



Legislative Fiscal Office  
83<sup>rd</sup> Oregon Legislative Assembly  
2026 Regular Session

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**Bill Title:** Relating to services for vulnerable persons; declaring an emergency.

**Government Unit(s) Affected:** Oregon Youth Authority, Long Term Care Ombudsman, Oregon Health Authority, Department of Human Services, Department of Justice

**Summary of Fiscal Impact:**

| 2025-27 Biennium             | General Fund           | Lottery Funds | Other Funds | Federal Funds          | Total Funds            | Positions | FTE      |
|------------------------------|------------------------|---------------|-------------|------------------------|------------------------|-----------|----------|
| Department of Human Services | \$ (874,193)           | \$ -          | \$ -        | \$ (1,676,968)         | \$ (2,551,161)         | -         | -        |
| <b>Total Fiscal Impact</b>   | <b>\$ (874,193)</b>    | <b>\$ -</b>   | <b>\$ -</b> | <b>\$ (1,676,968)</b>  | <b>\$ (2,551,161)</b>  | <b>-</b>  | <b>-</b> |
| 2027-29 Biennium             | General Fund           | Lottery Funds | Other Funds | Federal Funds          | Total Funds            | Positions | FTE      |
| Department of Human Services | \$ (20,980,633)        | \$ -          | \$ -        | \$ (40,247,225)        | \$ (61,227,858)        | -         | -        |
| <b>Total Fiscal Impact</b>   | <b>\$ (20,980,633)</b> | <b>\$ -</b>   | <b>\$ -</b> | <b>\$ (40,247,225)</b> | <b>\$ (61,227,858)</b> | <b>-</b>  | <b>-</b> |

**Measure Description**

The measure modifies provisions related to residential and long-term care, developmental disabilities services, child-in-care placement decisions, restraint and seclusion of children in care. The Department of Human Services (DHS) is directed to establish a differentiated rate model for an agency that employs direct support professionals (DSP) who reside with a client. This rate model should reflect reduced overhead costs but may not reduce the hours of service or the wages of the direct support professional.

**Fiscal Analysis**

The fiscal impact for DHS is an estimated reduction of \$874,193 General Fund and \$1.7 million Federal Funds in the 2025-27 biennium and \$21 million General Fund and \$40.2 million Federal Funds in the 2027-29 biennium. These reductions are attributable to the adoption of a differentiated rate model.

DHS assumes 28% of in-home support costs in the Intellectual/Developmental Disabilities program are attributable to services provided by DSPs who live with their client, were directly recruited by the client, and are unlikely to have other clients. DHS estimates removing overhead costs in these circumstances would reduce overall in-home support costs by 2.7%. The overhead costs to be excluded from the new rate model include expenses related to travel time between clients, employer supervision and performance meetings, missed appointments, training, administrative activities and other indirect costs. The changes required to adjust the rate model would be completed by the existing rate model contractor at no additional cost.

The measure has a minimal impact on the Department of Justice, and no fiscal impact on the Oregon Health Authority, the Long-Term Care Ombudsman, or the Oregon Youth Authority.

**Relevant Dates**

The measure declares an emergency and takes effect on passage.