



Legislative Fiscal Office
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Bill Title: Relating to mental health care provider incentives; prescribing an effective date.

Government Unit(s) Affected: Oregon Health Authority, Department of Public Safety Standards and Training, Higher Education Coordinating Commission, Bureau of Labor and Industries, Cities, Counties, School Districts, Special Districts, Community Colleges, Public Universities, Statewide - Executive Branch, Statewide - Judicial Branch, Statewide - Legislative Branch, TriMet, Metro, Oregon Health and Science University

Summary of Fiscal Impact

Costs related to the measure are indeterminate at this time - see explanatory analysis.

Measure Description

The measure establishes a psychology provider incentive program within the Oregon Health Authority (OHA) for the purpose of providing housing support and loan repayment subsidies to students enrolled in approved doctoral programs in psychology and licensed psychologists in Oregon. Under this program, OHA shall provide housing stipends to students enrolled in approved doctoral programs in psychology and loan repayment subsidies to licensed psychologists. The measure specifies that a student who received a housing stipend may also receive a loan repayment subsidy as a licensed psychologist. The measure establishes the Psychology Provider Incentive Fund, which is continuously appropriated to OHA to administer this program. OHA may partner with the Higher Education Coordinating Commission to provide housing stipends under this program.

The measure requires the Department of Public Safety Standards and Training (DPSST) to provide guaranteed full-time employment for any vacant position to a licensed psychologist who attended an approved doctoral program and who is otherwise qualified for the position. DPSST must enter into a contract with the licensed psychologist stipulating that employment with DPSST will last between six and 12 consecutive months.

The measure requires a public employer to grant a hiring preference to certain licensed psychologists. A public employer is not required to hire a licensed psychologist under this measure; however, if a public employer does not hire a licensed psychologist as described in this measure, then the public employer must state in writing at the request of the licensed psychologist why the public employer did not hire the licensed psychologist. Any violation of this requirement is an unlawful employment practice, which may be filed with the Bureau of Labor and Industries.

Fiscal Analysis

The fiscal impact to OHA is indeterminate. The measure establishes a new program and continuously appropriated fund from which to administer the proposed psychology provider incentive program; however, the measure does not include funding to capitalize and implement the program. OHA would need additional staffing to oversee the program implementation and application process for student scholarships, housing stipends, and loan repayments provided under the program, though the level of resources needed for program administration would depend on the anticipated size of the program.

Although there is no funding in the measure for this program, nor direction about how much OHA must provide in housing stipends and loan repayment subsidies, the Health Care Provider Incentive Program, established by HB 3261 (2017), provides a useful comparison. Under the Health Care Provider Incentive Program, the maximum award a recipient may receive for loan repayment is \$150,000 per individual. Assuming a similar figure for this program, OHA estimates providing repayment subsidies of \$150,000 each to 15 licensed psychologists each year, which amounts to \$4.5 million per biennium. In addition, OHA estimates providing housing stipends of \$10,000 to 15 doctoral students each year, which amounts to \$225,000 for 18 months of the 2025-27 biennium and \$300,000 in the 2027-29 biennium. However, these figures are used only for illustrative purposes, as the fiscal impact to OHA would ultimately depend on the level of funding provided and the number of potential program beneficiaries. Assuming the program were capitalized with General Fund, OHA would also require Other Funds expenditure limitation to expend funds from the Psychology Provider Incentive Fund to administer the program.

The measure is anticipated to have a minimal fiscal impact on the Department of Public Safety Standards and Training, Higher Education Coordinating Commission, Bureau of Labor and Industries, and public employers.

Relevant Dates

The measure takes effect 91 days after adjournment sine die.

The measure becomes operative on January 1, 2026.