

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2773 - A**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Requires Oregon Health Authority to provide incentives to increase recruitment and retention of local public health professionals.

Government Unit(s) Affected:

Oregon Health Authority

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Oregon Health Authority		
General Fund		
Personal Services	\$708,608	\$0
Services and Supplies	\$279,745	\$0
Special Payments	\$46,011,647	\$0
Total General Fund	\$47,000,000	\$0
Other Funds*		
Personal Services	\$1,338,412	\$1,529,624
Services and Supplies	\$240,128	\$153,793
Special Payments	\$36,738,043	\$0
Total Other Funds	\$38,316,583	\$1,683,417
Total Fiscal Impact	\$85,316,583	\$1,683,417
<i>Total Positions</i>	11	11
<i>Total FTE</i>	9.18	10.50

*Represents General Fund expended as Other Funds

Analysis:

HB 2773-A replaces the introduced measure. The measure establishes the Local Public Health Incentive Subaccount within the Health Care Provider Incentive Fund and permits interest earned by the subaccount to be credited to the subaccount. The measure appropriates \$40,000,000 General Fund to the Oregon Health Authority (OHA) to fund the Local Public Health Incentive Subaccount for the 2023-25 biennium and money in the fund is continuously appropriated to OHA. OHA is directed to use this fund to provide incentives to increase recruitment and retention of public health professionals who provide services to underserved populations; the measure describes the populations and types of incentives OHA should include in their program. The measure appropriates an additional \$7,000,000 General Fund to OHA for the 2023-25 biennium to provide grants to employees of public health authorities and describes requirements. OHA is required to study the programs' administration and effectiveness and report to the interim Legislative Assembly by November 1, 2026 and November 1, 2028; this reporting requirement is repealed July 1, 2029. OHA is required to notify the Joint Interim Committee on Ways and Means Subcommittee on Human Services and the Emergency Board if moneys in the

Local Public Health Incentive Subaccount are forecasted to be expended prior to July 1, 2029. The measure takes effect on the 91st day after sine die.

The fiscal impact to implement the measure is anticipated to be \$85,316,583 total funds and 11 positions (9.18 FTE) for the 2023-25 biennium. This represents the \$40 million General Fund appropriation for deposit into the Local Public Health Incentive Subaccount and corresponding Other Funds expenditure limitation necessary to expend the General Fund from the subaccount, as well as the \$7 million General Fund appropriation for grants to support employees of local public health authorities, which the measure does not deposit into the Local Public Health Incentive Subaccount. The costs to administer both the incentive and grant programs are assumed to be paid by each program's respective appropriation. The appropriations for both the Local Public Health Incentive Program and the grant program are assumed to be one-time for the purpose of this analysis.

Local Public Health Incentive Program

To implement the Local Public Health Incentive Program, the following full-time permanent positions are anticipated to be needed:

- One Health Policy and Program Manager 2 position (0.88 FTE): To manage the team required to implement the program and monitor funds in the incentive subaccount.
- Two Operations and Policy Analyst 3 positions (1.76 FTE): As a Health Workforce Equity Coordinator to work with internal and external stakeholders and oversee equitable distribution of funds.
- One Operations and Policy Analyst 3 position (0.88 FTE): To support contracting and invoicing of grant recipients.
- One Operations and Policy Analyst 3 position (0.88 FTE): To coordinate program development and implementation.
- One Research Analyst 3 position (0.88 FTE): To conduct research and to support evaluation and consultation processes.
- One Administrative Specialist 2 position (0.88 FTE): To support the Health Policy and Program Manager and assist with administrative support of billing and invoicing.

The reporting requirement of the bill is estimated to result in a one-time contractual expense of \$200,000, of which \$100,000 is attributed to the Local Public Health Incentive Program. In 2023-25, the estimated position costs for the incentive program are estimated to total \$1,478,540 Other Funds. After accounting for these expenses, the remaining amount available for incentives from the \$40 million appropriation is \$36,738,043.

Grant Program

To implement the grant program for employees of public health authorities, the following full-time limited duration positions are anticipated to be needed:

- One Operations and Policy Analyst 3 position (0.88 FTE): To coordinate rulemaking, program development and program implementation.
- One Operations and Policy Analyst 2 position (0.88 FTE): To coordinate internal development of agreements between divisions.
- One Administrative Specialist 2 position (0.88 FTE): To provide administrative support for processing invoices and program reporting.
- One Procurement and Contract Specialist part-time position (0.38 FTE): to manage the additional 100-200 forecasted contracts.

The estimated cost of these positions in 2023-25 totals \$788,353 Other Funds, which includes personal services and related services and supplies. An additional impact of \$100,000 Other Funds is included for the grant program's share of the contractual expense related to the reporting requirement, as well as \$100,000 Other Funds for contracted work through the Oregon Office of Rural Health to assist with communications and outreach. After accounting for these expenses, the amount available for grants totals \$6,011,647. Although this fiscal impact statement assumes the grant program would be fully implemented in the 2023-25 biennium, program-related costs could continue into the 2025-27 biennium depending on the time needed to award grants.

Should this occur, the unexpended portion of General Fund in the 2023-25 biennium would need to be re-appropriated in the 2025-27 biennium.

The measure has a subsequent referral to the Joint Committee on Ways and Means.