

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2468 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:

Authorizes Early Learning Council to adopt rules establishing reasonable requirements for landlords of tenants who operate family childcare homes. Prohibits Early Learning Council from considering provider's children who are between ages 10 and 12 when establishing capacity or adult-to-child ratio requirements unless children require additional care due to special needs or disabilities

Government Unit(s) Affected:

Department of Early Learning and Care, Department of Human Services,

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	\$7,782	\$8,499
Lottery Funds		
Other Funds*	\$203,550	\$269,212
Federal Funds		
<i>Total Funds</i>	\$211,332	\$277,711
<i>Positions</i>	1	1
<i>FTE</i>	0.75	1.00
Department of Human Services		
General Fund	\$304,611	\$484,071
Federal Funds	\$59,293	\$126,005
Other Funds*	\$389,847	\$578,845
Federal Funds		
<i>Total Funds</i>	\$753,751	\$1,188,921
<i>Positions</i>	2	2
<i>FTE</i>	0.75	1.50
Total Fiscal Impact	\$965,083	\$1,466,632
<i>Total Positions</i>	3	3
<i>Total FTE</i>	1.50	2.50

Analysis:

The -4 amendment removes the provisions relating to the operation of family childcare homes in rental housing properties and maintains the authorization for the Early Learning Council (ELC) to adopt rules to establish reasonable requirements for landlords of tenants who operate family childcare homes and prohibits ELC from considering provider's children who are between the ages of 10 and 12 when establishing capacity limits under certain circumstances. In addition, the measure modifies the amount of supplemental payment made to providers.

Oregon Health Authority (OHA)

The Department of Human Services (DHS) and OHA utilize a shared services model for operational functions, such as human resources and information technology. Each shared services unit is budgetarily housed to either DHS or OHA. Information technology support (OHA's Office of Information Services (OIS)) falls within the OHA budget. General Fund is appropriated to DHS for incurring the cost for the IT needs, which is then shifted as Other Funds to OHA OIS.

The measure will require changes to the Provider Pay (PP) system to determine the business days since payment, calculate the penalty payment, create audit records, support table changes for accounting, and require standard interface maintenance to account for the 9% penalty payment. This activity will require one Information Systems Specialist 7 (0.75 FTE) to supplement existing Information Services staff with these activities for a limitation request of \$186,186 Other Funds. \$17,364 Other Funds is included for services and supplies support for the 2023-25 biennium. Costs increase in 2025-27 to \$248,248 with the phase-in of the partial FTE to a full 1.00 FTE, with \$20,964 in associated services and supplies costs.

When new positions are created at OHA, a portion of the total cost represents State Assessment and Enterprise-Wide costs for telecom and IT equipment, totaling \$7,782 General Fund for the 2023-25 biennium. This increases to \$8,499 in the 2025-27 biennium.

Department of Human Services (DHS)

The estimated fiscal impact includes one part-time Operations and Policy Analyst 3 (0.25 FTE) to act as a liaison to OHA to facilitate the Provider Pay system changes and support reporting, as well as one Accountant 1 (0.50 FTE) for testing review and configuration to facilitate reconciliation of general ledger accounts.

Department of Early Learning and Care (DELIC)

Additional positions are not anticipated for DELIC to implement this measure. However, the agency may incur costs associated with the late payment penalties outlined in the bill. DELIC may need to return to the Legislative Assembly if these penalty payments cannot be paid under current resources.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.