

**Legislative  
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**Joint Committee on  
Ways and Means**

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Rep. Greg Smith, House Co-Vice Chair

**To:** Human Services Subcommittee  
**From:** Linda Ames, Legislative Fiscal Office  
**Date:** June 7, 2017  
**Subject:** HB 5026 – Oregon Health Authority - Public Health  
Work Session Recommendations

**Oregon Health Authority – Public Health**

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	40,674,722	39,861,581	45,118,075	57,418,481
Other Funds	128,264,554	183,344,217	188,030,158	150,322,819
Other Funds NL	34,969,820	40,000,000	40,000,000	40,000,000
Federal Funds	209,960,884	266,121,447	271,772,432	237,164,476
Federal Funds NL	97,695,171	102,729,051	102,729,051	102,729,051
<b>Total Funds</b>	<b>\$511,565,151</b>	<b>\$632,056,296</b>	<b>\$647,649,716</b>	<b>\$587,634,827</b>
Positions	770	789	760	749
FTE	727.56	765.22	751.41	732.16

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority - Public Health. The LFO recommended total funds budget is 7.0% lower than the 2015-17 legislatively approved budget. This is primarily the result of right-sizing the budget by removing excess Other Funds and Federal Funds expenditure limitation. The General Fund budget has increased by 44%, or \$17.6 million, since 2015-17, partially because of new funding for Public Health Modernization, and partially to replace declining medical marijuana revenues. The recommended budget includes the following:

- Declining medical marijuana revenues has resulted in the need for \$12.1 million in General Fund to replace those revenues. In the past, medical marijuana revenues have been used to replace General Fund in a number of on-going core public health programs, including support for local public health departments, the Safe Drinking Water Program, Emergency Medical Services, and others. Laws passed during the 2015, 2016 and 2017 legislative session to implement recreational marijuana have significantly reduced revenues coming to the medical marijuana program.

- Package 411 Public Health Modernization includes \$5 million General Fund to begin to address public health system gaps.
- Package 409 includes a number of fee changes, for a total Other Funds expenditure limitation of \$2.5 million. This includes fee ratifications included in HB 5027, statutory fees included in SB 53, and several fee increases proposed for the 2017-19 budget.
- Tobacco Master Settlement Agreement resources of \$3.6 million, that have been used for tobacco prevention and cessation programs, have been removed from this budget in order to help fund the Oregon Health Plan. The proposed budget does include \$16.3 million in tobacco tax resources to continue to fund these programs.
- General Fund has been reduced for several programs that no longer need the revenues to support current caseloads. These include the CCare family planning program, the Breast and Cervical Cancer Screening Program, and the CareAssist program.

**Adjustments to Current Service Level**

See attached “HB 5026 Work Session ” spreadsheet.

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

LFO recommends the Subcommittee approve a 2017-19 OHA Public Health preliminary budget of:

\$ 57,418,481	General Fund
\$ 150,322,819	Other Funds
\$ 237,164,476	Federal Funds
\$ 40,000,000	Nonlimited Other Funds
\$ 102,729,051	Nonlimited Federal Funds

749 Positions  
732.16 FTE

**Accept** LFO Recommendation:

**MOTION:** I move the LFO recommendation to HB 5026. (VOTE)

**OR**

**Change** LFO Recommendation:

**MOTION:** I move the LFO recommendation to HB 5026, with modifications. (VOTE)

### **Performance Measures**

All agency performance measures will be presented for approval as part of the final action on the OHA budget.

### **Recommended Changes**

The Public Health budget is part of HB 5026, which is the budget bill for the entire Oregon Health Authority. The recommended amendments to HB 5026 will be presented after work sessions are completed on all parts of the budget.

**OREGON HEALTH AUTHORITY: PUBLIC HEALTH  
2017-19 RECOMMENDED BUDGET**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
<b>2015-17 Legislatively Approved Budget (As of June 2017)</b>	39,861,581	-	183,344,217	266,121,447	40,000,000	102,729,051	632,056,296	789	765.22	
<b>2017-19 Current Service Level</b>	45,118,075	-	188,030,158	271,772,432	40,000,000	102,729,051	647,649,716	760	751.41	
<b>2017-19 Governor's Budget</b>	43,470,545	-	192,185,900	269,954,073	40,000,000	102,727,407	648,337,925	764	755.66	
<b>2017-19 LFO RECOMMENDED BUDGET</b>	57,418,481	-	150,322,819	237,164,476	40,000,000	102,729,051	587,634,827	749	732.16	

