

## Legislative Fiscal Office

Oregon State Capitol  
900 Court Street NE, H-178  
Salem, OR 97301  
503-986-1828



## Joint Committee on Ways and Means

Sen. Betsy Johnson, Senate Co-Chair  
Sen. Elizabeth Steiner Hayward, Senate Co-Chair  
Rep. Dan Rayfield, House Co-Chair

Sen. Fred Girod, Senate Co-Vice Chair  
Rep. David Gomberg, House Co-Vice Chair  
Rep. Greg Smith, House Co-Vice Chair

Laurie Byerly, Interim Legislative Fiscal Officer  
Amanda Beitel, Deputy Legislative Fiscal Officer (Budget)  
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

**To:** Human Services Subcommittee

**From:** Tom MacDonald, Legislative Fiscal Office

**Date:** June 10, 2021

**Subject:** HB 755 – Relating to substance use  
Work Session Recommendations

SB 755 amends the Drug Addiction Treatment and Recovery Act (Chapter 2, Oregon Laws 2021), which was enacted through the approval of Ballot Measure 110 during the November 2020 general election. This voter-approved initiative changed the way the state deals with the possession and use of controlled substances in two ways: 1) penalties for the possession of small quantities of controlled substances are reduced; and 2) new addiction treatment and recovery programs are established and funded by redirecting marijuana tax revenue from its previous statutory allocations.

SB 755 does not change the basic construct of the Drug Addiction Treatment and Recovery Act. The measure is the outcome of work done in the Senate Committee on Judiciary and Ballot Measure 110 Implementation to determine the policy and technical adjustments necessary to address criminal and court procedures and to add oversight and transparency to the allocation of funding. The key changes the bill makes to the law include, but are not limited to, the following:

- Corrects the omission of hydrocodone from drug penalty updates made in the ballot measure and clarifies that possession of substantial quantity of controlled substances is a felony classification.
- Revises the Class E violation process and creates a process for juveniles to handle their citations through the juvenile court system.
- Specifies quorum rules, terms, compensation, and ethical rules for the Oversight and Accountability Council; adds the director of the Alcohol and Drug Policy Commission as a non-voting member and changes the Oregon Health Authority representative to a non-voting member.
- Replaces the term “Addiction Recovery Center” with “Behavioral Health Resource Network” (BHRN) and requires one BHRN to be located in each county as opposed to one in each coordinated care organization region.
- Expands services provided by BHRNs to include substance use disorder treatment, housing, and harm reduction services in addition to screenings, assessments, intervention plans, peer counseling, and mobile outreach.

- Eliminates the sunset on the statewide screening phone hotline and specifies that it must provide the same screenings as BHRNs.
- Clarifies that tribes and tribal organizations can receive grant funding.
- Enhances Secretary of State performance audit and financial review requirements.
- Directs the Oregon Health Authority (OHA) to publish information on grant awards and report to the legislature quarterly.

The recommended -A35 amendment includes additional provisions related to the establishment of the BHRNs and provides further direction over expenditures authorized by the Council. It prioritizes the expenditure of funds such that at least one BHRN is established and operational within each county by January 1, 2022. The Council is otherwise authorized to award grants totaling up to \$13 million in calendar year 2021 based on previously approved grant applications for addiction and recovery services. It also requires OHA to report to the Legislature additional details on grant awards and clarifies that youth can enter into formal accountability agreements.

The recommended -A36 amendment makes a technical adjustment to remove potential ambiguity regarding the scope of state government ethics laws that apply to Council members.

The estimated fiscal impact of SB 755 is \$960,367 and four positions (3.76 FTE) in 2021-23 to support costs of data collection, reporting, and operational work in the Oregon Health Authority and Department of Administrative Services. The fiscal impact is unchanged by the recommended amendments.

**Recommended Changes**

The Legislative Fiscal Office recommends adoption of the -A35 and -A36 amendments.

**Final Subcommittee Action**

LFO recommends that SB 755, as amended, be moved to the Ways and Means Full Committee.

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_