

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4081 - 2

79th Oregon Legislative Assembly – 2018 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Requires Department of Human Services to use savings in temporary assistance for needy families program to increase amount of cash grants.

Government Unit(s) Affected:

Department of Human Services (DHS)

Summary of Expenditure Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

HB 4081 with the -2 amendment requires the Department of Human Services (DHS) to use any savings, including those resulting from the policy changes made by the department or from an improvement in the economy, to increase the amount of cash grants provided to families in participating in the Temporary Assistance for Needy Families (TANF) program. This requirement is operative July 1, 2018. The bill defines savings as “the amount by which the caseload costs projected for a biennium in the legislatively adopted budget exceed the actual caseload costs for the biennium.”

The fiscal impact of this bill on DHS is indeterminate. While the amendment clarifies that savings would be calculated based on projected caseload costs, it does not address a timeframe for calculating savings or a process for applying savings. For example, is the intent that the savings calculation be made only after the semi-annual caseload forecast is completed or more frequently?

Note that while the bill’s “use the savings” mechanism may be intended to be budget neutral, compliance with the provisions of the bill could result in a fiscal impact on the TANF program if caseload growth or economic factors drive costs up after program savings had been identified and used to increase grants. In the event that this occurs, DHS may need additional General Fund resources in order to avoid actions such as rescinding grant increases or making other program cuts.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means Committee for consideration of its potential budgetary impact.