

No fiscal impact  
 Indeterminate Impact  
 Fiscal Impact

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Effect on Expenditure (by Fund and Category):

	General Fund	Lottery Funds	Other Funds	Federal Funds	NL Other Funds	NL Federal Funds	TOTAL FUNDS
<b>2015-17 Biennium</b>							
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Payments	\$ 1,555,690	\$ -	\$ -	\$ 3,629,944	\$ -	\$ -	\$ 5,185,634
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 1,555,690</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,629,944</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,185,634</b>

	General Fund	Lottery Funds	Other Funds	Federal Funds	NL Other Funds	NL Federal Funds	TOTAL FUNDS
<b>2017-19 Biennium</b>							
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Payments	\$ 10,624,184	\$ -	\$ -	\$ 24,789,763	\$ -	\$ -	\$ 35,413,947
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 10,624,184</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,789,763</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,413,947</b>

Effect on Revenues (by Fund):

	General Fund	Lottery Funds	Other Funds	Federal Funds	NL Other Funds	NL Federal Funds	TOTAL FUNDS
<b>2015-17 Biennium</b>	\$ 1,728,545	\$ -	\$ -	\$ 4,033,271	\$ -	\$ -	\$ 5,761,816
<b>2017-19 Biennium</b>	\$ 10,946,129	\$ -	\$ -	\$ 25,540,968	\$ -	\$ -	\$ 36,487,097

Effect on Position(s) / FTE(s):

Months of Impact	2015-17	2017-19	2015-17 Position Count	2015-17 FTE	2017-19 Position Count	2017-19 FTE
	6	24	0	0.00	0	0.00

Please complete detail Personal Services information using the DHS-OHA Position Pricing Model

The budgetary impact of this bill was reviewed and approved by the Interim Joint Committee on Ways and Means to be recommended to be included in the omnibus budget bill.  Yes  No

Does the proposal have a fiscal or revenue mandate effect on cities, counties, or special districts that triggers evaluation under section 15, Article XI of the Oregon Constitution?  Yes  No

Written Analysis:

SB 1532-13 adds an additional payment tier for employers located within nonurban counties, separate from the employers within urban growth boundary of a metropolitan service district organized under ORS chapter 268 and separate from the rate set for the remainder of the state. The addendum also changes the rates in the other tiers. By adding a lower payment tier for employers located within nonurban counties the result is a reduction in the anticipated costs for the Live In Program in both biennium's in comparison to the previous pricing.

SB 1532-5 proposes a tiered minimum wage structure that varies based on location of the employer and the number of workers employed by the entity or business (25 employees is the threshold). In the APD program, the only identified impact is to our Live-in program. Currently, APD is paying live-in workers minimum wage \$9.25 plus overtime for any hours worked in excess of 40 per month. APD has not assumed any rate increases to other providers such as assisted living facilities, nursing facilities and in-home agencies. We suspect many, if not all, of these providers will have additional costs complying with the minimum wage. Failing to increase wages, commensurate with associated minimum wage increases, may impact participation of some providers in the Medicaid program as rate increases are not keeping pace with inflation.

APD is not anticipating any decreases to caseloads as a result of this minimum wage bill, as most consumers who qualify for long term care do not work. If the price of consumer goods increase as some have predicted, APD may see increased caseloads as seniors on fixed incomes will be less able to make ends meet.

The tiered wage increases begin in July 2016 with an increase from \$9.25 per hour to \$9.75 per hour through June 30 2017. Beginning in July 1 2017, the wage increases to \$10.25 per hour through June 2018; then to \$10.75 through June 2019.

Minimum wage for the Portland metro area is higher than other parts of the State beginning in July 2017 at \$11.25; and is priced at \$1.25 per hour more than other parts of the State in years following.

Compression was not priced in this analysis; however, it is critical to point out that currently all funding for Direct Care Staff and other Staff employed by providers is above minimum wage. If an increase in minimum wage were to go in effect it is highly possible that providers of these services would demand an even higher wage than the new minimum wage; as well as adjust all other funded classifications within the funding models.

From the Desk of  
**Senator  
 Tim Knopp**