

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4098 - A3

81st Oregon Legislative Assembly – 2022 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Expands designated state agencies that must work with Alcohol and Drug Policy Commission and requires agencies to meet with commission quarterly to review and report on each agency's progress and to report process and outcome measures established under commission's comprehensive addiction, prevention, treatment and recovery plan.

Government Unit(s) Affected:

Oregon Department of Veterans' Affairs (ODVA), Oregon State Lottery, Oregon Liquor and Cannabis Commission (OLCC), Department of Consumer and Business Services (DCBS), Housing and Community Services Department (HCSD), Oregon Youth Authority (OYA), Oregon State Police (OSP), Department of Education (ODE), Oregon Health Authority (OHA), Department of Justice (DOJ), Department of Corrections (DOC), Counties, Cities, Criminal Justice Commission (CJC), Higher Education Coordinating Commission (HECC)

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
Other Funds	625,733	1,671,020
Total Funds	\$625,733	\$1,671,020
Positions	5	7
FTE	1.76	5.00

Analysis:

HB 4098 - A3 expands the definition of “participating state agency”; these agencies must meet with the Alcohol and Drug Policy Commission on a quarterly basis to review and report on each agency’s progress in implementing the comprehensive addiction, prevention, treatment and recovery plan for this state. All participating state agencies must also assist with development of the plan, and report to the commission, in the manner prescribed by the commission, each agency’s process and outcome measures established under the plan.

This measure also establishes the Opioid Settlement Prevention, Treatment and Recovery Fund, separate and distinct from the General Fund, to include certain settlement agreement funds paid to the state, other than attorney fees and costs. Moneys in the fund are continuously appropriated to the Oregon Health Authority (OHA) for the purpose of administering the Opioid Settlement Prevention, Treatment and Recovery Board created by this measure, and for the allocation of moneys as directed by the board. No more than 5% of funds is to be spent on administration, and another portion of the funds is to be allocated toward a unified and evidence-based state system for collecting, analyzing and publishing data about the availability and efficacy of substance use prevention, treatment and recovery services statewide. Moneys remaining after these allocations are to be spent on other substance use and opioid-related programs. OHA is to provide staff support to the Board. This section of the measure is repealed on January 2, 2040.

This measure declares an emergency and takes effect on passage.

Oregon Health Authority

The anticipated opioid settlement funds paid to the state through 2038 total \$149.7 million. Additional settlement funds may be received due to pending litigation. Assuming that the administrative cap on funds is 5% of all funds received, based on the current payment schedule for these settlement funds, OHA anticipates a cap on administrative funds that totals \$1.1 million in the 2021-23 biennium and \$1.2 million in the 2023-25 biennium. OHA will need additional Other Funds expenditure limitation for expenditure of settlement funds once the Board begins making allocation decisions, which is not reflected in the table above; and may need additional expenditure limitation or position authority in the 2021-23 or 2023-25 biennium based on Board decisions related to the state system for collecting, analyzing and publishing data about the availability and efficacy of substance use prevention, treatment and recovery services.

OHA is expected to need five new positions in the 2021-23 biennium. Positions would first phase in July 2022, which means the Board would begin meeting in early 2023. Positions include:

- One part-time Principal Executive Manager D (0.25 FTE in 2021-23, 0.50 FTE in 2023-25) to provide program oversight.
- One Operations and Policy Analyst 4 (0.50 FTE in 2021-23, 1.00 FTE in 2023-25) to work in tribal consultation, contract negotiation, and board nomination and orientation during Board ramp-up in 2022, and to staff the board and coordinate opioid prevention programming on an ongoing basis.
- One Operations and Policy Analyst 1 (0.50 FTE in 2021-23, 1.00 FTE in 2023-25) to provide administrative support.
- One part-time Operations and Policy Analyst 4 (0.13 FTE in 2021-23, 0.50 FTE in 2023-25) to coordinate with stakeholders, make recommendations to the board, and work on rulemaking and grant processes.
- One Research Analyst 3 (0.13 FTE in 2021-23, 1.00 FTE in 2023-25) to coordinate work on the state system for data on substance use prevention, treatment, and recovery services, analyze and publish data about services, and provide reports to the board.

In addition to the positions above, OHA anticipates hiring the following positions in the 2023-25 biennium:

- One Information Systems Specialist 7 (0.50 FTE) to work on the state system for data on substance use prevention, treatment, and recovery services.
- One part-time Fiscal Analyst 2 (0.50 FTE) to coordinate process invoices for contracts charged to the Fund and oversee use of funds.

Given uncertainty about ongoing funding levels, positions will need to be reevaluated following the 2023-25 biennium and be based on funding available to the Opioid Settlement Prevention, Treatment and Recovery Fund in future biennia. In addition to position-related services and supplies, OHA anticipates costs of \$140,000 Other Funds in the 2021-23 biennium and \$155,000 Other Funds in the 2023-25 biennium, which includes legal costs; an external evaluation contract; IT support for meetings and website creation; and contracting for a meeting facilitator.

Other entities

There is no or minimal fiscal impact for the Department of Consumer and Business Services, Oregon Youth Authority, Department of Education, Higher Education Coordinating Commission, Criminal Justice Commission, Department of Corrections, Oregon State Police, Cities, Counties, Oregon Liquor and Cannabis Commission, Housing and Community Services Department, Oregon State Lottery, or the Department of Justice.

The Oregon Department of Veterans' Affairs reports an indeterminate fiscal impact. The agency notes that they do not administer or fund alcohol or drug abuse prevention or treatment services, as these services are provided by the U.S. Department of Veterans' Affairs, and are unsure what role they would be required to take on as a "participating state agency" under this bill.