

2010 Special Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3618 **STATUS:** A Engrossed
SUBJECT: Establishes a Developmental Disabilities and Mental Health Committee to advise the Home Care Commission. Modifies definition of “home care worker.”
GOVERNMENT UNIT AFFECTED: Department of Human Services, Employment Relations Board
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REVIEWED BY: Sheila Baker
DATE: February 8, 2010

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See Analysis		

EFFECTIVE DATE: On passage

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

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: House Bill 3618 establishes a Developmental Disabilities and Mental Health Committee and defines its duties in advising the Home Care Commission regarding improving the quality of developmental disabilities and mental health services. The bill modifies the definition of “home care worker” in order to provide workers’ compensation for home care workers that are funded through public agencies. The bill directs the Department of Human Services, working with Area Agencies on Aging (area agencies) and support services brokerages, to collect the name and address of any home care worker whose compensation is funded in whole or in part with state funds and who is not listed on the registry maintained by the Home Care Commission in order to update the registry maintained by the Commission. DHS is required to maintain this information until July 1, 2013. DHS is required to provide to any individual who requests the information the names and addresses of qualified individuals in the appropriate geographic area, who have been placed on the registry maintained by the Home Care Commission.

The purpose of this fiscal impact is to note that a more detailed analysis is required to understand the measure’s budgetary implications. This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Human Services to the Joint Committee on Ways and Means. A more thorough and complete fiscal analysis on the bill will be prepared as the measure is considered in the Joint Committee on Ways and Means.

The Department of Human Services (DHS)

Operative October 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 the 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 and DHS to take action before the operative date.

Passage of this bill would increase the population of in-home workers that are part of the collective bargaining unit and eligible for workers' compensation, unemployment, health insurance benefit and pay rates of home care workers, effective January 1, 2011. To carryout the provisions of this bill and handle this population increase, DHS anticipates establishing 12 positions (3.38 FTE) in the 2009-11 biennium and 22 positions (11.60 FTE) in the 2011-13 biennium.

For the 2009-11 biennium DHS estimates the fiscal impact of this measure at \$2,133,493 Total Funds (\$366,949 Personal Services, \$447,828 Services & Supplies, and \$1,318,716 Special Payments). Special payments include payment to SAIF Corporation for workers' compensation premiums, and to County Developmental Disability Programs (CDDP) and brokerages for increased intermediary services for home care worker payroll reporting, as well as staffing costs for provider data input, criminal background checks and other reporting requirements. Assuming Medicaid match, the funding split is estimated at \$1,006,790 General Fund, \$38,618 Other Funds, and \$1,088,085 Federal Funds. The Other Funds amount reflects estimated costs for background checks.

For the 2011-13 biennium DHS estimates the fiscal impact of this measure at \$4,595,315 Total Funds (\$1,291,282 Personal Services, \$327,940 Services & Supplies, and \$2,976,093 Special Payments). Special payments include payment to SAIF Corporation for workers' compensation premiums, and to County Developmental Disability Programs (CDDP) and brokerages for increased intermediary services for home care worker payroll reporting, as well as staffing costs for provider data input, criminal background checks and other reporting requirements. With Medicaid match, the funding split is estimated at \$2,532,815 General Fund, \$85,123 Other Funds, and \$1,977,377 Federal Funds. The Other Funds amount reflects estimated costs for background checks.

The Legislative Fiscal Office notes that the collective bargaining process could increase or decrease costs estimated above.

Employment Relations Board

The Employment Relations Board estimates the fiscal impact of this bill to be \$15,000 General Fund. Passage of this measure would increase the number of home care workers eligible for representation by a labor organization by an estimated 10,000 new workers. The agency assumes that the union will petition to add these new eligible workers to its bargaining unit of home care workers. The Employment Relations Board would be responsible for conducting a fair and impartial representation election to determine if the additional home care workers want union representation. A representation election typically takes 60-90 days from receipt of a petition. In a typical election, the agency is able to post a notice of election in a central work location. Because this group of employees has no central work location, the agency will need to mail notices to each eligible employee. In addition to mailing costs, the agency will also need to print and mail ballots with return envelopes. The \$15,000 estimated cost would cover temporary staff costs and services and supplies expenses for this work.

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