

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2299 - A

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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Measure Description:

Directs State Registrar of Center for Health Statistics to send data file containing parents' names and mother's address to State Treasurer for each child born in Oregon to residents of this state.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Oregon State Treasurer

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 2299 – A Engrossed requires the State Registrar of the Center for Health Statistics, Oregon Health Authority (OHA) to provide to the Oregon 529 College Savings Board, on a quarterly basis, data containing information about the birth of each child born in Oregon to residents of the state. The bill directs the State Registrar and the Oregon 529 College Savings Board to enter into an agreement to implement this data transfer.

Within 30 days after receiving information from the State Registrar, the Oregon 529 College Savings Board is directed to use this information to notify each child's parents of the opportunity to open an Oregon 529 College Savings Network account. In addition, the bill 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 specify 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 approximately \$8,204. This cost is anticipated to be covered by the Oregon 529 College Savings Board.

Oregon State Treasurer

According to the Oregon State Treasury, the Oregon 529 College Savings Board expects to be able to absorb the \$8,204 one-time data transfer setup cost to implement the data delivery portion of this bill within its 2013-15 biennial budget. The Oregon State Treasury also reports that the Oregon 529 College Savings Board 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. The Legislative Fiscal Office notes, however, that the Treasurer has requested as part of the 2013-15 budget an additional \$1.2 million for a public education and awareness campaign for its 529 College Savings Network program.

House Bill 2299 establishes the Oregon College Savings Matching Fund in the State Treasury. The Oregon 529 College Savings 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, the number of live births in Oregon averages approximately 44,000 per year. The percentage of parents who would participate in this program is indeterminate at this time. As a point of reference, assuming that 50% of all eligible parents participated in the program, and the board chooses to make matching deposits into the accounts established, the total cost of matching deposits, if these deposits were at the \$100 minimum level, would equal approximately \$2.2 million per year.

This bill requires budgetary action for the establishment of an Other Funds expenditure limitation for the Oregon College Savings Matching Fund.