

**2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office**

MEASURE NUMBER: SB 958 **STATUS:** A-Engrossed
SUBJECT: In-home care agency statutory fees, inspections, and civil enforcement provisions
GOVERNMENT UNIT AFFECTED: Department of Human Services and Judicial Department
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REVIEWED BY: John Britton and Robin LaMonte
DATE: April 30, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES:		
Personal Services – Other Funds	\$ 64,761	\$ 89,668
Services and Supplies – Other Funds	\$ 23,096	\$ 18,030
Total	\$ 87,857	\$ 107,698

	<u>2007-2009</u>	<u>2009-2011</u>
REVENUES:		
In-home care agency license fees	\$ 88,125	\$ 117,500
POSITIONS / FTE:		
Client Care Surveyor	1/0.54	1/0.75

EFFECTIVE DATE: January 1, 2008

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: This measure eliminates the discretion of the Department of Human Services (DHS) for setting licensing fees for the licensing of in-home care agencies and places the *annual* fee structure for initial licensure, renewal, and change of ownership into statute. DHS is directed to conduct on-site inspections of each in-home care agency once every three years as well as initial inspections for new agencies prior to services being rendered. The measure allows DHS to impose a civil penalty for failure to comply with selected provisions of Oregon law. DHS would be given the authority to commence a civil action to enjoin the operation of an in-home care agency when the agency is operated without a valid license or after the license has been revoked. DHS may recover attorney fees and court costs for any such action. Civil penalty revenues are to be deposited into an account designed by the DHS and are to be used for expenses related to the administration of in-home care agencies.

DHS states that it licenses approximately 120 in-home care agencies annually and that currently one position (0.40 FTE) is responsible for conducting reviews. The Department has estimated that annually there are 15 new licenses, 105 renewals, and five changes of ownership submissions.

In order to conduct the on-site reviews at a frequency outlined by the measure, DHS estimates a total fiscal impact of \$87,857 for 18-months of the 2007-09 biennium and \$117,500 for 24-months of the 2009-11 biennium. These costs are based on adding one permanent part-time position (Client Care

Surveyor) along with supporting services and supplies. Position costs are estimated to be \$64,761 (0.54 FTE) for the 2007-09 biennium and services and supplies costs of \$23,096. For the 2009-11 biennium, these costs are \$89,668 (.075 FTE) and \$18,030 respectively and reflect the elimination of one-time start-up costs (e.g., computer, office furniture, etc.) of 5,066.

The incremental revenue increase, or the additional revenue generated above the current administratively determined fee structure, is estimated to be \$88,125 for 18-months of the 2007-09 biennium and \$117,500 for the 2009-11 biennium. This would make the total revenue for the program approximately \$206,000 on a biennia basis.

The DHS fiscal impact made no estimate of civil penalty revenue.

The Judicial Department anticipates that this measure could result in additional civil cases that appeal the orders issued by DHS, and judge and staff workload to determine whether to enjoin the operation of an in-home care agency. Both impacts are considered minimal.

The Legislative Fiscal Office believes this measure warrants a subsequent referral to the Joint Committee on Ways and Means Committee for consideration of this measure's budgetary impact on DHS.