**2017-19 WORKING BUDGET ADJUSTMENTS DETAIL**

1	<b>2017-19 Current Service Level Estimate</b>	45,118,075	-	188,030,158	271,772,432	40,000,000	102,729,051	647,649,716	760	751.41	
2	<b>LFO Recommendations of Existing Packages</b>										
3	Pkg 070: Revenue shortfalls	-	-	(964,062)	-	-	-	(964,062)	(2)	(2.91)	If fees not approved in POP 409
4	Pkg 095: December 2016 EBoard actions	-	-	(555,900)	823,032	-	-	267,132	4	4.25	ELC grant extension
5	Pkg 409 OHA Fee Changes	-	-	2,472,408	(1,163,402)	-	-	1,309,006	2	2.91	Includes new fees/SB 53/HB 5027
6	Pkg 411 Public Health Modernization	5,000,000	-	-	-	-	-	5,000,000	-	-	
7											
8	<b>Other Recommended Adjustments</b>										
9	<b>Pkg 801: LFO Analyst Adjustments</b>										
10	GF replaces medical marijuana revenue shortfall	12,100,000	-	(12,100,000)	-	-	-	-	-	-	
11	CCare true-up	(525,000)	-	-	(4,725,000)	-	-	(5,250,000)	-	-	
12	Breast and Cervical Cancer Screening true-up	(180,000)	-	-	-	-	-	(180,000)	-	-	
13	CARE Assist true-up	(2,000,000)	-	-	-	-	-	(2,000,000)	-	-	
14	Use TMSA to fund OHP	-	-	(3,564,100)	-	-	-	(3,564,100)	-	-	
15	TURA forecast - May 2017	-	-	1,147,000	-	-	-	1,147,000	-	-	TPEP at \$16.3 m for 17-19
											Beaches Environmental Assessment & Coastal Health Act
16	Move EPA BEACH grant to DEQ	-	-	-	(322,000)	-	-	(322,000)	-	-	
17	Administrative reductions	(2,043,637)	-	(765,911)	(861,834)	-	-	(3,671,382)	-	-	
18	True up limitation	-	-	(19,461,952)	(27,512,781)	-	-	(46,974,733)	-	-	
19	Technical adjustments and transfers	(50,957)	-	776,892	-	-	-	725,935	-	-	
20	Pkg 812: Vacant Position Elimination	-	-	(1,989,814)	(845,971)	-	-	(2,835,785)	(17)	(16.50)	Includes reductions to OMMP
21	Pkg 816: SB 1057 Medical Marijuana	-	-	(2,701,900)	-	-	-	(2,701,900)	2	(7.00)	Eliminates 14 positions after 1 year
22											
23	<b>Total Adjustments from CSL</b>	<b>12,300,406</b>	<b>-</b>	<b>(37,707,339)</b>	<b>(34,607,956)</b>	<b>-</b>	<b>-</b>	<b>(60,014,889)</b>	<b>(11)</b>	<b>(19.25)</b>	
24											
25	<b>TOTAL 2017-19 Recommended Budget</b>	<b>57,418,481</b>	<b>-</b>	<b>150,322,819</b>	<b>237,164,476</b>	<b>40,000,000</b>	<b>102,729,051</b>	<b>587,634,827</b>	<b>749</b>	<b>732.16</b>	
26											

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
27	Change from 2015-17 Approved	17,556,900	-	(33,021,398)	(28,956,971)	-	-	(44,421,469)	(40)	(33.06)
28	Change from 2017-19 CSL Estimate	12,300,406	-	(37,707,339)	(34,607,956)	-	-	(60,014,889)	(11)	(19.25)
29	Change from 2017-19 Governor's Budget	13,947,936	-	(41,863,081)	(32,789,597)	-	1,644	(60,703,098)	(15)	(23.50)
30										
31	% Change from 2015-17 Approved	44.0%		-18.0%	-10.9%	0.0%	0.0%	-7.0%	-5.1%	-4.3%
32	% Change from 2017-19 CSL Estimate	27.3%		-20.1%	-12.7%	0.0%	0.0%	-9.3%	-1.4%	-2.6%
33	% Change from 2017-19 Governor's Budget	32.1%		-21.8%	-12.1%	0.0%	0.0%	-9.4%	-2.0%	-3.1%