

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3366

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

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Measure Description:

Directs the Oregon Judicial Department to establish Family Treatment Court Program in certain counties to improve outcomes in child welfare cases resulting from parent's or caregiver's alleged substance use disorder.

Government Unit(s) Affected:

Department of Justice (DOJ), Oregon Health Authority (OHA), Oregon Youth Authority (OYA), Department of Human Services (DHS), Oregon Judicial Department (OJD), Counties, District Attorneys and their Deputies (DAs), Public Defense Services Commission (PDSC)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

| Agency - Fund Type | 2021-23 Biennium | 2023-25 Biennium |
|---|--------------------|--------------------|
| Oregon Judicial Department - General Fund | | |
| Personal Services | \$3,442,657 | \$3,442,657 |
| Services and Supplies | \$484,100 | \$538,100 |
| Total Funds | \$3,926,757 | \$3,980,757 |
| Positions | 15 | 15 |
| FTE | 15.00 | 15.00 |

| Agency - Fund Type | 2021-23 Biennium | 2023-25 Biennium |
|--|--------------------|---------------------|
| Office of Public Defense Services - General Fund | | |
| Personal Services | \$784,275 | \$971,966 |
| Services and Supplies | \$8,486,430 | \$13,328,984 |
| Total Funds | \$9,270,705 | \$14,300,950 |
| Positions | 4 | 4 |
| FTE | 3.54 | 4.00 |

| Agency - Fund Type | 2021-23 Biennium | 2023-25 Biennium |
|--|---------------------|---------------------|
| Department of Human Services - General Fund | | |
| Personal Services | \$4,418,291 | \$4,418,291 |
| Services and Supplies | \$1,299,204 | \$1,299,204 |
| Special Payments | \$6,860,000 | \$6,860,000 |
| Department of Human Services - Federal Funds | | |
| Personal Services | \$1,472,780 | \$1,472,780 |
| Services and Supplies | \$433,035 | \$433,035 |
| Total Funds | \$14,483,310 | \$14,483,310 |
| Positions | 36 | 36 |
| FTE | 36.00 | 36.00 |

| Agency - Fund Type | 2021-23 Biennium | 2023-25 Biennium |
|-------------------------------------|------------------|--------------------|
| Department of Justice - Other Funds | | |
| Personal Services | 775,864 | 900,555 |
| Services and Supplies | 198,103 | 214,591 |
| Total Funds | \$973,967 | \$1,115,146 |
| Positions | 3 | 3 |
| FTE | 2.63 | 3.00 |

Analysis:

HB 3366 directs the Oregon Judicial Department (OJD) to establish the Family Treatment Court Program with an operative date of January 1, 2022; there is a provision sunseting the program on January 2, 2027. The bill also directs the establishment of the Parent-Child Representation Program in the Public Defense Services Commission (PDSC). Details of the measure and anticipated costs are described below.

As stated above, the measure directs OJD to establish a Family Treatment Court Program in seven counties to improve outcomes in child welfare cases resulting from a parent’s or caregiver’s alleged substance abuse disorder. The seven counties will be identified by OJD based on population and specifies that one judge in each county is to be dedicated to the program. The measure also outlines participant eligibility requirements, program standards and components, and identifies training and other administrative requirements that OJD must complete. The measure includes a biennial reporting requirement, the first of which is due to the Legislative Assembly no later than September 15, 2023.

In order to provide the variety of services required in the measure, the State Court Administrator will need to hire one permanent-full time Senior Staff Counsel (1.00 FTE), one permanent-full time OJD Analyst 4 (1.00 FTE), and one permanent-full time Information Technology Specialist 3 (1.00 FTE). In addition, the Department would require funding for one judge in Douglas County, one Hearings Referee, and other staff resources in all seven program counties. OJD anticipates that the total expenditure impact of the measure is \$3,926,757 General Fund (GF) for the 2021-23 biennium. This cost is based on hiring all positions on July 1, 2021 which may not be achievable and may not be necessary since the program does not start until January 1, 2022. If the positions are not hired until October 1, 2021 the cost would be reduced by approximately \$400,000 GF.

