SB 5526 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Tamara Brickman, Department of Administrative Services
Reviewed By: Laurie Byerly, Legislative Fiscal Office

Department of Human Services
2017-19

Budget Summary*

	2015-17 Legislatively Approved Budget[1]	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				$ Change	% Change
General Fund	$ 2,723,349,217	$ 3,270,198,241	$ 3,102,015,964	$ 378,666,747	13.9%
General Fund Debt Service	$ 3,863,400	$ 4,893,959	$ 4,893,959	$ 1,030,559	26.7%
Other Funds Limited	$ 539,710,476	$ 546,806,345	$ 551,495,145	$ 11,784,669	2.2%
Federal Funds Limited	$ 4,805,209,969	$ 5,279,895,699	$ 5,323,663,179	$ 518,453,210	10.8%
Federal Funds Nonlimited	$ 2,514,345,331	$ 2,214,345,331	$ 2,214,345,331	$ (300,000,000)	(11.9%)
Total	$ 10,586,478,393	$ 11,316,139,575	$ 11,196,413,578	$ 609,935,185	5.8%

Position Summary

Authorized Positions	8,053	8,238	8,224	171	
Full-time Equivalent (FTE) positions	7,902.39	8,164.88	8,080.44	178.05	

Emergency Board

	2015-17 Legislatively Approved Budget[1]	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				$ Change	% Change
General Fund	$ -	$ -	$ 750,000	$ 750,000	100.0%
Total	$ -	$ -	$ 750,000	$ 750,000	100.0%

[1]Includes adjustments through June 2017
* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of Human Services (DHS) is funded with a mix of General Fund, Other Funds and Federal Funds revenues. Almost all the General Fund is used as match or to meet state maintenance of effort requirements to receive Federal Funds. Other Funds revenues come from a wide variety of sources, such as nursing home provider taxes, child care development funds, grants, unitary tax assessment, collections of overpayments, estate collections, third party recoveries, fees and charges for services.

The largest single Federal Funds source is the Title XIX Medicaid program, which is expected to supply at least $3.8 billion to support programs across the agency. The Supplemental Nutrition Assistance Program (SNAP) is the next largest federal contributor; $2.2 billion in estimated benefits are reflected in the budget as Nonlimited Federal Funds. Other Federal Funds subject to expenditure limitation include Temporary Assistance to Needy Families (TANF); Title IV-B Child Welfare Services; Title IV-E Foster Care and Adoption Assistance; Title XX Social Services

Block Grant; Developmentally Disabled Services Act (DDSA) funds; Family Violence Prevention grant funds; Older Americans Act funds; Nutrition Services Incentive Program (NSIP) funds; Rehabilitation Act grants; and Basic 110, Section 633, and Section 711 Rehabilitation funds. Some of these sources are capped block grants (e.g., TANF, Social Services Block Grant); others provide federal matching funds as partial reimbursement of state costs (e.g., Medicaid, Foster Care, and Adoption Assistance).

Federal Child Care and Development Fund (CCDF) grants are received by the Oregon Department of Education and passed through to the department where they are spent as Other Funds in the Employment Related Day Care program; $97.0 million in CCDF is anticipated for DHS use in 2017-19.

Three major methodologies are used to project revenues for the department: 1) the category of expenditures based on estimated Average Daily Populations (ADP) and Cost per Case (CPC) is primarily used for federal entitlement grants, 2) grant cycles and where they fall within the biennium are considered for block grants; assumptions based on the results of prior grant averaging and the anticipated effect of the federal budget process are both used to project the amount of funds to be received, and 3) the historical receipt trends method is used for Other Funds sources such as collections of overpayments and fees unless the agency has additional information, such as anticipated special projects, which would increase revenue or a temporary need for additional staff and will change the projections for a specific time period.

The Subcommittee noted the budget authority and revenue projections are based on current law and do not reflect potential adjustments to federal programs and funding streams presently being discussed at the federal level. Many of these proposals would directly affect DHS' ability to provide food assistance and to support programs helping seniors and people with disabilities.

Summary of Human Services Subcommittee Action

The mission of DHS is to help Oregonians, in their own communities, achieve safety, well-being and independence through services that protect, empower, respect choice and preserve dignity. DHS is responsible for the care of some of Oregon's most vulnerable citizens – children, families, people with intellectual and developmental disabilities and seniors. DHS also serves Oregonians at times when they are most in need – when they have experienced abuse, when they are hungry and when they are homeless.

DHS's budget is divided into five distinct programs areas: Child Welfare, Self Sufficiency, Vocational Rehabilitation, Aging and People with Disabilities and Intellectual/Developmental Disabilities. These program areas are supported by Central Services, Shared Services and Program Design Services; the budget includes a reorganization of this last support area, which eliminates the budget unit going forward.

The Subcommittee approved a budget of $3,106,909,923 General Fund, $551,495,145 Other Funds expenditure limitation, $5,323,663,179 Federal Funds expenditure limitation, $2,214,345,331 Federal Funds Nonlimited ($11,196,413,578 total funds) and 8,224 positions (8,080.44 FTE). This is a 5.8 percent total funds increase from the 2015-17 Legislatively Approved Budget. To develop the budget, the Subcommittee discussed and reviewed packages used to build the Governor's Budget, examined stakeholder budget requests, and incorporated the agency's repricing ("reshoot") adjustments for caseload, cost-per-case, and other changes since budget development began in early 2016. Caseload and associated cost adjustments are based on the Spring 2017 forecast. Also included in the Subcommittee's recommended budget are 2015-17 interim actions that have an impact on the agency's 2017-19 budget.

After holding public hearings on the agency's programs and reviewing budget information, the Subcommittee identified three priority areas for action and follow up during the interim. A budget note was subsequently approved to ensure routine communication and formal opportunities for Legislative feedback:

Budget Note
The Department of Human Services (DHS) will provide interim reports to the Legislature on the three topics outlined below; the agency may choose to submit either combined or separate status reports but should be consistent in approach once reporting has begun, unless otherwise instructed. Reports will be submitted for review and approval at each meeting of the appropriate interim budget committee (either Joint Committee on Ways and Means or Emergency Board) throughout the 2017-19 interim; an update during the 2018 legislative session may also be requested by either the agency or budget committee.

1. **Child Welfare** - This program has been struggling to meet legislative and stakeholder expectations around child safety, provider oversight, policy alignment, program performance, and system accountability. To help address this struggle, the recommended budget does contain funding and positions to help support the program, with a focus on foster parents, other providers, and agency caseworkers. However, for the latter group, there continues to be legislative concern that more training and positions alone will not be sufficient to improve agency performance in recruiting, hiring and retaining quality caseworkers. It is also likely that although the new Consultant Educator Trainer (CET) positions are intended to improve safety by providing the clinical consultation and training, the impacts will not be immediate as many of the agency's most experienced casework staff will likely apply for these positions creating the need to backfill those positions with new casework staff that will need to be trained before being fully functioning. Interim reporting is directed to keep the Legislature aware and focused on agency progress in this area.

