

FISCAL IMPACT OF PROPOSED LEGISLATION

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

Measure: SB 755 - A

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: April 11, 2021

Measure Description:

Makes form and style changes to provisions in Ballot Measure 110 (2020).

Government Unit(s) Affected:

Department of Human Services (DHS), Department of Justice (DOJ), Department of Public Safety Standards and Training (DPSST), Public Defense Services Commission (PDSC), Counties, Oregon Board of Pharmacy (OBOP), Criminal Justice Commission (CJC), Oregon State Police (OSP), Department of Administrative Services (DAS), Secretary of State (SOS), Oregon Judicial Department (OJD), Cities, Oregon Health Authority (OHA), Department of Revenue (DOR), Oregon Government Ethics Commission (OGEC), District Attorneys and their Deputies (DAs)

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the Senate Committee on Judiciary and Ballot Measure 110 Implementation to the Joint Committee on Ways and Means.

This measure makes form and style changes to portions of Ballot Measure 110 (2020).

The director of the Oregon Health Authority (OHA) is required to establish an Oversight and Accountability Council (OAC) to oversee and approve grants and funding to implement Behavioral Health Resource Networks and increase access to community care. A Behavioral Health Resource Network is an entity that provides immediate screening of the acute needs of people who use drugs and assesses and addresses any needs through ongoing case management, harm reduction, treatment, housing, and linkage to other care and services. The term “Behavioral Health Resource Network” is used in SB 755 to replace the term “Addiction Recovery Center” that was initially used in Measure 110.

Recipients of funding must be licensed, certified, or credentialed by the state. Grants and funding must be disbursed so that at least one network is established and operational in each Oregon county by October 1, 2021, and networks must provide service 24 hours a day, seven days a week. Services are to be provided free of charge, and grantees are directed to seek reimbursement from insurance issuers, the medical assistance program, or any other third party responsible for costs of services provided to a client. Grantees may use funding provided by the Council for copayments, deductibles, or other out-of-pocket expenses incurred by a client.

In addition to grants and funding provided to networks, the OAC is to provide funding to other agencies, organizations, and service providers affiliated with the nine federally recognized tribes to increase access to substance use disorder treatment, peer support and recovery services, housing for persons with substance use disorders, or harm reduction interventions. OHA is directed to post grant and funding award information to its website.

SB 755 requires that within 180 days of June 30, 2020 (though it is not clear if this measure is meant to state 2021) and every June 30 thereafter, the Department of Administrative Services must calculate the savings

resulting from the reductions to Class E violations for offenses related to certain substances. Under Measure 110, this was a biennial reporting requirement.

Measure 110 allows fines for Class E violations to be waived. Under the SB 755, an enforcement officer issuing a citation for a Class E violation is to provide the person receiving the citation with information concerning how they may complete a screening in lieu of paying a fine. Once verification is received that the person has obtained a screening, the court must dismiss the fine.

Measure 110 also requires that OHA establish a 24-hour statewide Behavioral Health Resource Network telephone line to provide screenings not later than February 1, 2021. SB 755 requires that the telephone hotline also be used to assess a caller's need for immediate medical care or treatment, identify other needs of the caller, and link the caller to other services. Under Measure 110 the telephone line is scheduled to sunset by October 1, 2021, but this sunset date is abolished in SB 755.

SB 755 further clarifies and increases the requirements for audits by the SOS Audits Division. The Division is directed to conduct performance audits and financial reviews regarding the use and effectiveness of the Drug Treatment and Recovery Services Fund. The division must monitor and report on the progress in implementing any recommendations not later than two years after completing an audit or financial review. No later than December 31, 2023, SOS is to perform an audit of the relationship between OAC, OHA, and grant or funding recipients; and a financial review that assesses the functioning of the grants and funding system. No later than December 31, 2024, SOS is to conduct a performance audit with an assessment of whether citations resulted in connecting people with treatment; the functioning of law enforcement and the courts in relation to Class E violation citations, the telephone hotline, and entities providing verification of screenings; disparities in the demographics of the citation data; whether portions of the measure reduce the involvement in the criminal justice system of individuals with drug addiction; and outcomes for individuals receiving treatment and other social services.

Finally, SB 755 changes how Juvenile, Municipal, and Justice courts must proceed in the case of a Class E violation. It also allows a prosecuting attorney to treat as a Class E violation any offense that would constitute a Class E violation had the offense been committed on or after February 1, 2021.

Measure 110 created the Drug Treatment and Recovery Services Fund, which is separate and distinct from the General Fund; the total amount in the fund in the first year is to not be less than \$57 million. The Department of Revenue (DOR) is to transfer to the Drug Treatment and Recovery Services Fund the savings to the State of Oregon from the implementation of Ballot Measure 110. Additionally, moneys in the Oregon Marijuana Account that exceed \$11,250,000 are to be transferred each quarter to the Drug Treatment and Recovery Services Fund before other transfers are made from the Account. Moneys in the Drug Treatment and Recovery Services Fund are to be allocated with not more than four percent to administration - which does not include the expense to establish and maintain the telephone hotline required under this measure - and the remainder to grants. Under SB 755, there is an additional requirement that all moneys deposited into the Criminal Fine Account as a payment of fines on Class E violations are also to be allocated to the Drug Treatment and Recovery Services Fund.

SB 755 requires OHA to report to the Legislative Assembly each quarter starting no later than September 15, 2023, on how funds from the Drug Treatment and Recovery Services Fund have been spent.

This measure declares an emergency and takes effect on passage.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the Joint Committee on Ways and Means.