The measure also requires PDSC to implement a Parent-Child Representation Program for the delivery of legal services to people entitled to court-appointed counsel who are participants in the Family Treatment Court program. PDSC expects to implement the program in three phases, with two counties being added in both phase one and phase two, and the final three counties being added in phase three. The agency expects that this work will require four additional staff positions and funding for contracts at a total cost of \$9,270,705 General Fund (GF) for the 2021-23 biennium. Specifically, the agency identifies the need for: one Deputy General Counsel (0.88 FTE) to support implementation and oversight of the representation model; one Program Analyst 2 (0.88 FTE) to administer the additional attorney and case manager provider contracts; one Operations and Policy Analyst 1 (0.88 FTE) to support collection and analysis of provider caseload and activity data, facilitate agency oversight, program evaluation, and funding accountability; one Office Specialist 2 (0.88 FTE) to support administrative work, communication, and program operations; and \$8,380,066 for costs of contracts. The fiscal impact for 2023-25 is \$14,300,950 GF, including costs of contracts and continuation of the 4 positions (4.00 FTE).

This measure also requires the Department of Human Services (DHS) to make certain support services, including housing and mentoring, available to Family Treatment Court clients. Using existing housing contracts as a foundation, DHS estimates that seven houses to serve Family Treatment Court clients with the greatest need will cost \$5,600,000 per biennium. Mentors for each Treatment Court site are estimated to cost \$180,000 each, for a per-biennium total of \$1,260,000, and will help connect clients with other support services, such as Temporary Assistance for Needy Families, work readiness programs, housing, mental health, physical health, and support recovery. DHS notes that there are no federal funds available for the housing and peer mentor services.

In addition, DHS anticipates that to fulfill the child welfare case management requirements and ensure that every Family Treatment Court in each of the seven counties has three substance use disorder trained caseworkers, DHS will need to hire a total of 21 Social Service Specialists 1 positions (21.00 FTE). These positions would allow DHS to serve 30-35 child welfare families in drug court at a time. DHS believes that they will need an additional 15 positions, including 7 Office Specialist 2 positions (7.00), 3 Social Service Assistants (3.00), 2 Paralegals (2.00), and 3 Principal Executive Manager C positions (3.00) to provide case management, attend client court appearances, and collaborate with clients' other service providers.

While DHS estimates total costs of \$14,483,310 in 2021-23, that is based on an assumption that all positions will be hired on July 1, 2021, which may not be achievable and may not be necessary since the program does not start until January 1, 2022. If the positions are not hired until October 1, 2021 the cost would be reduced by approximately \$530,000 GF and \$175,000 Federal Funds.

The Department of Justice (DOJ) anticipates the measure will create additional work for the Child Advocacy Section of DOJ's Civil Enforcement Division due to an anticipated increase in Treatment Court appearances. If that is true, DOJ anticipates the need for three permanent full-time Assistant Attorney General Full (2.63 FTE) positions to cover the work in the designated counties at a cost of \$953,967 Other Funds in 2021-23 and \$1,115,146 Other Funds in 2023-25. Other Funds revenue is from General Fund transferred to DOJ by DHS. As the Treatment Courts must become operational by January 1, 2022, DOJ anticipates filling these positions by October 1, 2021 to accommodate onboarding and training. As the bill moves forward, additional analysis is needed to determine the appropriate timing and number of positions and associated costs required for DOJ as a result of the measure.

The Oregon Youth Authority, counties, and the District Attorneys and their Deputies do not anticipate a fiscal impact from this measure.

The measure acknowledges funding is needed to implement the new requirements and appropriates unspecified amounts of General Fund to OJD, DHS, and PDSC to administer the program. Given the budgetary need associated with the measure and additional analysis that should occur that may impact funding estimates, it warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.