

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 171**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal OfficePrepared by: Matt Stayner
Reviewed by: Steve Bender
Date: 3/8/2011**Measure Description:**

Directs Department of Consumer and Business Services to conduct study on feasibility of establishing community-based centers of occupational health and education.

Government Unit(s) Affected:

Department of Consumer and Business Services (DCBS)

Expenditure Impact:

| <i>DCBS</i> | <i>2011-13 Biennium</i> | <i>2013-15 Biennium</i> |
|-------------|-------------------------|-------------------------|
| Other Funds | \$766,928 | \$0 |
| Positions | 7 | 0 |
| FTE | 4.75 | 0 |

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:

SB 171 directs the Department of Consumer and Business Services (DCBS) to conduct a feasibility study related to the establishment and operation of community-based occupational health and education centers for the purpose of making Oregon's workers' compensations system more effective and efficient. The measure requires DCBS to report the results of the study to an appropriate interim legislative committee no later than December 1, 2012; the act taking effect upon passage.

The measure authorizes DCBS to finance the study with monies in the Workers' Benefit Fund, and limits total expenditures to an unspecified amount. Under the bill, DCBS could either complete the study in house or contract with a third party. Due to the timeline required and the agency's current workload, DCBS does not believe that the required work could be absorbed by existing staff and resources. The agency projects the cost of an in-house study to total \$766,928. This amount includes funding seven limited-duration positions for sixteen months (4.75 FTE) totaling \$722,097 in personal services costs, plus \$44,831 in services and supplies expenditures. DCBS did not have an equivalent comparison for an entirely outsourced study, but did note that past studies that involved the workers' compensation system have used similarly staffed project teams including existing staff and outside contractors. The previous comprehensive study undertaken by the agency had duration of two years and cost over \$1 million.

DCBS has based its fiscal impact calculation on its interpretation of the scope of study required, and the time frame allowed, under the bill. Additional review by the Joint Committee on Ways and Means will be needed to evaluate the impact of varying funding levels on the report's quality and scope.

