

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2618 - A**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Provides that employees of Department of Human Services whose duties include maintaining safety, behavior and control of residents of certain residential facilities qualify as police officers under Public Employees Retirement System.

Government Unit(s) Affected:

Department of Human Services (DHS), Public Employees Retirement System (PERS), Oregon Health Authority (OHA)

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 2618 classifies employees of the Department of Human Services (DHS) working in certain residential facilities whose duties include maintaining safety, behavior and control of residents as Police and Fire (P&F) service under the Public Employees Retirement System (PERS). This classification affects the age and years of service an employee must work in order to be eligible for retirement. Typically, state employees are eligible for retirement at age 58 (if hired before 1/1/96) or 60 (if hired after 1/1/96). An employee classified as P&F is eligible for retirement at the age of 55. The P&F classification also reduces the required amount of service years from 30 to 25.

Department of Human Services (DHS)

With passage of this bill, DHS projects that its PERS contributions for these newly classified employees would increase by approximately \$1,418,668 Total Funds (\$528,450 General Funds plus \$890,218 Federal Funds) per biennium. This number is calculated using budgeted salaries for the approximately 600 DHS Stabilization and Crisis Units positions and applying the Department of Administrative Services (DAS) Other Payroll Expenses (OPE) PERS rate for agencies with significant P&F service employees; that rate is 18.67% compared to 15.79% for other DHS employees. In addition to this roughly quantifiable PERS contribution cost, passage of this bill could result in other expenses that cannot be predicted at this time, including potential overtime and recruitment expenses to compensate for early retirement.

Oregon Health Authority (OHA)

Passage of this bill could have an impact on the cost of retention and recruiting for OHA whose employees (e.g. Oregon State Hospital) do not have this classification. At this time, this cost cannot be quantified.

Public Employees Retirement System (PERS)

This bill is anticipated to have minimal impact on PERS.

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