For the first interim report, the Department will provide information on data and metrics around recruiting, hiring, training and retaining caseworkers, for legislative review and feedback toward developing a uniform reporting framework or dashboard for future meetings. This reporting should include information on staff turnover, such as separation rate and counts, length of service, separation reason and agency strategies to address those reasons. Other related policy, workload, or organizational challenges and potential solutions should also be outlined. In addition, program changes or progress updates coming out of the Unified Child and Youth Safety Implementation Plan process, particularly those associated with potential budget needs or adjustments, should also be covered in the report.

2. **Intellectual and Developmental Disabilities** - The recommended budget includes a generic program reduction of $12 million General Fund in lieu of more specific actions to curb program costs. While the Department has been working on sustainability options to offset program growth (primarily driven by the Community First Choice Option or "K Plan") over the past two years, the results of that work has been met with a lukewarm response by the Legislature. Recently, it appears there might be other, more tenable program modification alternatives that would, however, require additional time to develop with and receive approval from the federal Medicaid authority. DHS is directed to pursue these alternatives, take management actions to suppress program spending, and implement the new assessment/planning process currently under development, no later than June 1, 2018. At each interim meeting, the Department will provide a status update on both these efforts and the program's budget.

The program is hoping to achieve budget savings without having to make changes to the "parental income disregard" or other eligibility criteria. However, if the target cannot be met by other actions, the program should consider and bring forward eligibility changes for legislative review and approval during the 2017-19 biennium. In addition, prior to taking any action that would close state operated residential facilities, the Department will report on its plan for that closure at the appropriate interim meeting; along with budget impacts, the report will include a description of how the closure will affect residents, providers, and employees.

3. **Position Management** - DHS is directed to accelerate the agency's current effort to improve position management practices; these have typically relied heavily on double filling positions and using funding from holding positions vacant to cover the double fill costs. While perhaps expedient from a program perspective, this approach makes it difficult to externally assess or validate how many positions should be approved in the budget, to calculate any gap between a position's funding versus actual cost and to determine if a vacant position is no longer needed. It is also not consistent with truth in budgeting and makes it challenging to set baselines for cost containment strategies, budget growth metrics or program capacity analyses.

At a minimum, at each interim meeting, the Department will report on progress, by program, in reducing the number of double filled and vacant positions, along with providing an update on its plan for resolving double fills and cleaning up vacant positions over the next two years. It is anticipated the agency will need to work through both the administrative position change (permanent finance plan) and legislative position change (rebalance or policy package action) processes to complete the project.

As of June 1, 2017, DHS had 494 double filled positions, 814 vacant positions and 7,767 employees.

Program Design Services

During the 2013-15 biennium, certain staff in each program were consolidated into a single agency-wide budget structure called Program Design Services (PDS). The following offices were set up in the new structure: Licensing and Regulatory Oversight, Information Technology Business Supports, Business Intelligence and Program Integrity. Since that time, the agency has determined some of these functions would be more effective if embedded in the programs; the resulting reorganization is expected to improve client safety and responsiveness to provider oversight issues.

The Subcommittee approved a complete reorganization of this division, which fully redistributes the program to other budget structures, and thus no funding or positions are recommended for PDS. The Subcommittee's budget eliminates this division through a combination of actions in Package 095, December 2016 Rebalance, and Package 801, LFO Analyst Adjustments. Positions (and their commensurate funding) were transferred as outlined in the table below:

FROM:	Licensing and Regulatory Oversight		Information Technology Business Supports		Business Intelligence		Program Integrity		Total	
	POS	FTE	POS	FTE	POS	FTE	POS	FTE	POS	FTE
	(113)	(113.00)	(37)	(37.00)	(26)	(26.00)	(39)	(39.00)	(215)	(215.00)
TO:										
Aging and People with Disabilities	87	87.00	9	9.00	-	-	-	-	96	96.00
Intellectual and Developmental Disabilities	17	17.00	12	12.00					29	29.00
Child Welfare	9	9.00							9	9.00
Central Services			15	15.00	26	26.00	39	39.00	80	80.00
Shared Services			1	1.00					1	1.00
								Total	215	215.00

The reorganization maintains centralized efforts for Business Intelligence and Program Integrity, but moves them into the Central Services budget structure. Central Services will also house some of the resources formerly in Information Technology Business Supports (ITBS); now called the Office of Technology and Information Supports. This unit consists of business analysts and other staff supporting the agency's enterprise level, cross-program systems or projects such as ONE Integrated Eligibility and Medicaid Eligibility. The other business analyst positions from ITBS were supporting systems specific to the Aging and People with Disabilities (APD) and the Intellectual and Developmental Disabilities (IDD) programs and transfer to those areas.

The program-related Licensing and Regulatory Oversight positions and associated expenditures, including contracts for the Oregon Board of Nursing and the Oregon State Fire Marshall, are moved to the appropriate program: APD, IDD, or Child Welfare. Other changes approved by the Subcommittee include reducing all other differential costs by $2.5 million General Fund and moving the Mass Transit tax expenditure from PDS to the State Assessments and Enterprise-wide Costs (SAEC) program to recentralize the expenditures for Mass Transit within that budget structure.

Self Sufficiency Programs

Self Sufficiency Programs (SSP) provide assistance for low-income families to help them meet critical needs, while helping them become self-supporting. The major programs in this area are: Supplemental Nutrition Assistance Program (SNAP); Temporary Assistance to Needy Families (TANF); Employment Related Day Care (ERDC); the Refugee Program; and Youth Services.

DHS administers these programs through coordination and collaboration with families and individuals, as well as community partners and through direct services provided by state staff. Field staff provides program services and benefits to clients through more than 100 field and branch offices throughout the state.

General Fund supports 11.2 percent of this budget, Other Funds 3.2 percent, and Federal Funds 85.6 percent. The major source of Other Funds is federal Child Care Development Fund dollars transferred from the Department of Education for the Employment Related Day Care program. The budget also includes child support recoveries and client trust account funds from client resources, such as federal Supplemental Security Income disability payments. Overpayment recovery revenues are also used to offset General Fund.

Funding for SNAP benefits is the single largest source and use of Federal Funds in SSP. SNAP benefits are projected at $2.2 billion for the 2017-19 biennium. Federal Funds also help pay for program administrative costs on a 50.0 percent state/50.0 percent federal basis. Other Federal Funds come from capped or formula-based block grants, payments for partial reimbursement of eligible state costs and miscellaneous grants for specific amounts and purposes. Oregon receives a base federal TANF block grant, which pays for cash assistance, JOBS services, child care and other self-sufficiency programs, as well as child welfare services such as foster care and residential care.

The Subcommittee approved budget for SSP is $345,563,959 General Fund, $100,235,704 Other Funds limitation, $440,852,155 Federal Funds limitation, $2,214,345,331 Federal Funds Nonlimited ($3,100,997,149 total funds) and 2,049 positions (2,048.63 FTE). This is an 8.6 percent total funds decrease from the 2015-17 Legislatively Approved Budget; while there are some reductions in the budget, the decrease is mostly attributable to a continued decline in the TANF caseload due to improvements in the economy and employment market since the last recession.

