

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2964 - A

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Haylee Morse-Miller
Reviewed by: Gregory Jolivet
Date: April 6, 2021**Measure Description:**

Requires Department of Human Services to reimburse cost of care provided in residential training facilities and residential training homes in amounts sufficient to allow facilities and homes to pay direct support professional 150 percent of state minimum wage.

Government Unit(s) Affected:

Department of Human Services (DHS)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2021-23 Biennium	2023-25 Biennium
General Fund	\$230,161,213	\$253,554,183
Federal Funds	440,009,929	481,279,226
Total Funds	\$670,171,142	\$734,833,409
Positions	0	0
FTE	0.00	0.00

Analysis:

HB 2964 - A requires the Department of Human Services (DHS) to reimburse provider agencies for the cost of care provided to medical assistance recipients at an amount that will allow provider agencies to pay their direct support professionals at least 150 percent of the minimum wage for an urban area, as adjusted for inflation. This measure includes direct support professionals who provide attendant care in residential training facilities or residential training homes, in-home services, community living support, day support, supported living services, and employment services. This measure declares an emergency and takes effect on passage.

DHS anticipates a cost of \$670,171,142 total funds in 2021-23 and \$734,833,409 total funds in 2023-25. Costs are split between General Fund and Federal Funds using the fall 2020 FMAP schedule.

Costs in the 2023-25 biennium may be higher than the costs included here. Costs in 2023-25 are estimates based on historical growth patterns, but these numbers could vary. Additionally, this fiscal assumes that the urban minimum wage in 2023-25 will be \$14.75 per hour; so, 150 percent of the urban minimum wage in the 2023-25 biennium will be equivalent to \$22.13 per hour. However, this number does not include any costs of inflation, which is one factor that will be used to determine the minimum wage starting in 2023.

DHS notes that it will be difficult to change the rate structure for provider agencies starting as soon as July 1, 2021 as required by this measure.