

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 749 - 2

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Kim To
Reviewed by: Gregory Jolivet, John Borden
Date: April 1, 2021

Measure Description:

Requires residential care referral agent to be registered with Department of Human Services.

Government Unit(s) Affected:

Department of Human Services (DHS), Oregon Judicial Department (OJD), Department of Justice (DOJ)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

SB 749 with the -2 amendment requires the Department of Human Services (DHS) to register providers of residential care referrals (referral agents). The measure sets the registration fee at \$750 and registration must be renewed every two years. The measure requires DHS to perform background checks on referral agents who have direct contact with clients. DHS is also required to verify that the applicant meets all the requirements for referral agents specified by the measure. These requirements include a stipulation that referral agents must provide clients with a written disclosure of specified information at the same time the agent offers recommendations regarding a residential care program. A client who is not provided with the required disclosure may bring a cause of action in circuit court to recover actual damages or \$750, whichever is greater. The court may award reasonable attorney fees to the prevailing party in an action under these provisions. The measure prohibits referral agents from a list of specified activities including referring clients to an unlicensed residential care program. The measure adds referral agents to the list of mandatory reporters.

Department of Human Services (DHS)

DHS estimates the cost of a new program to register referral agents to be \$732,362 Total Funds [\$467,993 General Fund + \$10,660 Other Funds + \$253,709 Federal Funds], 4 positions, 3.38 FTE for the 2021-23 biennium; and \$480,460 Total Funds [\$303,401 General Fund + \$10,660 Other Funds + \$166,953 Federal Funds], 3 positions, 2.38 FTE for the 2023-25 biennium. DHS based this estimate on information gathered from current Child Caring Agencies (CCA) who use education consultants and from a provider association for consultants. From these sources, DHS estimates there are approximately 100-200 people across the country who would qualify as referral agents and will register in Oregon. DHS anticipates needing two permanent positions: one Compliance Specialist 3 position and one Administrative Specialist 2 position to manage registration and compliance; and one limited duration Operation and Policy Analyst 3 position to develop the rules and structure for the registration system. Although DHS may receive additional Other Funds from registration fee, the startup fund split is based on the DHS 2019-21 cost allocation for shares services of 50% General Fund, 7% Other Funds and 43% Federal Funds. The fund split will be re-assessed once the new registration program began collecting fees from applicants.

Oregon Judicial Department (OJD), Department of Justice (DOJ)

Passage of this measure is anticipated to have minimal fiscal impact on OJD, DOJ.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of General Fund impact and position authority.