The Subcommittee approved a Revenue Shortfall package (Package 070), which decreased the 2017-19 current service level by $9.2 million Other Funds. This reflects a lower transfer-in of Child Care Development Funds (CCDF) from the Oregon Department of Education (ODE) than what is budgeted for the 2015-17 ERDC program and is equivalent to the loss of about 500 cases. This same amount of CCDF is restored in another action due to the availability of funds unspent in 2015-17; however, it is not enough to offset General Fund reductions due to statewide funding constraints.

Other approved actions include the transfer of a position from Child Welfare into Self Sufficiency, and the transfer of several Electronic Benefit Transfer (EBT) positions from APD to Self Sufficiency, for a net gain of six positions (6.00 FTE) within SSP. These are part of the December 2016 Rebalance (Package 095).

Finally, the Subcommittee approved increasing vacancy savings (hiring slowdown) by three percent, reducing services and supplies by three percent, carrying forward $20 million in one-time TANF Federal Funds to expend in place of General Fund in 2017-19, moving mass transit tax expenditures from SSP to SAEC (occurring in every program to recentralize these costs), and transferring three positions from Legal and Client Relations Office (LCRO) into SSP.

Other changes include adjustments for caseload and cost per case changes, which reflect about $60 million in lower projected General Fund costs between the Fall 2016 and Spring 2017 caseload forecasts. For TANF, 2017-19 average caseload projection decrease by more than 3,000 families between forecasts. A policy change saving $3.4 million General Fund in the TANF program was also approved; Non-Needy Caretaker Relative income will now count in the eligibility calculation, which will reduce or eliminate grants for some families. Regarding TANF, the budget assumes ongoing suspensions to certain TANF requirements put in place via HB 2469 (2007). These program components have set aside for multiple biennia, due to both funding issues and other programs that have evolved over time. The Subcommittee encouraged the agency to review the TANF statutes to see if modifications streamlining or better aligning with current practice should be developed for the 2019 legislative session. More specifically, the HB 2469 (2007) suspensions should be examined for a more permanent approach and for consistency with more recent law changes - known as TANF reinvestment - enacted under HB 3535 (2015).

The approved budget reduces ERDC by $11.7 million General Fund, which equates to about 650 cases. This is in addition to 500 cases lost due to fewer federal dollars being available for the program. Another $9.2 million General Fund is pulled from the program on a one-time basis and backfilled with CCDF carryforward from the 2015-17 biennium. Overall, while the program is 11 percent below current service level, it is still expected to serve about 8,900 families in 2017-19.

The total transfer-in for CCDF is estimated at $97.0 million; while these dollars primarily fund ERDC subsidies, $2.7 million of the funding will also support the Teen Parent child care subsidy program, which is moving from ODE to DHS effective January 1, 2018. Another program providing child care to parents while they participate in alcohol and drug treatment programs is also being shifted to DHS, but there is no funding coming with it since recent federal rule changes around CCDF usage do not appear to mesh with the intermittent nature of these services. The historical biennial program cost has been about $1.4 million. The department believes there is a path to continue serving these families through similar programs or by using other funding sources; determining this will require additional analysis and research. Due to concerns about the outcome of the work, the Subcommittee approved the following budget note:

Budget Note
The Department of Human Services is directed to report to the Interim Joint Committee on Ways and Means during Legislative Days in November 2017 on its findings regarding the transition of the Alcohol and Drug Program child care services from the Early Learning Division to the Department. The report should include the adequacy of agency resources to support the program, additional funding needed to account for any resource gaps, a description of the services to be provided, and the number of families expected to be served.

Child Welfare
Child Welfare (CW) program services are provided to children reported to be abused or neglected and families who are impacted by abuse dynamics; typically, substance abuse and domestic violence. DHS is required by statute to assess reports of alleged child abuse or neglect, complete comprehensive safety assessments of children, assess parent or caregiver capacity to protect and determine whether child abuse or neglect has occurred. Primary funding for CW programs (including Child Safety, Well Being, and Permanency) consists of General Fund and various federal resources derived from the United States Department of Health and Human Services.

The Subcommittee approved budget is $553,248,129 General Fund, $28,136,610 Other Funds limitation, $490,146,539 Federal Funds limitation ($1,071,531,278 total funds) and 2,745 positions (2,686.79 FTE). This is an 11.3 percent total funds increase from the 2015-17 Legislatively Approved Budget.

Adjustments approved as part of the DHS December 2016 Rebalance (Package 095) include moving a position (1.00 FTE) from Child Welfare to Self Sufficiency; and reclassifying/realigning positions within the program to help improve policy and field support for foster care services. These actions result in a net zero funding change and a net abolishment of seven positions (7.00 FTE). The Subcommittee also approved an increase in rates for foster parents (Package 108), which should increase the base rate by an average of 14.0 percent on January 1, 2018. In Package 109, the Subcommittee approved an update to the rate model for the Behavioral Rehabilitation Services (BRS) program, including an increase in rates for BRS providers (a net average increase of 16 percent) to address inflationary cost increases in this program beginning July 1, 2017.

The Subcommittee approved a General Fund appropriation (Package 110) to the department to be used as a block grant to pay the Oregon Department of Justice to represent caseworkers in child dependency cases. This investment is consistent with one of the recommendations from the Interim Task Force on Legal Representation in Childhood Dependency and is expected to improve both the legal process and caseworker workload, job satisfaction and retention.

In connection with SB 102 (2017), the Subcommittee approved, Package 113, which appropriates $3.3 million General Fund to meet federal requirements by transferring these funds into the new account established by Senate Bill 102. The bulk of these funds, based on savings reported for federal fiscal years 2016 and 2016, will be used to establish a child care stipend to assist working foster parents.

In Package 801, LFO Adjustments, the Subcommittee approved several modifications to the CW budget, which include: associated with caseload and cost per case changes from the Spring 2017 forecast, an increase of $1.9 million General Fund ($3.9 million total funds); reducing services and supplies; moving the Mass Transit tax payment to the SAEC program; not backfilling $9.9 million General Fund for flat funded Federal grants; adjusting for the new Federal Medicaid Assistance Percentage (FMAP) rate, which determines the federal share of eligible program expenditures and saves $1.0 million General Fund; assuming a three percent vacancy rate (hiring slowdown), which saves $8.3 million General Fund; transferring in nine positions (9.00 FTE) from ORLO; transferring one position out to SSP (1.00 FTE); and making some technical adjustments to clean up positions and correct budget entries.

The Subcommittee approved the addition of 50 Consultant, Educator, Trainer (CET) positions (44.00 FTE) totaling $6.5 million General Fund ($9.3 million total funds) to provide training, role playing and hands on support of child welfare frontline workers (Package 802, Other Child Welfare Needs). In the same package, the Subcommittee added $2.3 million General Fund to mitigate against the three percent vacancy savings (hiring slowdown) assumptions to assist the agency in filling its most critical vacancies. Also, related to workforce structure and capacity, the Subcommittee approved an adjustment to the current service level staffing model, which allows for fewer positions, but for a longer period. This change frees up $6.1 million General Fund for other budget needs (Package 801).

