

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

MEASURE NUMBER: SB 702 **STATUS:** A Engrossed
SUBJECT: Home Care Worker Workers' Compensation and Collective Bargaining
GOVERNMENT UNIT AFFECTED: Department of Human Services
PREPARED BY: Kim To
REVIEWED BY: Sheila Baker
DATE: April 29, 2009

EXPENDITURES:

See Analysis

2009-2011

2011-2013

EFFECTIVE DATE: January 1, 2010

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: Operative July 1, 2010, this measure modifies, for purposes of workers' compensation coverage and collective bargaining purposes, the definition of "home care worker" to include individuals registered with the Home Care Commission; and individuals who are hired directly by an elderly person or person with disability (or by a parent or guardian of an elderly person or person with disability) whose compensation is funded in whole or in part by the Department of Human Services (DHS), an area agency or other public agency for the purpose of providing care to elderly person or person with disability. The bill requires area agencies and other public agencies to report to DHS relevant information to maintain a registry of home care workers. The measure requires DHS to keep and maintain the names and addresses of qualified home care workers in a database until June 30, 2013 for the purpose of registering home care workers in the registry maintained by the commission. As of July 1, 2013, the workers are required to be included in the Commission's registry. The bill authorizes the Home Care Commission, DHS and the Department of Administrative Services to take action before the operative date.

The bill specifies that in the event that the cost of home care services increases as a result of a wage or benefit increase for home care workers secured by a collective bargaining agreement, DHS may not reduce the amount of funds available to persons with disabilities to purchase home care services and other services and products related to health and human service programs to offset the increased cost of home care services.

The Department of Administrative Services (DAS) expects minimal costs related to assisting the Home Care Commission find workers' compensation coverage. DAS notes the bill would likely increase its collective bargaining workload, but this would likely be handled by existing staff.

The fiscal impact to the Department of Human Services if this bill is enacted is indeterminate at this time. Depending on a number of uncertain variables including the implementation timeline and the outcome of the collective bargaining process, the Department estimates the operational cost to comply with the provisions of the bill could range from minimal to \$5.3 million in the 2009-11 biennium, plus the cost of health insurance, workers' compensation and unemployment insurance for the newly defined home care workers.

This bill increases the population of in-home workers under the umbrella of the Home Care Commission that are part of the collective bargaining unit and eligible for workers' compensation, unemployment, health insurance benefit and pay rates of home care workers. DHS estimates that currently there are 6,400 domestic employees who would be defined as home care workers if this bill is enacted. Due to the complex nature of the collective bargaining process, the salary and benefit costs for the newly defined home care workers cannot be projected at this time.

In addition, an estimated 7,900 individuals receiving in-home services through counties, non-profit Community Development Disability Programs (CDDP) and brokerages would need to be accommodated within the structure of the home care worker system and registry. Currently, payments are made to these entities for in-home services, but the system does not track individual employee or client service information. Seniors and People with Disabilities would need to modify existing programs and add new programs to accommodate the larger home care system. The bill also would require modifications to the Department's information technology system and home care registry to support the receipt and management of the added clients/employees.

Because the operational and structural issues for carrying out the provisions of this bill need further clarification, the fiscal impact of staffing and resources needed to expand SPD programs, and to modify the information technology system and home care registry is not quantified in detail in this fiscal. But the Department anticipates additional staffing would be needed, and estimates that the cost could reach \$5.3 million total funds, a mix of General and Federal Funds.

This measure precludes DHS from reducing funds available to persons with disabilities to purchase home care services and other services and other services and products related to health and human service programs to offset any cost increase resulting from wage or benefit increases for home care workers secured by a collective bargaining agreement. Note that this would effectively prevent DHS from managing its expenditures within its legislatively approved budget if the collective bargaining process results in unanticipated, unbudgeted costs.

This bill requires budgetary action for the allocation of General Fund resources and position establishment.