

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

MEASURE NUMBER: HB 2469 **STATUS:** B-Engrossed
SUBJECT: Public assistance for families with dependent children
GOVERNMENT UNIT AFFECTED: Department of Human Services and Department of Justice
PREPARED BY: John F. Borden
REVIEWED BY: Sheila Baker
DATE: June 22, 2007

EXPENDITURES:	<u>2007-2009</u>	<u>2009-2011</u>
Department of Human Services		
Personal Services – General Fund	\$ <77,338>	\$ <88,386>
Personal Services – Federal Fund	\$ 1,149,864	\$ 1,314,130
Personal Services - Sub Total	\$ 1,072,526	\$ 1,225,744
Services and Supplies – General Fund	\$ 206,098	\$ 61,809
Services and Supplies – Federal Fund	\$ 263,511	\$ 190,644
Services and Supplies – Sub Total	\$ 469,609	\$ 252,453
Special Payments – General Fund	\$ 9,655,483	\$ 17,396,203
Special Payments – Federal Fund	\$ 16,284,535	\$ 28,498,231
Special Payments – Sub Total	\$ 25,940,018	\$ 45,894,434
Total General Fund	\$ 9,784,243	\$ 17,369,626
Total Federal Funds	\$ 17,697,910	\$ 30,003,005
All Funds Total	\$ 27,482,153	\$ 47,372,631
Department of Justice		
Personal Services – General Fund	\$ 806,860	\$ 2,151,628
Personal Services – Other Funds	\$ <806,860>	\$ <2,151,628>
Personal Services - Sub Total	\$ 0	\$ 0
Services and Supplies – General Fund	\$ 118,625	\$ 316,333
Services and Supplies – Other Funds	\$ <118,625>	\$ <316,333>
Services and Supplies – Sub Total	\$ 0	\$ 0
Total General Fund	\$ 925,485	\$ 2,467,961
Total Other Funds	\$ <925,485>	\$ <2,467,961>
All Funds Total	\$ 0	\$ 0

POSITIONS / FTE:

Department of Human Services	12/7.46	12/ 12.00
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EFFECTIVE DATE: Bill is effective October 1, 2007; some provisions are effective October 1, 2008.

GOVERNOR’S BUDGET: This bill is *partially* 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 measure modifies and expands the Department of Human Services (DHS) Temporary Assistance for Needy Families Program (TANF). According to DHS, this measure is necessary to align the state TANF program with federal requirements for the program as reauthorized in the Deficit Reduction Act of 2005. The restructured program will help Oregon meet required federal work participation rates for TANF clients and avoid federal penalties that could be imposed if work participation rates do not meet federal requirements.

DHS estimates the fiscal impact of this measure at \$9.8 million General Fund and \$17.7 million total funds for the 2007-09 biennium, and \$17.4 million General Fund and \$47.4 million total funds for the 2009-11 biennium. The Federal Funds include TANF block grant funds and Medicaid match for the transitional medical services. The majority of the bill’s provisions will be effective October 1, 2007. Those provisions include strengthened screening, assessment and case planning; expanded employment and training services; implementation of a post-TANF program to continue support for clients moving to employment; a separate program for families with disabled adults who are applying for federal disability benefits, and enhanced funding for community-based services for TANF families. The bill also expands eligibility for transitional medical assistance under the Oregon Health Plan (OHP) effective October 1, 2008. Within DHS, the costs are expected to be allocated as follows:

	2007-09 Estimate	2009-11 Estimate
Children, Adults and Families	\$ 6,400,153 GF 12,603,132 FF	\$ 7,314,461 GF 14,403,579 FF
Division of Medical Assistance Programs	3,218,137 GF 4,984,143 FF	10,055,165 GF 15,599,426 FF
Department Wide Support Services	165,953 GF 110,635 FF	not provided

Special Payments are 94% of DHS’ expenditures; this includes payments for TANF client benefits and services, and OHP payments to providers. Personal Services and Services and Supplies costs reflect a net change in staffing after reductions due to the JOBS and JOBS Plus expansions, but new positions for the new post-TANF and disability programs, and field office staff.

The fiscal impact on the Department of Justice reflects the bill’s provision that will allow TANF families to retain part of child support paid, at \$50 per child up to \$200 per family. This provision takes effect October 1, 2008. The Child Support Division will lose Other Funds revenue it would otherwise use to support its operations. The estimate assumes General Fund to backfill that revenue loss at \$0.9 million for 9 months in the 2007-09 biennium and \$2.5 million for 24 months in the 2009-11 biennium.

The Legislative Fiscal Office (LFO) notes that DHS’ fiscal impact estimate relies on federal TANF block grant funds to cover some of its estimated costs. If the same level of TANF funds is not available in future, or if more TANF funding is available over the level identified in this estimate, the General Fund share of the costs in the Children, Adults and Families Division could increase or decrease as a result.

LFO also notes that the Governor’s budget anticipated most, but not all, of the program costs in HB 2469-B. The Joint Committee on Ways and Means is expected to include funding for HB 2469-B in DHS’ budget bill (HB 5031) and, for the Department of Justice, in the Emergency Fund bill (SB 5549).