Additionally, in Package 802, the Subcommittee approved $1.0 million General Fund for workforce professional development and $2.0 million General Fund for supervisor training. DHS is expected to report on its plan for these efforts as part of the required interim reporting on Child Welfare and, where possible, the program will maximize federal funding for these initiatives. The Subcommittee’s recommendation also includes $0.3 million General Fund ($0.4 million total funds) and one limited duration position (0.50 FTE) to support the requirements of SB 243 (2017).

SB 5526 includes a section establishing a $750,000 General Fund appropriation to the Emergency Board for foster parent supports; the Subcommittee expects the agency to request these funds when it has worked with stakeholders to determine the highest need/best use for the dollars.

Vocational Rehabilitation

Vocational Rehabilitation (VR) works with businesses, schools and community programs to assist youth and adults with disabilities (other than blindness) to obtain, maintain or advance in employment.

The Subcommittee approved budget is $29,129,564 General Fund, $2,331,562 Other Funds limitation, $81,820,748 Federal Funds limitation ($112,741,874 total funds) and 259 positions (258.25 FTE). This is a 1.8 percent increase in total funds from the 2015-17 Legislatively Approved Budget.

The budget includes a technical adjustment to correct a keying error; $2.1 million General Fund for 11 positions (11.00 FTE) are moved from IDD back to VR, as part of the agency's December 2016 rebalance (Package 95). These are positions associated with a 2015 policy package that added resources to improve employment outcomes for people with intellectual and developmental disabilities; the positions were rekeyed into the wrong program during 2017-19 current service level development. As with other programs, the Subcommittee approved a reduction in services and supplies, a three percent increase in the assumed vacancy rate (hiring slowdown), and movement of the Mass Transit tax payment to the SAEC program (Package 801). This package also expends $4.9 million Federals Funds, from one-time reallotment dollars, in lieu of General Fund; although these funds are one-time in nature the agency has been successful in repeatedly drawing down these funds in recent biennia. The elimination of two long-term vacant positions (2.00 FTE) is approved in Package 812, Vacant Position Elimination.

Aging and People with Disabilities

The Aging and People with Disabilities (APD) program assists seniors and people with disabilities of all ages to achieve well-being through opportunities for community living, employment, family support and services that promote independence, choice and dignity. APD administers Oregon's Medicaid long-term care program primarily under the Community First Choice Option (K Plan) under Section 1915(k) of the Social Security Act. Oregon Project Independence (OPI) provides in-home services outside of the Medicaid program. Federal Older American Act services include help with abuse prevention, caregiver supports, medication management, nutrition services, legal issues and other services.

The Subcommittee approved a $3,547,218,226 total funds budget, which is 14.7 percent higher than the 2015-17 Legislatively Approved Budget. The budget contains $1,030,457,768 General Fund, $227,622,469 Other Funds limitation, $2,289,137,989 Federal Funds limitation and 1,452 positions (1,388.21 FTE).

Tied to the PDS reorganization, the Subcommittee's approval includes $10.2 million General Fund ($28.0 million total funds) for the transfer of 83 positions (83.00 FTE) licensing and regulatory positions, as part of the agency's December 2016 rebalance (Package 95). As with other programs, the Subcommittee approved: reducing services and supplies; a three percent increase in the assumed vacancy rate (hiring slowdown), allowing $3.0 million General Fund to be repurposed for other budget needs; moving the Mass Transit tax payment to the SAEC program; not backfilling $0.6 million General Fund for flat funded Federal grants; adjusting for the new Federal Medicaid Assistance Percentage (FMAP) rate, which determines the federal share of eligible program expenditures, saving $7.8 million General Fund. The Subcommittee also approved the transfer of nine positions (9.00 FTE) from PDS into APD; and a correction to the funding split for the General Assistance program (Package 801).

The Subcommittee, in Package 801, also approved reshoot adjustments to account for caseload growth and cost per case changes based on the spring 2017 forecast. Savings in Community Based Care (CBC) and In Home programs help offset other costs, including a rate increase specifically for Assisted Living, Residential Care, Memory Care and In-home agency providers at $17.1 million General Fund ($56.2 million total funds). In the nursing facilities program, $13.8 million in one-time Other Funds (long-term care facility assessment carryforward revenues) cover most of a reshoot gap of $15.3 million General Fund ($49.8 million total funds) to cover caseload increases and set the nursing facility rate per the statutory methodology. The daily rate for year one rate is set at $301.70 (7.3 percent increase), with the year two rate estimated to be $320.40.

To finish the project and move to training/operations for the Centralized Abuse Management (CAM) system, the Subcommittee approved $1.7 million General Fund (plus $2 million from remaining bond proceeds) and two full-time, permanent positions (1.50 FTE); an operations and policy analyst and one trainer (Package 102).

The Subcommittee approved an adjustment to the current service level staffing workload model that shifts position start dates out further into the biennium. Twelve positions are removed from the model and used to create 6 positions (5.28 FTE) to catch up and keep up with facility surveys and corrective action work (Package 801).

Current service level also includes an ongoing caregiver training initiative, at a cost of $3.4 million General Fund. The Subcommittee approved this expenditure and expects the agency will continue its relationship with Oregon Care Partners to deliver this training. Since it began in 2013-15, the program has provided training to more than 11,800 individuals; participants include family caregivers, public safety workers, volunteers and employees of various care facilities.

The Subcommittee approval (Package 801) also contains the following reductions or projected cost savings:

- Eliminating the live in program effective October 1, 2017. The program has been phasing out over the last biennium due to high costs resulting from federal overtime rule changes. This action reduces the budget by $4.5 million General Fund ($14.8 million total funds).

- Capturing an estimated four percent caseload reduction expected to occur from strengthening the assessment used to determine an individual's level of service need. This action reduces the budget by $10.0 million General Fund ($31.0 million total funds).

- Reducing hours of care authorized once updated timings are implemented based on a recent time study indicating that task times need to be both increased and decreased, but will ultimately result in a net reduction of hours. This assumption is expected to result in $12.5 million General Fund ($40.5 million total funds) being eliminated.

- Eliminating the discontinued Home Care Choice program, which reduces the budget by close to $1 million General Fund ($16.4 million total funds) and five positions (5.00 FTE).

Intellectual and Developmental Disabilities

The Intellectual and Developmental Disabilities (IDD) program area serves children and adults with intellectual and developmental disabilities throughout their life span. This program's mission is to help individuals be fully engaged in life and, at the same time, address any critical health and safety needs. The state, counties, brokerages, providers, families and self-advocates are all critical parts of Oregon's Developmental Disabilities service system that focuses on individuals with IDD, living in the community and having the best quality of life at any age. All clients are served in the community and most of these services are administered under Medicaid waivers.

General Fund makes up 32.6 percent of the IDD budget, with most of the General Fund used to match federal Title XIX Medicaid dollars. Other Funds revenue supports 1.0 percent of the overall budget, coming primarily from clients' contributions towards their care. Federal matching funds for the Medicaid program are determined by the FMAP rate, which determines the federal share of eligible program expenditures. The program match rate changes each federal fiscal year.

The Subcommittee approved budget is $886,869,630 General Fund, $27,960,269 Other Funds limitation, $1,809,055,259 Federal Funds limitation ($2,723,885,158 total funds) and 903 positions (902.00 FTE). This is a 17.0 percent total funds increase from the 2015-17 Legislatively Approved Budget.

