FISCAL IMPACT OF PROPOSED LEGISLATION   Measure: HB 2338 - A

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:
Specifies only one monthly benefit rate for children of deceased worker and uniform duration of benefits for children under 19 years of age.

Government Unit(s) Affected:
Department of Consumer and Business Services (DCBS), Oregon Health Authority (OHA)

Summary of Expenditure Impact:

	2017-19 Biennium	**2019-21 Biennium**
Other Funds	2,277,251	3,146,517
Total Funds	**$2,277,251**	**$3,146,517**
Positions	0	0
FTE	0.00	0.00

Background:
A surviving child's benefit is determined by the law in effect at the time of injury. However, the director of DCBS adjusts survivor benefit levels upward each year to reflect current benefit amounts. Insurers pay the benefit level determined by the director, and request reimbursement from the Workers' Benefit Fund for the difference between the worker's statutory benefit and the current benefit. There are around 220 current claims that are providing benefits to about 310 surviving children. Approximately 55% of fatal claims have surviving children eligible for benefits. In fiscal year 2015, the department reimbursed approximately $725,000 from the Workers' Benefit Fund for surviving children.

Analysis:
This bill equalizes benefits for all children, provides uniformity for when benefit eligibility ends and expands the use of benefits for children attending higher education. The bill will increase benefits for some children of deceased workers. The effective date of the bill is January 1, 2018. The Workers' Benefit Fund will have additional expenditures for cost-of-living adjustments for existing child survivors, of approximately $1.5 million per year ($2.2 million for the 18 months of the 2017-19 biennium). This sum can be absorbed by the Fund without need for an increase in the payroll assessment rate.