

SB 102 STAFF MEASURE SUMMARY

Senate Committee On Human Services

Action Date: 04/03/17

Action: Do pass and refer to Ways and Means by prior reference.

Vote: 5-0-0-0

Yeas: 5 - Dembrow, Gelser, Knopp, Monnes Anderson, Olsen

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Creates Adoption Applicable Child Savings Fund, separate from General Fund, for deposit of adoption applicable child savings for later use in accordance with federal funds spending rules. Requires deposited funds to supplement child welfare programs. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Operation of current program
- Federal rules for use of federal adoption assistance money and General Fund savings
- Allocation of adoption assistance funds and savings
- Effect of measure

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Both Oregon and federal law provide for adoption assistance funding to the Department of Human Services (DHS). The Adoption Assistance Program is a federal and state funded program that supports families that are unable to meet their child's needs without assistance. It subsidizes out-of-pocket expenses like court costs, attorney fees, medical and surgical expenses, and other care incidental to the training and education of a child with special needs.

Federal adoption assistance funds have specific rules governing how they may be spent, including a prohibition against replacing state funding of child services programs - they may only be used to supplement state funds. The acceptance of these federal funds results in state adoption applicable General Fund savings (adoption applicable savings), which must still be spent on new child welfare services. Unspent adoption applicable savings currently revert back to the General Fund at the end of each biennium. Because federal adoption assistance dollars are not allowed to displace state funding, DHS must request unspent adoption applicable savings back from the General Fund or risk losing federal adoption assistance funding.

Senate Bill 102 creates an Adoption Applicable Child Savings Fund (Fund) that is separate from the General Fund. The Fund allows DHS to carry over unspent adoption assistance applicable General Fund savings between biennia. The measure requires that the Fund will be used in the next biennium to supplement existing child welfare services as required by federal law.