As part of the December 2016 Rebalance (Package 095), the Subcommittee approved $2.2 million General Fund ($4.5 million total funds) for the transfer of 18 positions (18.00 FTE) from other areas, primarily licensing and regulatory positions from PDS; correcting positions and keying errors related to position movements; and updating the PERS rate for Stabilization and Crisis Unit (SACU) staff - these employees receive a higher rate due to police and fire level benefits authorized by HB 2618 (2015). As with other programs, the Subcommittee approved: reducing services and supplies; a three percent increase in the assumed vacancy rate (hiring slowdown), allowing $1.8 million General Fund to be repurposed for other budget needs; moving the Mass Transit tax payment to the SAEC program; adjusting for the new Federal Medicaid Assistance Percentage (FMAP) rate, which determines the federal share of eligible program expenditures and saving $13.0 million General Fund.

The Subcommittee also: increased General Fund ($3.3 million) related to the Medicaid participation rate for County Developmental Disability Programs (CDDP) and Brokerages as fewer individuals are projected to be eligible for Medicaid; approved the transfer of 13 positions (13.00 FTE) from both PDS and APD into IDD; removed unfunded positions and expenditures related the Developmental Disability Council; and corrected employee representation codes in SACU (Package 801).

The Subcommittee, in Package 801, approved reshoot adjustments to account for caseload growth and cost per case changes based on the spring 2017 forecast. While the reshoot request contained $20.8 million General Fund ($43.2 million total funds) to update CDDP and Brokerage workload models, the recommended budget funds this component at $5.8 million General Fund. Overall, including a current service increase, these entities will receive an increase of $21.3 million General Fund ($50.5 million totals fund) over the 2015-17 level; CCDPs and Brokerages will still be able to add staff to help with workload demands.

The budget approved by the Subcommittee also contains the following program reductions in Package 801:

- Eliminating regional programs ($4.1 million General Fund, $7.1 million total funds) supporting crisis services. With the shift to the K Plan, clients are more likely to already be receiving services decreasing the need for crisis placements. The program may have to reprioritize internally to fill service gaps if this trend does not materialize.

- Reducing the family support program by half ($1.3 million General Fund). This action could affect approximately 500 children and their families.

- Capping bed hold payments at 21 days, instead of 45. This action saves $1.0 million General Fund.

- Decreasing the budget by $2.2 million ($4.7 million total funds) based on an effort to review inactive client records and remove clients from the caseload, if they no longer need services.

- Reducing $12.0 million General Fund ($24.0 million total funds) through implementing a new assessment tool and other actions helping curb cost growth. These efforts will be reported on as part of the agency's budget note on interim reporting.

The Subcommittee approved $13.5 million General Fund ($45.5 million total funds) to increase provider rates by five percent effective October 1, 2017.

Central Services, Shared Services, State Assessments and Enterprise-Wide Costs

Central Services includes functions directly related to policy and program, in the agency, such as the Director's Office, communications, portions of budget and human resources, and the Governor's Advocacy Office. With the approved PDS reorganization action, it also contains the Business Intelligence, Program Integrity, and Technology and Information Supports offices.

Shared Services provides several support functions, including information technology, financial services, budget, human resources, facilities, and procurement. Some of these functions are housed in the Oregon Health Authority (OHA) and some in DHS, but all shared services units support both agencies. The two agencies have a joint governance model under which service-level agreements define the relationship between the agency providing the service and the agency receiving the service. Shared Services funding is all Other Funds, based on revenues received from other parts of DHS and from OHA for purchased services. DHS' Shared Services budget includes the Shared Services Administration; Budget Center; Office of Forecasting, Research and Analysis; Office of Financial Services; Office of Human Resources; Office of Facilities; Office of Imaging and Records Management; Office of Contracts and Procurement; Internal Audit and Consulting Unit; Office of Payment Accuracy and Recovery; Rules Coordinator; and the Office of Adult Abuse Prevention and Investigations.

SAEC contains statewide assessments including various Department of Administrative Services' assessments/charges (e.g., State Data Center, Risk Management, Chief Financial Office), Central Government Services Charges, Oregon State Library and Secretary of State audits. It also includes the budgets for rent, debt service and computer replacements.

For these three programs, the Subcommittee approved a budget of $261,640,873 General Fund, $165,208,531 Other Funds expenditure limitation, $213,190,489 Federal Funds limitation ($640,039,893 total funds) and 816 positions (796.56 FTE). This is a 10.1 percent total funds increase from the 2015-17 Legislatively Approved Budget. A large portion of this increase is due to an agency reorganization and the movement of 80 positions (80.00 FTE) from the PDS program (being eliminated) into Central Services.

The Subcommittee approved Package 095, December 2016 Rebalance, which accounts for the movement of positions between programs in the agency and increased costs for telecommunications and APD Waiver Case Management. As with other programs, the Subcommittee approved: reducing services and supplies; a three percent increase in the assumed vacancy rate (hiring slowdown), allowing $1.6 million General Fund to be repurposed for other budget needs; recentralizing the Mass Transit tax payment to the SAEC program; not backfilling General Fund for flat funded Federal grants; and correcting the funding related to positions (Package 801).

Additionally, in Package 801, the Subcommittee: reduced the Oregon Enterprise Data Analytics program by 2.61 FTE (1.0 million total funds), leaving a total of nine positions between DHS and the Oregon Health Authority (OHA); reduced funding ($0.6 million total funds) for DHS Shared Services Payments to OHA as a result of information technology positions being transferred from OHA to the Department of Administrative Services for a centralized Information Security program; and increasing total funds by $25.8 million total funds for the transfer of 80 positions (80.00 FTE) from PDS to Central Services.

In Shared Services, to finish the project and move to training/operations for the Centralized Abuse Management (CAM) system (Package 102) the Subcommittee approved $0.2 million General Fund ($0.3 million total funds) and one position (0.75 FTE). In SAEC, $3.7 million General Fund ($5.8 total funds) increase was approved to address higher costs related to Enterprise Technology Services (ETS) received from the Department of Administrative Services, however, this amount was reduced from the amount DHS requested (Package 801).

An additional $1.2 million General Fund was approved to cover anticipated billings from the Secretary of State for performance audits. Federal rule changes no longer allow federal dollars to be used for this purposes, however, Federal Funds can still cover financial audits related to federally funded programs (Package 801).

Between Central and Shared Services (Package 812), the Subcommittee eliminated fourteen vacant positions (14.00 FTE), which results in saving $0.8 million General Fund ($2.3 million total funds).

