

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 4098 - A**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:

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

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	362,523	1,947,616
Total Funds	\$362,523	\$1,947,616
Positions	5	7
FTE	1.01	5.00

Analysis:

HB 4098 - A 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 has no effective date so is assumed to take effect January 1, 2023.

Oregon Health Authority

The Oregon Health Authority (OHA) anticipates that opioid settlement funds paid to the state will total at least \$149.7 million through 2038. 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 anticipates that they will need to conduct Tribal consultation, hire staff, set up a facilitation contract, and complete the board appointment and orientation process prior to the Opioid Settlement Prevention, Treatment and Recovery Board becoming active in fall 2023. The Board will begin making decisions about collection and publication of state data as soon as early 2024, and would begin allocation of funds by summer 2024. Up to \$38.4 million could be available for allocation by that time. OHA will need additional Other Funds expenditure limitation during the 2023-25 biennium for expenditure of these funds, which is not reflected in the table above.

Based on the timeline above, OHA is expected to need five new positions in the 2021-23 biennium, including:

- 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 (0.25 FTE in 2021-23, 1.00 FTE in 2023-25) to work in tribal consultation, contract negotiation, and board nomination and orientation in 2021-23, and to staff the board and coordinate opioid prevention programming on an ongoing basis.
- One Operations and Policy Analyst 1 (0.25 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 OHA will need to request position authority based on funding available to the Opioid Settlement Prevention, Treatment and Recovery Fund in future biennia. OHA will also need to request the positions phasing in during the 2023-25 biennium as part of a Policy Option Package during the 2023-25 budget development cycle.

In addition to position-related services and supplies, OHA anticipates costs of \$60,000 Other Funds related to board startup in the 2021-23 biennium. In the 2023-25 biennium, once the Board begins meeting, additional costs are anticipated at \$500,000 Other Funds, and include board stipends; 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.