

HB 4143 -1 STAFF MEASURE SUMMARY

House Committee On Rules

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Meeting Dates: 2/3, 2/12

WHAT THE MEASURE DOES:

The measure authorizes the governor, with the consent of the attorney general and state treasurer, to direct an executive agency to withhold moneys from the federal government that a state agency is obligated to transfer to the federal government, other than payroll taxes, if federal moneys are owed to the state, are subject to a valid court order requiring the transfer from the federal government to a state agency, and have not been transferred. It establishes the Federal Moneys Holding Account for an executive agency to transfer payments to when directed to withhold payments to the federal government. It defines terms, establishes procedures for when the account balance exceeds the aggregate amount of unlawfully withheld federal moneys, and requires the state to indemnify its officers, employees, or agents for civil claims arising out of compliance with the measure's provisions. The measure takes effect on the 91st day following adjournment sine die.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

- Federal funds subject to the measure
- State and federal relationship if measure is used
- Conditions for withholding moneys

EFFECT OF AMENDMENT:

-1 The amendment repeals the measure's provisions on January 2, 2037, and moves any remaining funds to the General Fund. It also adds two exclusions related to unemployment insurance and paid family and medical leave insurance to the definition of qualified payment.

BACKGROUND:

The 2025-2027 legislatively adopted budget includes \$43.7 billion in federal funds as part of the \$138.9 billion total from all fund sources. The [Legislative Fiscal Office 2025-2027 Budget Highlights](#) publication also reports that "the majority of federal revenues are received in the Human Services program area, which makes up 86.4% of statewide Federal Funds." This includes \$23.5 billion for the Oregon Health Authority and \$14.2 billion for the Department of Human Services. The report also states:

"Federal Funds expenditures are supported with revenue from the federal government that is sent to state agencies to pay for specific programs and activities. Examples include competitive grants, matching funds, block grants, pass-through funds, or special payments. The state budget's largest source of federal revenue supports health care coverage provided through Medicaid, which also requires a state match. Federal Funds Nonlimited examples include payments that are made directly to beneficiaries of federally funded unemployment insurance benefits, rental assistance payments, and supplemental nutrition assistance."