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services
Tamara Brickman -- (503) 378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
2015-17 Legislatively Approved Budget at June 2017 [(1)*]	$ 2,727,212,617	$ -	$ 539,710,476	$ -	$ 4,805,209,969	$ 2,514,345,331	$ 10,586,478,393	8,053	7,902.39
2017-19 Current Service Level (CSL)*	$ 3,275,092,200	$ -	$ 546,806,345	$ -	$ 5,279,895,699	$ 2,214,345,331	$ 11,316,139,575	8,238	8,164.88
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 010-55 - Program Design Services									
Package 095 December 2016 Rebalance									
Transfer Positions from OLRO to APD	$ (10,065,310)	$ -	$ (1)	$ -	$ (14,711,946)	$ -	$ (24,777,257)	(87)	(87.00)
Transfer Positions from OLRO to IDD	$ (2,058,670)	$ -	$ (10,105)	$ -	$ (2,249,926)	$ -	$ (4,318,701)	(17)	(17.00)
Move OBN and Fire Marshal Contracts to APD	$ (161,050)	$ -	$ (1,385,878)	$ -	$ (1,992,399)	$ -	$ (3,539,327)		
Package 801 LFO Analyst Adjustments									
Reorganization									
From ITBS to APD	$ (1,858,350)	$ -	$ (4,730)	$ -	$ (46,440)	$ -	$ (1,909,520)	(9)	(9.00)
From ITBS to IDD	$ (2,425,226)	$ -	$ (927)	$ -	$ (61,920)	$ -	$ (2,488,073)	(12)	(12.00)
From ITBS to Central Services	$ (7,915,733)	$ -	$ (44,675)	$ -	$ (2,721,544)	$ -	$ (10,681,952)	(15)	(15.00)
From ITBS to Shared Services	$ (216,918)	$ -	$ -	$ -	$ -	$ -	$ (216,918)	(1)	(1.00)
From Business Intelligence to Central Services	$ (4,002,838)	$ -	$ (173,695)	$ -	$ (3,204,130)	$ -	$ (7,380,663)	(26)	(26.00)
From Program Integrity to Central Services	$ (4,132,466)	$ -	$ (53,393)	$ -	$ (3,543,066)	$ -	$ (7,728,925)	(39)	(39.00)
From OLRO to Child Welfare	$ (1,073,444)	$ -	$ (139)	$ -	$ (966,741)	$ -	$ (2,040,324)	(9)	(9.00)
Mass Transit Recentralization	$ (132,021)	$ -	$ (1,569)	$ -	$ -	$ -	$ (133,590)		
Reduce all other differential	$ (2,500,000)	$ -	$ -	$ -	$ -	$ -	$ (2,500,000)		
SCR 060-01 - Self Sufficiency - Program									
Package 070 Revenue Shortfall	$ -	$ -	$ (9,183,772)	$ -	$ -	$ -	$ (9,183,772)		
Package 095 December 2016 Rebalance									
Position Transfers	$ 528,081	$ -	$ -	$ -	$ 503,273	$ -	$ 1,031,354	6	6.00
Package 801 LFO Analyst Adjustments									
Caseload forecast/cost per case	$ (59,993,464)	$ -	$ -	$ -	$ -	$ -	$ (59,993,464)		
Reorganization	$ 579,082	$ -	$ 8,458	$ -	$ 443,684	$ -	$ 1,031,224	3	3.00
Mass Transit Recentralization	$ (619,916)	$ -	$ (2,364)	$ -	$ -	$ -	$ (622,280)		
Reduce Services & Supplies by 3%	$ (372,894)	$ -	$ (4,620)	$ -	$ (562,925)	$ -	$ (940,439)		
Vacancy Savings @ 3%	$ (3,047,913)	$ -	$ (21,882)	$ -	$ (3,892,899)	$ -	$ (6,962,694)		
Apply TANF Carryforward	$ (20,000,000)	$ -	$ -	$ -	$ 20,000,000	$ -	$ -		
TANF Count NNCR income	$ (3,413,214)	$ -	$ -	$ -	$ -	$ -	$ (3,413,214)		
ELD keep 3rd party, move teen parent to DHS	$ -	$ -	$ (355,510)	$ -	$ -	$ -	$ (355,510)		
Move balance of shift to ERDC standard	$ -	$ -	$ 355,510	$ -	$ -	$ -	$ 355,510		
ELD A&D treatment child care to DHS	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
ERDC reduce caseload due to GF constraints	$ (11,716,187)	$ -	$ -	$ -	$ -	$ -	$ (11,716,187)		
ERDC use CCDF carryforward	$ (9,183,772)	$ -	$ 9,183,772	$ -	$ -	$ -	$ -		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SCRs 060-02, 060-03, 060-04, 060-06 - Child Welfare									
Package 095 December 2016 Rebalance									
Position Transfers	$ (208,649)	$ -	$ -	$ -	$ (151,091)	$ -	$ (359,740)	(1)	(1.00)
Position restructure	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(7)	(7.00)
Pkg 108: Family Foster Care Rate Reimbursement									
Rate increase effective 1/1/2018	$ 6,000,000	$ -	$ -	$ -	$ 3,692,070	$ -	$ 9,692,070		
Pkg 109: BRS Rates									
Update rates per model review	$ 2,116,547	$ -	$ -	$ -	$ 3,823,804	$ -	$ 5,940,351		
Pkg 110: Legal Representation in Child Welfare									
Block grant + caseworkers fully represented	$ 6,916,041	$ -	$ -	$ -	$ 12,957,561	$ -	$ 19,873,602		
Pkg 113: Applicable Child Fed Reqs/SB 102									
GF Payment to OF Account; 15-17 savings calc	$ 3,303,810	$ -	$ 3,303,810	$ -	$ -	$ -	$ 6,607,620		
Pkg 801: LFO Analyst Adjustments									
Caseload forecast/Cost per case	$ 1,901,511	$ -	$ 407,106	$ -	$ 1,597,107	$ -	$ 3,905,724		
From OLRO to Child Welfare + 1 pos to SS	$ 861,712	$ -	$ 139	$ -	$ 855,703	$ -	$ 1,717,554	8	8.00
Mass Transit Recentralization	$ (1,038,681)	$ -	$ (6,562)	$ -	$ -	$ -	$ (1,045,243)		
Reduce Services & Supplies by 3%	$ (640,747)	$ -	$ (13,295)	$ -	$ (544,611)	$ -	$ (1,198,653)		
Vacancy Savings @ 3%	$ (8,283,027)	$ -	$ (45,120)	$ -	$ (5,948,406)	$ -	$ (14,276,553)		
Deny GF backfill for capped federal grants	$ (9,909,989)	$ -	$ -	$ -	$ -	$ -	$ (9,909,989)		
FMAP Rate Change	$ (977,800)	$ -	$ -	$ -	$ 977,800	$ -	$ -		
Position clean up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(1)	0.00
Correct FF negative entry	$ (684)	$ -	$ -	$ -	$ 684	$ -	$ -		
Modify CSL staffing increase	$ (6,101,918)	$ -	$ -	$ -	$ (1,225,819)	$ -	$ (7,327,737)	(31)	(40.36)
Pkg 802: Other Child Welfare Program Needs									
Consultant, Educator, Trainer (CET) positions	$ 6,494,170	$ -	$ -	$ -	$ 2,774,980	$ -	$ 9,269,150	50	44.00
Mitigate vacancy savings in the field	$ 2,344,674	$ -	$ -	$ -	$ 1,004,860	$ -	$ 3,349,534		
Professional development	$ 1,000,000	$ -	$ -	$ -	$ -	$ -	$ 1,000,000		
Supervisor Training	$ 2,000,000	$ -	$ -	$ -	$ -	$ -	$ 2,000,000		
SB 243	$ 314,000	$ -	$ -	$ -	$ 134,606	$ -	$ 448,606	1	0.50
SCR 060-07 - Vocational Rehabilitation									
Pkg 095: December 2016 Rebalance									
Fix keying error; positions from IDD to VR	$ 2,143,674	$ -	$ -	$ -	$ -	$ -	$ 2,143,674	11	11.00
Pkg 801: LFO Analyst Adjustments									
Mass Transit Recentralization	$ (40,533)	$ -	$ -	$ -	$ -	$ -	$ (40,533)		
Vacancy Savings @ 3% of Personal Services	$ (305,610)	$ -	$ (12,414)	$ -	$ (1,096,335)	$ -	$ (1,414,359)		
Reduce Services & Supplies by 3%	$ (21,329)	$ -	$ -	$ -	$ (99,667)	$ -	$ (120,996)		
Use federal reallotment dollars (one-time)	$ (4,900,000)	$ -	$ -	$ -	$ 4,900,000	$ -	$ -		
Pkg 812: Vacant Position Elimination	$ (167,823)	$ -	$ (778)	$ -	$ (122,505)	$ -	$ (291,106)	(2)	(2.00)

