savings Network account, within 30 days after receiving information from OHA. In addition, HB 2740 establishes the Oregon College Savings Matching Fund in the State Treasury. If there is sufficient funds in the Oregon College Savings Matching account, the Oregon 529 College Savings Board may use moneys in the fund to make matching deposits of at least \$100 or such other amount as the board may specified by rule.

Oregon Health Authority (OHA)

The Oregon Health Authority estimates the cost of collecting, storing and transferring the data required by this bill to be a one-time data transfer setup cost of \$8,000. This cost would be covered by the State Treasurer.

Oregon State Treasurer

According to the Oregon State Treasury, the Oregon 529 College Savings Network expects to be able to absorb the \$8,000 one-time data transfer setup cost to implement the data delivery portion of this bill within its 2011-13 biennial budget. The Oregon State Treasury also reports that the agency will absorb the cost of notifying each child's parents of the opportunity to open an Oregon 529 College Savings Network account within its existing marketing budget.

HB 2740 establishes the Oregon College Savings Matching Fund in the State Treasury. The board may accept grants, donations, contributions or gifts from any source for deposit to the Oregon College Savings Matching Fund. The Legislative Fiscal Office believes that this language does not authorize any state agency to transfer moneys to the Fund without specific legislative direction. The bill specifically states that if there are sufficient funds in the Oregon College Savings Matching account, the board may use moneys in the fund to make matching deposits of at least \$100 or such other amount as the board may specified by rule. At this time, a specific revenue source is not identifiable, and the measure does not specify how the board shall determine whether sufficient funds are available to make matching deposits.

According to the Oregon Health Authority population data, there were 49,117 live births in Oregon in 2008 (most recent year for which data is available). The percentage of parents who would participate in this program is indeterminate at this time. The total cost of matching deposits, if these deposits were at the \$100 minimum level, would equal approximately \$5 million per year if all eligible parents participated in the program, and the board chooses to make matching deposits into the accounts established.