TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

HB 1506 - SB 1491

January 31, 2018

SUMMARY OF BILL: Creates the "Infant Mortality Reduction Program Act". Requires the Department of Health (DOH) to establish a program that provides a baby box to parents at the medical facility at the birth of their child if they complete a parent education syllabus. Requires the DOH to pursue available funding options and make efforts to establish a public-private partnership with organizations that promote safe infant sleeping causes or manufacture safe infant sleeping products in order to seek to obtain donations for implementation and administration of this part. Directs the DOH to submit a report, by February 1 each year that analyzes the quality, appropriateness, and effectiveness of the program in reducing infant mortality related to sudden infant death syndrome to the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate. The proposed legislation is effective January 1, 2019.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - $995,800/FY18-19
$1,907,500/FY19-20 and Subsequent Years

Other Fiscal Impact – The Department of Health will seek donations and grants for implementation and administration of this Act. According to the department, there are no current federal funding grants available for such purposes.

Assumptions:

- Based on information provided by the DOH, the proposed legislation cannot be accommodated within existing resources. The DOH will require one additional Public Health Program Director 1 position to implement the program, develop educational curriculum, perform program evaluation, and train hospital staff to implement the program. Due to the scope of requirements associated with the implementation of the program, this position will be required prior to the effective date of this Act of January 1, 2019.
- The one-time increase in state expenditures associated with the additional position is estimated to be $4,300 ($1,600 computer cost + $2,700 office furniture).

- The recurring increase in state expenditures associated with the additional position, beginning in FY18-19, is estimated to be $75,455 ($50,004 salary + $15,551 benefits + $7,900 administrative cost + $1,400 communications + $600 supplies).
- A baby box provided through the program costs $30 per box. The bedding and safe sleep promotion materials cost $12 per box. The cost to ship each box is $3.80.
- There are approximately 80,000 births in Tennessee each year. Assuming 50 percent of parents opt to accept a baby box, the state would be responsible for providing 40,000 (80,000 x 50.0%) boxes at a cost of $1,832,000 [40,000 boxes x ($30 box + $12 bedding and materials + $3.80)]. Due to the effective date clause, the first year (FY18-19) increase in state expenditures for baby boxes is estimated to be $916,000 ($1,832,000 x 50.0%).
- The total increase in state expenditures in FY18-19 is estimated to be $995,755 ($4,300 + $75,455 + $916,000).
- The total increase in state expenditures in FY19-20 and subsequent years is estimated to be $1,907,455 ($75,455 + $1,832,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Krista M. Lee

Krista M. Lee, Executive Director

/jem