

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 4042**78th Oregon Legislative Assembly – 2016 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Kim To
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Date: 2/8/2016**Measure Description:**

Creates general assistance project administered by Department of Human Services.

Government Unit(s) Affected:

Department of Human Services (DHS)

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
General Fund		
Personal Services	104,055	208,115
Services & Supplies	65,233	70,213
Special Payments	1,455,348	2,046,767
TOTAL GENERAL FUND	1,624,636	2,325,095
Other Funds		
Personal Services	58,515	117,031
Services & Supplies	6,833	11,536
Special Payments		1,417,800
TOTAL OTHER FUNDS	65,348	1,546,367
Personal Services	162,570	325,146
Services & Supplies	72,066	81,749
Special Payments	1,455,348	3,464,567
TOTAL FUNDS	\$1,689,984	\$3,871,462
Positions	3	3
FTE	1.50	3.00

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 4042 requires the Department of Human Services (DHS) to establish a General Assistance program to serve a maximum of 200 Medicaid clients per month who have disabilities that meet Presumptive Medicaid disability criteria, and who are experiencing homelessness. In addition, DHS is directed to convene an advisory group of representatives of nonprofit agencies that advocate and provide services to low income individuals to develop metrics and measure the program's success.

The Department of Human Services estimates the cost of this program to be \$1,624,636 General Fund and 1.50 FTE for the 2015-17 biennium, and \$3,871,462 Total Funds and 3.00 FTE for the 2017-19 biennium. This amount includes staffing and administration expenses, as well benefits costs. The program would provide clients up to \$545 per month for housing, up to \$90 per month for utilities, a \$60 per month for personal incidental funds (PIF). These benefit amounts are based on recommendations from the 2014 Oregon General Assistance Study. Pursuit of Social Security benefits will be a condition

of eligibility, and clients will be required to sign an Interim Assistance Reimbursement agreement similar to the State Family Pre-SSI/SSDI program before benefits are issued. Housing payments, utility payments, and PIF expenditures would be recovered from clients' Supplemental Security Income (SSI) lump sum payments when and if benefits are awarded.

To administer the program, DHS anticipates establishing three positions (one Human Services Specialist 1, one Accounting Technician 3, and one Office Specialist 2) to work with existing DHS staff to:

- Set up PIF payments, housing assistance payments, and utility payments;
- Track these payments to report to SSA for reimbursements;
- Assist clients in obtaining housing by working with local community action agencies; and
- Assist clients with the Social Security Administration (SSA) application and appeals process.

DHS calculations assume a program start date of July 1, 2016; the phase-in of approximately 40 clients per month until reaching the program cap of 200 individuals in November 2016, an ongoing caseload of 200 Medicaid clients thereafter; and an estimated 19 month lag time between the time individuals apply for benefits and the time the State begins recouping a portion of the General Fund distributed on their behalf. Also, DHS projections assume that only 80% of the clients will be approved to receive the federal benefit; and of those who qualify, DHS projections assume a recovery of only 85% of client disbursements. The \$1,417,800 Other Funds in the 2017-19 biennium represents an estimate of recoverable funds from the prior biennium. The Personal Services and Services & Supplies Other Funds amounts reflect Shared Services expenses funded through the agency's Cost Allocation process.