



Legislative Fiscal Office
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Bill Title: Relating to COFA citizens' eligibility for public assistance.

Government Unit(s) Affected: Oregon Health Authority, Department of Human Services

Summary of Fiscal Impact

2023-25 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Human Services	\$ 3,092,780	\$ -	\$ -	\$ 153,236	\$ 3,246,016	6	1.50
Oregon Health Authority	\$ 7,261	\$ -	\$ -	\$ -	\$ 7,261	1	0.50
Total Fiscal Impact	\$ 3,100,041	\$ -	\$ -	\$ 153,236	\$ 3,253,277	7	2.00

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Human Services	\$ 10,546,095	\$ -	\$ -	\$ 497,213	\$ 11,043,308	6	6.00
Oregon Health Authority	\$ 8,891	\$ -	\$ -	\$ -	\$ 8,891	1	1.00
Total Fiscal Impact	\$ 10,554,986	\$ -	\$ -	\$ 497,213	\$ 11,052,199	7	7.00

- The fiscal impact identified in the table does not include the duplicate Other Funds expenditure limitation necessary to pay for expenses through the agencies' Shared Services budget structure. If this measure is adopted, the expenditure limitation will need to be established to properly budget for these expenses.

Measure Description

SB 1518 prohibits the Department of Human Services (DHS) from denying Compact of Free Association (COFA) citizens public assistance, including Supplemental Nutrition Assistance Program (SNAP) benefits and Temporary Assistance to Needy Families (TANF) cash assistance. The measure appropriates an unspecified amount of General Fund to DHS for the 2023-25 biennium to carry out the requirements of the measure.

Fiscal Analysis

The estimated fiscal impact of this measure totals \$3.3 million in 2023-25 and \$11.1 million in 2025-27 in DHS and OHA and includes an increase of seven positions. Additionally, if the measure is enacted, Other Funds expenditure limitation of \$179,175 will be needed for the 2023-25 biennium and \$351,803 for the 2025-27 to appropriately budget for the agencies' Shared Services budget structure. The information that follows includes more detail for each agency below.

Department of Human Services

The fiscal impact of the measure on DHS is \$3,092,780 General Fund and \$153,236 Federal Funds for the 2023-25. Benefit payments for SNAP (\$1.2 million General Fund) and TANF (\$1.1 million General Fund) are the cost drivers of this fiscal impact.

For SNAP benefits, DHS projects a monthly caseload of 1,252 with an average benefit cost of \$158.06 or a biennial cost of \$4.8 million General Fund. As the measure is effective January 1, 2025, the 2023-25 costs reflect only six months of payments or \$1.2 million General Fund. In 2025-27, payments are projected to increase to \$4.8 million General Fund for a full 24 months of payments.

COFA citizens are already eligible for limited TANF cash assistance if their child has a federally qualifying immigration status. Currently, 186 COFA households receive cash assistance for children; the measure is anticipated to increase the caseload to 402. The average benefit is projected to be \$621 per month, which is \$301 higher than the average benefit received by currently enrolled COFA households. The benefit costs for this expansion are estimated to be \$1.1 million General Fund in 2023-25 and \$4.5 million General Fund in 2025-27.

In addition to program benefit costs, six full-time permanent positions (1.25 FTE) will be required to manage the increased application processing workload, conduct outreach, and manage COFA SNAP benefits at a cost of \$186,000 General Fund and \$153,236 Federal Funds in 2023-25 and \$873,086 General Fund and \$559,820 Federal Funds in 2025-27.

The expansion of SNAP and TANF programs will require updates to multiple systems. For ONE system updates, a contract will be required for approximately 1,725 hours of work at a rate of \$180 per hour, or a total one-time cost of \$310,500 General Fund. For updates to existing programs, including but not limited to Mainframe Payment Systems, Electronic Benefits, and the SNAP calculator, DHS will request services from the Office of Information Services, a shared service budgeted within OHA. The projected cost for new and existing staff services within the Office of Information Services is projected to be \$216,921 General Fund for the 2023-25 biennium and \$360,694 in General Fund for the 2025–27 biennium.

Oregon Health Authority

The fiscal impact on the Oregon Health Authority (OHA) is \$7,261 General Fund for the 2023-25 biennium and one position (0.50 FTE), increasing to \$8,891 General Fund and one position (1.00 FTE) in the 2025-27 biennium. These costs are attributable to the OHA portion of the total cost to support the work required under the measure by the Office of Information Services, but the portion of those costs that are attributable to the Department of Human Services are recognized in the DHS fiscal impact. The Office of Information Services is a shared service providing information technology services to both OHA and DHS but is budgeted within OHA. If this measure is adopted, OHA's Other Funds expenditure limitation will need to be increased by \$179,175 to support these expenditures.

There is a minimal fiscal impact on the Department of Early Learning and Care.

Relevant Dates

The measure takes effect on January 1, 2025.