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SCR 060-08 - Aging and People with Disabilities									
Pkg 095: December 2016 Rebalance									
Move OLRO to APD + other transfers	10,176,299	-	1,364,893	-	16,480,931	-	28,022,123	83	83.00
Pkg 102: Centralized Abuse Management (CAM) System									
Finish project, training, operations & maintenance	1,694,922	-	2,050,000	-	147,945	-	3,892,867	2	1.50
Pkg 801: LFO Analyst Adjustments									
Caseload forecast/Cost per case CBC and in Home	(13,157,570)	-	-	-	(31,248,674)	-	(44,406,244)		
Caseload forecast/Cost per case Nursing Facilities	15,312,793	-	2,988,834	-	31,512,272	-	49,813,899		
Workload model update spring forecast	1,596,671	-	-	-	1,593,483	-	3,190,154	1	1.00
FMAP Rate Change	(7,808,676)	-	(13,518)	-	7,822,194	-	-		
Reorganization (PDS)	1,903,127	-	7,517	-	108,221	-	2,018,865	9	9.00
Mass Transit Recentralization	(350,387)	-	(3,165)	-	-	-	(353,552)		
Reduce Services & Supplies by 3%	(351,488)	-	(325,064)	-	(336,892)	-	(1,013,444)		
Vacancy Savings @ 3%	(3,047,913)	-	(21,882)	-	(3,892,899)	-	(6,962,694)		
Deny GF backfill for capped federal grants	(548,791)	-	-	-	-	-	(548,791)		
Correct CSL for General Assistance	(153,350)	-	-	-	153,350	-	-		
Modify CSL staffing increase	(16,684,645)	-	-	-	(12,077,503)	-	(28,762,148)	0	(58.00)
Further reduce state field staff in CSL	(570,983)	-	-	-	(569,101)	-	(1,140,084)	(12)	(6.00)
Repurpose APD field positions reduced above	570,983	-	-	-	569,101	-	1,140,084	6	5.28
Eliminate live in program; effective 10/1/17	(4,502,000)	-	(41,302)	-	(10,290,379)	-	(14,833,681)		
Strengthen assessment	(10,000,000)	-	-	-	(21,000,000)	-	(31,000,000)		
Implement new in home algorithm, per time study	(12,500,000)	-	-	-	(28,000,000)	-	(40,500,000)		
Use provider tax balance to offset NF costs	(13,854,831)	-	13,854,831	-	-	-	-		
Increase CBC and in home agency rates	17,143,417	-	-	-	39,010,478	-	56,153,895		
Eliminate discontinued Home Care Choice Program	(960,737)	-	(15,436,070)	-	-	-	(16,396,807)	(5)	(5.00)
	-	-	-	-	-	-	-		
SCR 060-09- Intellectual and Developmental Disabilities									
Pkg 095: December 2016 Rebalance									
Move OLRO to IDD + 1 other position transfer	2,166,637	-	10,105	-	2,357,890	-	4,534,632	18	18.00
Position clean up	-	-	-	-	-	-	-	(1)	(0.50)
Fix keying error; positions from IDD to VR	(2,143,674)	-	-	-	-	-	(2,143,674)	(11)	(11.00)
SACU Interest Arbitration + PERS Police & Fire	1,041,140	-	-	-	1,920,731	-	2,961,871		
Pkg 801: LFO Analyst Adjustments									
Caseload forecast/Cost per case	7,579,485	-	-	-	16,100,965	-	23,680,450		
CDDP/Brokerage workload model update	20,810,283	-	-	-	22,341,938	-	43,152,221		
Modify CDDP/Brokerage model increase	(15,002,432)	-	-	-	(17,463,214)	-	(32,465,646)		
FMAP Rate Change	(6,802,153)	-	(63,354)	-	6,865,507	-	-		
SACU FMAP Adjustment	(6,196,463)	-	(646,875)	-	6,843,338	-	-		
CDDP/Brokerage participation rate	1,886,836	-	-	-	(1,886,836)	-	-		
Reorganization	2,512,528	-	927	-	149,219	-	2,662,674	13	13.00
Position clean up	43,642	-	(353,250)	-	(278,822)	-	(588,430)	(3)	(3.00)
Mass Transit Recentralization	(215,165)	-	(1,924)	-	-	-	(217,089)		
Reduce Services & Supplies by 3%	(171,115)	-	(41,649)	-	(232,558)	-	(445,322)		
Vacancy Savings @ 3%	(1,782,867)	-	(42,885)	-	(2,644,269)	-	(4,470,021)		
Eliminate regional staff	(4,189,855)	-	-	-	(2,901,270)	-	(7,091,125)		
Reduce family support program by 1/2	(1,317,352)	-	-	-	-	-	(1,317,352)		
Cap bed hold payments at 21 days	(1,045,347)	-	-	-	-	-	(1,045,347)		
Higher match rate for CDDP/Brokerage admin	(3,322,675)	-	-	-	3,322,675	-	-		
Perform QA on caseload records	(2,181,824)	-	-	-	(2,535,435)	-	(4,717,259)		
More robust assessment + other actions	(12,000,000)	-	-	-	(12,000,000)	-	(24,000,000)		
Rate increase for IDD providers	13,480,024	-	-	-	29,034,299	-	42,514,323		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS	POS	FTE
SCRs 010-040, 010-045, 010-050 - Central Svcs, Shared Svcs, SAEC									
Pkg 095: December 2016 Rebalance									
Position transfers; waivered CM limitation	$ (16,710)	$ -	$ 1,841,742	$ -	$ (128,159)	$ -	$ 1,696,873	(1)	(1.00)
Pkg 102: Centralize Abuse Management (CAM) System									
Funding for Shared Services position	$ 157,072	$ -	$ 157,072	$ -	$ -	$ -	$ 314,144	1	0.75
Pkg 801: LFO Analyst Adjustments									
Mass Transit Recentralization	$ 2,397,147	$ -	$ 15,584	$ -	$ -	$ -	$ 2,412,731		
Mass Transit, UI, Telecom Reprojection	$ (978,393)	$ -	$ (466,674)	$ -	$ (233,182)	$ -	$ (1,678,249)		
Facilities Reprojection	$ -	$ -	$ 1,135,000	$ -	$ (10,501,747)	$ -	$ (9,366,747)		
Enterprise Technology Services projection	$ 3,714,137	$ -	$ 14,138	$ -	$ 2,029,259	$ -	$ 5,757,534		
SOS Performance Audits and CGSC projection	$ 2,380,651	$ -	$ (36,702)	$ -	$ (2,343,949)	$ -	$ -		
Adjustment for Shared Services position changes	$ 184,899	$ -	$ -	$ -	$ 31,299	$ -	$ 216,198		
Vacancy Savings @ 3% of Personal Services	$ (1,579,291)	$ -	$ (1,781,648)	$ -	$ (1,454,558)	$ -	$ (4,815,497)		
Reduce Services & Supplies by 3%	$ (1,447,989)	$ -	$ (208,983)	$ -	$ (1,347,188)	$ -	$ (3,004,160)		
Deny GF backfill for capped federal grants	$ (3,189,403)	$ -	$ -	$ -	$ -	$ -	$ (3,189,403)		
Reduce Oregon Enterprise Data Analytics capacity	$ (265,275)	$ -	$ (540,236)	$ -	$ (203,173)	$ -	$ (1,008,684)	0	(2.61)
Position transfers; various	$ (499,429)	$ -	$ 222,058	$ -	$ (481,726)	$ -	$ (759,097)	(2)	(2.00)
ISPO Move to DAS	$ (347,732)	$ -	$ (10,703)	$ -	$ (266,327)	$ -	$ (624,762)		
PDS Dissolution:		$ -		$ -		$ -	$ -		
From ITBS to Central Services	$ 7,915,733	$ -	$ 44,675	$ -	$ 2,721,544	$ -	$ 10,681,952	15	15.00
From Business Intelligence to Central	$ 4,002,838	$ -	$ 173,695	$ -	$ 3,204,130	$ -	$ 7,380,663	26	26.00
From Program Integrity to Central	$ 4,132,466	$ -	$ 53,393	$ -	$ 3,543,066	$ -	$ 7,728,925	39	39.00
Pkg 812: Vacant Position Elimination	$ (816,618)	$ -	$ (1,147,146)	$ -	$ (302,256)	$ -	$ (2,266,020)	(14)	(14.00)
TOTAL ADJUSTMENTS	$ (168,182,277)	$ -	$ 4,688,800	$ -	$ 43,767,480	$ -	$ (119,725,997)	(14)	(84.44)
SUBCOMMITTEE RECOMMENDATION *	$ 3,106,909,923	$ -	$ 551,495,145	$ -	$ 5,323,663,179	$ 2,214,345,331	$ 11,196,413,578	8,224	8,080.44
% Change from 2015-17 Leg Approved Budget	13.9%	0.0%	2.2%	0.0%	10.8%	(11.9%)	5.8%	2.1%	2.3%
% Change from 2017-19 Current Service Level	(5.1%)	0.0%	0.9%	0.0%	0.8%	0.0%	(1.1%)	(0.2%)	(1.0%)

