

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2059**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session  
Legislative Fiscal Office

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Prepared by: Kim To  
Reviewed by: Sheila Baker, Linda Ames  
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**Measure Description:**

Provides that moneys payable to ward in custody of Department of Human Services under settlement agreement or pursuant to judgment shall be paid into trust account or subaccount established by department or Oregon Health Authority for purpose of receiving such funds.

**Government Unit(s) Affected:**

Department of Human Services (DHS), Oregon Health Authority (OHA)

**Summary of Fiscal Impact:**

See Analysis

**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 2059 modifies statutes to allow the Department of Human Services (DHS) the option of maintaining trust accounts in either a federally insured trust account or in subaccounts with the Oregon State Treasury.

In current practice, DHS maintains settlement monies received for children in DHS custody using interest bearing investment subaccounts through the Oregon State Treasury. Oregon State Treasury accounts are not federally insured. The language of current state statutes requires that monies received on behalf of children be federally insured. Passage of this bill will allow DHS to continue using Oregon State Treasury accounts. If this bill does not pass, DHS will be required to open federally insured individual accounts in the sole name of each child, which could be costly; or continue current practice, and risk insurers not releasing settlement monies because DHS is not in compliance with state statutes.