



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2025 Regular Session

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Bill Title: Relating to family support payments.

Government Unit(s) Affected: Department of Human Services, Department of Justice

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Justice	\$ 4,193,989	\$ -	\$ -	\$ -	\$ 4,193,989	-	-
Total Fiscal Impact	\$ 4,193,989	\$ -	\$ -	\$ -	\$ 4,193,989	-	-

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Justice	\$ 13,543,769	\$ -	\$ -	\$ -	\$ 13,543,769	-	-
Total Fiscal Impact	\$ 13,543,769	\$ -	\$ -	\$ -	\$ 13,543,769	-	-

Summary of Revenue Impact

Agency -- Fund Type	2025-27 Biennium	2027-29 Biennium
Department of Justice - Other Funds	\$4,193,989	\$13,543,769
Total Revenue Impact	\$4,193,989	\$13,543,769

Measure Description

The measure modifies the amount of child support that is distributed to the individual receiving the support. The measure also modifies the amount of child support the Department of Human Services (DHS) is to use when determining eligibility for Temporary Assistance for Needy Families (TANF).

Under current law, individuals receiving TANF benefits through DHS are required to assign their right to receive child support to the State of Oregon as reimbursement for the cost of public assistance. The Department of Justice (DOJ) Division of Child Support (DCS) collects and distributes a portion of child support payments collected on the behalf of an individual who is owed the support and receiving TANF benefits. The amount that DCS disburses to the individual each month is \$50 per child with a maximum of \$200 per family and is referred to as a pass-through payment. DHS is to exclude this amount received from the individual’s income when determining eligibility for participation in their TANF program. Any amount exceeding the maximum pass-through amount is retained by DOJ and paid to the federal government its share based on Oregon’s federal medical assistance percentage (FMAP) with the remainder used by DOJ DCS for administrative costs of the program.

Under this measure, DCS would be required to send the full amount of support collected directly to the individual, removing the \$200 maximum limit. DHS would also have to exclude the full amount of the support

received from the individual and not count it towards their income when determining eligibility in the TANF program. These changes would be operative January 1, 2027.

Fiscal Analysis

The fiscal impact is estimated to be \$4.2 million General Fund and a reduction of \$4.2 million Other Funds revenue in the 2025-27 biennium and \$13.5 million General Fund and a reduction of \$13.5 million Other Funds revenue in the 2027-29 biennium.

Department of Justice

The fiscal impact is estimated to be a reduction of \$4.2 million revenue in the 2025-27 biennium and \$13.5 million in the 2027-29 biennium.

DOJ currently collects child support payments on the behalf of the individual to whom they are owed. Once that payment is collected, DOJ distributes the allotted amount of \$50 per child, up to \$200 per family, to the family who is getting the support. DOJ retains any additional funds received to reimburse the federal government for the state's portion of TANF benefits received (at the FMAP rate) and to cover administrative costs incurred by the Department for administering the program.

Under the measure, DOJ would no longer be able to retain any amount of the child support payment and would instead have to pay the full support amount directly to the family. Due to this, DOJ would need General Fund to reimburse the federal government at the FMAP rate, as well as to cover the administrative costs previously covered by the Other Funds revenue collected.

FMAP is a percentage of Medicaid and Children's Health Insurance Program (CHIP) costs that the federal government covers with the remaining cost due by the state to cover the costs of eligible programs like TANF. The current FMAP percentage, effective October 1, 2025, is 57.75%. At this rate, DOJ would need to distribute \$2.4 million General Fund for the federal share in 2025-27 for the last six months of the biennium, effective January 1, 2027, and a full phase in of \$7.8 million General Fund in the 2027-29 biennium.

The administrative costs of the agency are to support 156 positions (148.00 FTE). These positions have a current funding mix of 12% General Fund, 22% Other Funds, and 66% Federal Funds. Under the measure, DOJ would need an increase in General Fund due to the loss of revenue. No change in Other Funds limitation is required, as the Other Funds revenue is still being disbursed in its entirety, only it will now be going to families instead of administrative costs. The estimated cost of these positions, including standard position-related services and supplies costs, is \$1.8 million General Fund in the 2025-27 biennium and \$5.7 million General Fund in the 2027-29 biennium.

Department of Human Services

This measure will likely increase state costs as some families who do not currently qualify for TANF could now qualify and others who currently participate in the program could see an increase in their monthly benefit. However, the fiscal impact is indeterminate because DHS does not have sufficient data to estimate how many new households will become eligible and how many current program participants may see an increase in their benefit due to the exclusion of the full child support amount. DHS reports that as of December 2024, the TANF caseload included 3,532 households that receive child support income. To implement this change in the current Oregon Eligibility (ONE) system, DHS reports contract costs of \$683,100 General Fund for the 2025-27 biennium.

Relevant Dates

The measure takes effect on January 1, 2026.

The provisions of the measure become operative on January 1, 2027.