

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3403**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Date: 4/4/2013

Measure Description:

Establishes nutritional requirements for food and beverage items sold in public buildings.

Government Unit(s) Affected:

Commission for the Blind

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 3403 establishes nutritional requirements for food and beverages sold in vending machines managed by the Commission for the Blind.

This bill is anticipated to have a fiscal impact on the Commission for the Blind. If this bill passes, in order to ensure compliance to the nutritional requirements of this bill, the Commission anticipates establishing a Program Analyst position to establish and distribute vending machine product standards, and to inspect over 640 vending locations statewide, each with multiple machines. The Commission estimates the Personal Services, and related Services and Supplies expenditures for this position to be approximately \$126,871 Total Funds [\$50,748 General Fund and \$76,123 Federal Funds], and 1.00 FTE per biennium.

In addition, extrapolating from data obtained from single vending units in schools and hospitals that have undergone replacement of products similar to those required by this bill, the licensed managers and vending company officials report that vending sales could decrease by 40 to 60 percent. Note that in addition to loss of revenues for blind vendors, a projected loss of 50% of vending revenues could result in a projected loss of \$150,468 Total Funds for the Commission for the Blind. This amount includes \$30,094 Other Funds (set aside proceeds), and \$120,375 in matching federal funds. The \$30,094 Other Funds is used by the agency to meet maintenance of effort requirements, and would need to be replaced with General Fund.