

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2051

STATUS: A Engrossed

SUBJECT: Creates the General Assistance Programs in the Department of Human Services

GOVERNMENT UNIT AFFECTED: Department of Human Services, Employment Department

PREPARED BY: Kim To

REVIEWED BY: Sheila Baker, Michelle Deister

DATE: May 1, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
General Fund		
Personal Services	\$ 2,344,959	\$ 2,707,903
Services and Supplies	\$ 895,366	\$ 574,941
Special Payments (Cash Assistance)	\$ 30,685,256	\$ 8,846,075
Total General Fund	\$ 33,925,581	\$ 12,128,919
Federal Funds		
Personal Services	\$ 1,262,305	\$ 1,357,744
Services and Supplies	\$ 591,354	\$ 323,790
Special Payments (Cash Assistance)	\$ 1,135,242	\$ 948,339
Total Federal Funds	\$ 2,988,901	\$ 2,629,873
Other Funds		
Personal Services	\$ 0	\$ 0
Services and Supplies	\$ 0	\$ 0
Special Payments (Cash Assistance)	\$ 0	\$ 23,090,972
Total Other Funds	\$ 0	\$ 23,090,972
Total Funds		
Personal Services	\$ 3,607,264	\$ 4,065,647
Services and Supplies	\$ 1,486,720	\$ 898,731
Special Payments (Cash Assistance)	\$ 31,820,498	\$ 32,885,386
Total Funds	\$ 36,914,482	\$ 37,849,764

POSITIONS / FTE:

Seniors and People with Disabilities Division

42/33.67

36/36.00

EFFECTIVE DATE: This bill includes an emergency clause and is effective on passage. The bill also includes an operative date January 1, 2010 for certain sections, and also provides the Department of Human Services may take action on the provisions of certain sections before the operative date.

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.

ANALYSIS: This measure creates the General Assistance Program in the Department of Human Services (DHS), effective January 1, 2010. The bill establishes the General Assistance Program Fund in the State Treasury, separate and distinct from the General Fund.

If this bill passes, the Seniors and People with Disabilities Division (SPD) of the Department of Human Services anticipates an average monthly caseload of 5,227 for 18 months. To handle this caseload, the Department would establish 42 new positions (33.67 FTEs in the 2009-11 biennium and 36.00 FTEs in the 2011-13 biennium) including 11 Eligibility Workers, 9 Supplemental Security Income Liaisons, 9 Office Specialists, 6 Human Services Assistants, 2 Field Managers, 3 Compliance Specialists, 1 Operations & Policy Analyst, and 1 Supervising Manager. Personal Services is estimated at \$3,607,264 Total Funds in the 2009-11 biennium (\$2,344,959 General Fund and \$1,262,305 Federal Funds). Services and Supplies is estimated at \$1,486,720 Total Funds in the 2009-11 biennium (\$895,366 General Fund and \$591,254 Federal Funds). This includes costs in SPD as well as in the Administrative Services Division. Services and Supplies include facilities rent, computers, human resources and training expenses for employees. In addition, \$2,277,220 Total Funds of Special Payments (\$1,141,978 General Fund and \$1,135,242 Federal Funds) will be made to Transfer Area Agencies on Aging for their staff costs. This would include 21 positions and 16.46 FTE in 2009-11, although these are not state employees.

The Department is required to provide assistance and services to residents of Oregon who have disabilities and who are pursuing Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) by providing interim monthly cash assistance, medical assistance and case management services to assist recipients in successfully qualifying for SSI or Social Security disability benefits. Medical assistance is limited to payment for medical documentation necessary to establish eligibility for SSI or SSDI benefits, not assistance with ongoing health needs. Any funds paid to clients could be recovered when clients qualify for and receive SSI or SSDI. All moneys recovered will be deposited in the General Assistance Program Fund to be used to provide general assistance grants. Based on the Department's cash assistance model, cash assistance is projected at \$29,543,278 General Fund in the 2009-11 biennium. This is based on a cash payment of \$314 per month to qualified clients. DHS estimates that about 70% of the cash payment funds will be recovered. Recovery of cash payment is expected to be 22 months after payment is made. Given these assumptions, the Department anticipates \$23,090,972 Other Funds repayments in the 2011-13 biennium. The repayments will be used for cash assistance payments.

The fiscal impact for the Office of Payment Accuracy and Recovery (OPAR) is indeterminate at this time dependent on the actual number of caseloads that will require the investigation and recovery efforts of the Office.

In addition, DHS estimates that passage of this bill could generate approximately 312 referrals per calendar year to the Office of Administrative Hearings (OAH) of the Employment Department. OAH estimates that the increased workload would require the staffing equivalent of 2.9 FTE and \$382,088 Other Funds in 2009-11 and \$509,449 Other Funds in 2011-13. This cost would be passed on to the Department of Human Services.