

## ANALYSIS

### Item 17: Department of Human Services Worker Incentive Payment Technical Adjustment

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**Analyst:** Gregory Jolivette

**Request:** Establish Other Funds expenditure limitation totaling \$7,779,000 for the Oregon Department of Human Services (ODHS) for Coronavirus Relief Fund monies received from the Department of Administrative Services to pay for one-time worker incentive payments for direct care workers in nursing facilities and group homes.

**Analysis:** This technical adjustment is needed to address a drafting error in HB 5202 (2022), the omnibus budget reconciliation bill adopted during the 2022 regular legislative session. The Legislature approved Other Funds expenditure limitation of \$7.8 million for use of Coronavirus Relief Fund (CRF) monies to pay for a one-time \$500 bonus for direct care staff employed by group homes and nursing facilities from October 8, 2020 through November 15, 2021. Of the total Other Funds limitation, \$4.4 million is for Aging and People with Disabilities program costs and \$3.3 million is for Intellectual and Developmental Disabilities program costs. HB 5202 refers to funding from the American Rescue Plan Act Coronavirus State Fiscal Recovery Fund rather than the CRF. Approval of this request will allow ODHS to comply with legislative intent.

**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board establish Other Funds expenditure limitations of \$4,432,000 for the Oregon Department of Human Services (ODHS) Aging and People with Disabilities program and \$3,347,000 for the ODHS Intellectual and Developmental Disabilities program, for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to ODHS, for one-time worker incentive payments to eligible direct care workers in nursing facilities and group homes.

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**Request:** Increase Other Funds expenditure limitation by \$7,779,000 to utilize Coronavirus Relief Fund dollars for a one-time \$500 incentive payment for eligible staff working in group homes and nursing facilities during the period of October 8, 2020 through November 15, 2021.

**Recommendation:** Approve the request with the following modifications: Establish Other Funds expenditure limitation in the amounts of \$4,432,000 and \$3,347,000 to utilize Coronavirus Relief Fund (CRF) dollars for a one-time \$500 incentive payment for eligible staff working in group homes and nursing facilities during the period of October 8, 2020 through November 15, 2021.

**Discussion:** In October 2021, the Oregon Department of Human Services (ODHS) worked with Executive and Legislative leadership on a plan to provide a one-time \$500 bonus for eligible staff working in Intellectual and Developmental Disabilities group homes and nursing facilities. To be eligible for the payment, workers in these settings must have been employed by the agency or facility from October 8, 2021 through November 15, 2021. ODHS selected this timeframe for the incentive due to concerns around staffing shortages from the COVID-vaccine requirement deadline.

The Legislature approved the \$7,779,000 Other Funds expenditure limitation increase to fund the incentive payment for eligible staff with the passage of House Bill 5202 (2022). However, Sections 179 and 180 of House Bill 5202 referenced funding from the American Rescue Plan Act Coronavirus State Fiscal Recovery Fund moneys received by the Oregon Department of Administrative Services (DAS). The intended source of funding, as noted in the Budget Report for House Bill 5202, was to be the Coronavirus Aid, Relief, and Economic Security (CARES) Act CRF moneys received by DAS and transferred to ODHS. The correct funding source needs to be identified and approved through Legislative action for DAS to execute an inter-agency agreement and transfer funds to ODHS. ODHS has not requested, nor has DAS established, the limitations created by Sections 179 and 180 of House Bill 5202, to avoid double budgeting program funds. Approval of this request will allow the inter-agency agreement to proceed and the CRF funds to be transferred from DAS to ODHS.

**Legal Reference:** Establishment of an expenditure limitation of \$4,432,000 for the Oregon Department of Human Services from the Coronavirus Aid, Relief, and Economic Security Act Coronavirus Relief Fund moneys received by the Oregon Department of Administrative Services and transferred to the Oregon Department of Human Services for the aging and people with disabilities programs, for a one-time retention incentive payment for eligible nursing facility staff for the biennium beginning July 1, 2021.

Establishment of an expenditure limitation of \$3,347,000 for the Oregon Department of Human Services from the Coronavirus Aid, Relief, and Economic Security Act Coronavirus Relief Fund moneys received by the Oregon Department of Administrative Services and transferred to the Oregon Department of Human Services for intellectual/developmental disabilities programs, for a one-time retention incentive payment for eligible group home staff for the biennium beginning July 1, 2021.



# Oregon

Kate Brown, Governor

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April 29, 2022

Senator Peter Courtney, Co-Chair  
Representative Dan Rayfield, Co-Chair  
Joint Emergency Board  
900 Court St. NE  
H-178 State Capitol  
Salem OR 97301

RE: Request for Other Funds Limitation for Workforce Incentive

Dear Co-Chairs:

## **Nature of the Request**

The Oregon Department of Human Services (ODHS) Aging and People with Disabilities (APD) and Intellectual and Developmental Disabilities Programs (I/DD) requests that the Legislature approve Other Funds limitation of \$7,779,000 TF, for retention incentive payments for direct care workers in nursing facilities, and child and adult group homes.

## **Background**

During the February 2022 Legislative session, the Oregon Legislature passed HB5202, the statewide omnibus funding bill. Section 179 intended to provide \$4,432,000 of Other Funds to APD and section 180 intended to provide \$3,347,000 of Other Funds limitation to I/DD. Both of these funding sources were intended to be Coronavirus Relief Fund (CRF) monies to be transferred from Oregon Department of Administrative Services (DAS), as is stated in the Budget Report for HB5202. Unfortunately, the statutory language refers to funding being provided “from American Rescue Plan Act Coronavirus State Fiscal Recovery Fund moneys received by the Oregon Department of Administrative Services...” Because of this statutory misalignment, ODHS is unable to execute the Inter-Agency Agreement with DAS to receive the \$7.8 million.

Payments to eligible staff have already been made, utilizing General Funds. However, the payments are eligible for CRF reimbursement, so ODHS is practicing due diligence in requesting the corrected Other Funds to offset the General Funds. This will not be General Fund savings as the GF being used was budgeted for other uses, and only temporarily used to cover expenditures until CRF was provided by DAS.

### **Agency Request**

ODHS requests \$7,779,000 Coronavirus Relief Funds, Other Funds limitation, to execute the Inter-Agency Agreement with DAS. This will allow ODHS to refinance the expended General Funds to the available CRF Other Funds, as intended from the February 2022 Legislative Session.

### **Legislation Affected:**

Oregon Laws 2021, Chapter 606, section 2, subsection 6, \$4,432,000  
Oregon Laws 2021, Chapter 606, section 2, subsection 7, \$3,347,000

If you have questions, please contact Rob Kodiriy at 503-689-7554.

Sincerely,



Fariborz Pakseresht  
Director

ec: Eric L. Moore, ODHS CFO  
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