

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2125 **STATUS:** A Engrossed
SUBJECT: Modifies requirements for securing and enforcing medical support obligations.
GOVERNMENT UNIT AFFECTED: Department of Justice, Department of Human Services
PREPARED BY: Tim Walker
REVIEWED BY: Doug Wilson, John Britton
DATE: June 7, 2007 **<REVISED>**

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES:		
Department of Justice	\$	\$
General Fund	\$ 1,706,662	\$ 1,373,645
Other Funds - Limited	\$ 203,337	\$ 203,337
Other Funds – Non Limited	\$ 454,637	\$ 454,637
Federal Funds - Limited	\$ 3,701,006	\$ 3,073,773
Federal Funds – Non Limited	\$ 882,531	\$ 882,531
Total	6,948,173	5,997,923
REVENUES:		
Department of Justice	\$	\$
Other Funds - Limited	\$ 203,337	\$ 203,337
Other Funds – Non Limited	\$ 454,637	\$ 454,637
Department of Human Services	\$	\$
General Fund	\$ (207,731)	\$ (413,020)
Federal Funds	\$ (323,007)	\$ (648,456)
Other Funds – From Department of Justice	\$ 530,738	\$ 1,061,476
Total	657,974	657,974
POSITIONS / FTE:		
	35/33.20	35/33.20

EFFECTIVE DATE: October 1, 2007

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget.

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.

COMMENTS: This bill is in response to changes in federal law concerning state child support programs. The Deficit Reduction Act of 2005 requires the Department of Justice (DOJ) to charge a fee to the custodial parent on child support accounts for children who have not received benefits under Temporary Assistance for Needy Families (TANF). Fee revenue will be used in DHS to offset both General Fund and Federal Fund in the Oregon Health Plan. The bill also requires review of all support orders three years old or older, adds new definitions for cash medical support and medical support, and authorizes DOJ to order, or enforce an order, for medical support against one or both parents.

DOJ estimates that this bill will cost \$1.7 million General Fund in 2007-09 and \$1.3 million in 2009-11. DHS estimates that the measure would save about \$208,000 General Fund in 2007-09 and \$413,000 in 2009-11 within its Medicaid programs. These savings in General Fund are replaced with Other Funds transferred from DOJ. This bill will also require DOJ to add FTE to meet the additional workload due to the new Federal requirements. The fiscal impact of this bill has been incorporated into the budget of DOJ in HB 5520.