

## Item 10: Department of Human Services and Oregon Health Authority

### Non-State Employee Collective Bargaining

**Analyst:** Laurie Byerly

**Request:** Allocate a \$20,000,000 special purpose appropriation made to the Emergency Board for non-state employee collective bargaining and increase Federal Funds expenditure limitation to help cover costs of collective bargaining agreements for non-state workers.

**Description:** Programs at the Department of Human Services (DHS) and the Oregon Health Authority (OHA) are affected by recent collective bargaining agreements for non-state workers. One group is about 2,800 adult foster home providers serving OHA clients receiving Mental Health (MH) services and DHS clients receiving services from the Intellectual and Developmental Disabilities (IDD) or the Aging and People with Disabilities (APD) programs. The other bargaining unit is made up of about 36,000 individuals: Home Care Workers (HCWs), who care for DHS APD consumers, and Personal Support Workers (PSWs) serving DHS IDD clients. About 500 PSWs serve OHA MH clients, however, additional costs related to these workers is relatively small and not part of this recommendation:

- For adult foster homes serving OHA MH and DHS IDD clients, \$3.5 million General Fund and \$6.9 million total funds to pay for a 7.15% increase effective July 1, 2020. Funding to increase rates for adult foster homes serving DHS APD clients was already included in the agency’s 2019-21 legislatively adopted budget.
- For HCWs and PSWs, a total of \$16.5 million General Fund and \$32.2 million Federal Funds will help cover wage increases over the biennium and support an adjustment to offset wages forgone as these workers start to contribute 5% of their salary to the Oregon Saves program beginning July 1, 2020. As of that date, a worker’s hourly rate for standard levels of care will be \$15.77 per hour.

This funding recommendation does not fully cover \$23.1 million General Fund in total estimated collective bargaining agreement costs; the amounts bargained exceeded the special purpose appropriation. The remaining cost of fully implementing these agreements will need to be covered within DHS’ current budget or otherwise accounted for in a future rebalance action.

**Recommendation:** The Co-Chairs of the Emergency Board recommend that \$20,000,000 from the special purpose appropriation made to the Emergency Board for non-state employee bargaining be allocated and Federal Funds expenditure limitations be increased as follows:

Agency Appropriation		General Fund	Federal Funds	Total Funds
DHS	Aging & People with Disabilities Intellectual & Developmental Disabilities	19,429,026	38,216,424	57,645,450
OHA	Health Systems, Health Policy and Analytics	570,974	880,298	1,451,272
<b>Total</b>		<b>20,000,000</b>	<b>39,096,722</b>	<b>59,096,722</b>