

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 102

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Establishes Adoption Applicable Child Savings Fund for deposit of federal applicable child savings from adoption assistance payments.

Government Unit(s) Affected:

Department of Human Services (DHS)

Analysis:

Senate Bill 102 establishes the Adoption Applicable Child Savings Fund separate from the General Fund to comply with federal law by enabling the Department of Human Services (DHS) to carry unspent Applicable Child savings from one biennium to the next.

Title IV-E Adoption Assistance is the federal funding source used to pay adoption assistance subsidies for about 80% of the children receiving such subsidies in Oregon. Federal law expanded Title IV-E eligibility for children receiving adoption assistance subsidies. The law requires that state money saved because of the increase in federal reimbursement must be reinvested in child welfare services to provide additional services to foster care and adoption assistance to families. Without compliance and an approved Title IV-E State Plan, the state would be unable to receive Title IV-E funds. Because it is not possible or efficient for the program to spend an amount during a biennium that’s exactly equal to the amount saved during the same period, to comply with federal law, DHS needs to be able to carry forward savings between biennia.

The fiscal impact of establishing this fund is minimal. However, to actually capture and expend the savings, DHS estimates \$6,260,792 should be transferred from General Fund into the new account. This amount reflects the projected 2017-19 federal applicable child savings. To implement this legislation, the savings projection would need to be reviewed by the Joint Committee on Ways and Means in the context of the agency’s overall budget and a corresponding budget adjustment would need to be approved. While the legislative concept was approved, the Governor’s budget did not include a transfer into the fund.