

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2639 <REVISED>

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office**Only Impacts on Original or Engrossed
Versions are Considered Official**Prepared by: Kim To
Reviewed by: Tom MacDonald
Date: April 3, 2019**Measure Description:**

Expands eligibility for Women, Infants and Children Program nutrition assistance to children five years of age or older who have not entered kindergarten, paid for with state funds.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Summary of Fiscal Impact:

Costs related to the measure require budgetary action - See analysis.

<Revised to include updated participation projections.>

*Original analysis assumed full year participation from age five to six. This revised analysis lowers the months of participation to allow for the fact that most children will enroll in kindergarten, and stop participating in WIC, before reaching age six.***Summary of Expenditure Impact:**

	2019-21 Biennium	2021-23 Biennium
General Fund - Public Health Division (PHD)		
Personal Services	156,219	290,597
Services and Supplies	151,979	74,692
Special Payments	5,963,732	8,066,815
Total General Fund	\$6,271,930	\$8,432,104
Other Fund - Office of Information Services (OIS)		
Services and Supplies	48,960	0
Total Other Funds	\$48,960	\$0
TOTAL FUNDS	\$6,320,890	\$8,432,104
Positions	4	3
FTE	1.27	1.50

Analysis:

HB 2639 expands eligibility for Women, Infants, and Children (WIC) services to cover children through their sixth birthday or September of the year they enter kindergarten. This population is beyond the current federal funding levels. Currently, WIC serves children from zero to five years and mothers of children zero to six months. The measure specifies that the costs of providing benefits under this program to children not covered by federal funding levels will be paid from moneys in the Oregon Health Authority Fund. The measure requires the Oregon Health Authority (OHA) to verify whether a child has entered kindergarten via an attestation of the applicant.

OHA estimates the fiscal impact of this bill to be \$6,320,890 Total Funds and 4 positions (1.27 FTE) for the 18 months of the 2019-21 biennium; and \$8,432,104 Total Funds and 3 positions (1.50 FTE) for the 2021-23 biennium.

Included in the Services and Supplies for the 2019-21 biennium is \$105,783 of one-time implementation costs to cover a communications media campaign and to develop new staff training curriculum. Personal Services costs include:

- One Operations and Policy Analyst 2 position (0.13 FTE) to work as a project coordinator overseeing the expansion. This is a Limited Duration position for the 2019-21 biennium.
- One Fiscal Analyst 1 position (0.38 FTE) to track project expenses and report to the United States Department of Agriculture.
- One Research Analyst 2 position (0.38 FTE) to monitor data and project evaluation.
- One Public Health Educator 2 position (0.38 FTE) to oversee education and training development and outreach.

Special Payments expenditures projections are based on the number of children who have aged out of the current WIC program and assume that the program expansion will encompass a total of 10,249 children (with 6,867 children participating for 4 months and 3,382 children participating for 10 months). The projected 18-month cost for the 2019-17 biennium is \$5,963,732 General Fund. The projected 24-month cost for the 2021-23 biennium is \$8,066,815 General Fund.

In addition, the Office of Information Services (OIS) is shared services, and the Other Funds amount reflects how the agency accounts for shared services. In order to administer and track the expanded eligibility, OIS will need to provide additional programming to update the child category to go beyond the age of five and to end the eligibility when entering kindergarten. OIS will work with the business to define and implement reporting, certification, and enrollment changes to the WIC administration system application. This work is estimated to take 480 contractor hours at \$102.00 an hour for a total of \$48,960 General Fund.