[1]Includes adjustments through June 2017
*Excludes Capital Construction Expenditures

EMERGENCY BOARD

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS LIMITED	OTHER FUNDS NONLIMITED	FEDERAL FUNDS LIMITED	FEDERAL FUNDS NONLIMITED	TOTAL ALL FUNDS
Special Purpose Appropriation for Foster Parents	$ 750,000	$ -	$ -	$ -	$ -	$ -	$ 750,000

Legislatively Approved 2017 - 2019 Key Performance Measures

Published: 6/28/2017 3:56:06 PM

Agency: Human Services, Department of

Mission Statement:

Assisting people to become independent, healthy and safe.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. OVRS CLOSED - EMPLOYED – The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed.		Approved	62.34%	63%	65%
2. TANF FAMILY STABILITY - Rate per 1,000 of TANF recipient children entering child welfare (foster care or in home)		Approved	No Data	TBD	TBD
3. TANF RE-ENTRY - The percentage of Temporary Assistance for Needy Families (TANF) cases who have not returned within 18 months after exit due to employment.		Approved	65.10%	66%	67%
4. SNAP (Supplemental Nutrition Assistance Program) UTILIZATION - The ratio of Oregonians served by SNAP to the number of low-income Oregonians.		Approved	94.20%	90%	90%
5. SNAP (Supplemental Nutrition Assistance Program) ACCURACY - The percentage of accurate SNAP payments		Approved	94.89%	95%	95%
6. ENHANCED CHILD CARE - The percentage of children receiving care from providers who are receiving the enhanced or licensed rate for child care subsidized by DHS		Approved	63.70%	65%	65%
7. ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.		Approved	94.60%	96%	97%
8. TIMELY REUNIFICATION - The percentage of foster children exiting to reunification within 12 months of foster care entry.		Approved	66.10%	75%	76%
9. TIMELINESS OF ADOPTION ONCE LEGALLY FREE - Percent of Legally free children adopted in less than 12 months		Approved	46.10%	53.70%	54%
10. LTC NEED PREVENTION - Percentage of seniors (65+) needing publicly-funded long term care services.		Approved	3.09%	3.10%	3.08%
11. LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES - The percentage of Oregonians accessing publicly-funded long-term care services who are living outside of nursing facilities.		Approved	86.90%	88%	89%
12. DEVELOPMENTAL DISABILITY SUPPORT SERVICES - The percentage of eligible adults who are receiving adult support services within 90 days of request.		Approved	61.84%	86%	86%
13. PEOPLE WITH DISABILITIES LIVING AT HOME - The percentage of individuals enrolled in the Intellectual/Developmental disabilities program who are receiving services in their own home.		Approved	73.52%	80%	80%
14. SUPPORTED EMPLOYMENT - Increase the number of individuals who receive developmental disability services in supported employment.		Approved	2,971	3,020	3,140
15. ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES - The percentage of people with developmental disabilities experiencing abuse.		Approved	1.83%	1.80%	1.70%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
16. Abuse Investigation Timeliness - Percent of abuse reports assigned for field contact that meet policy timelines.		Approved	No Data	95%	95%
17. CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved	74%	75%	75%
	Accuracy		84%	85%	85%
	Overall		82%	82%	82%
	Helpfulness		83%	85%	85%
	Expertise		84%	85%	82%
	Availability of Information		86%	88%	88%
18. Disparity in foster youth achieving permanency within 2 years by race/ethnicity - Disparity is calculated by taking the ratio of two percentages: Percent of Non-White & Hispanic children achieving permanency goals / Percent of Non-Hispanic White children achieving permanency goals. The permanency goal is the percent of foster youth achieved permanency within 24 months (of those that entered 24 months ago)	Disparity of Non-Hispanic African American Youth	Approved	No Data	1	1
	Disparity of Non-Hispanic Asian/Pacific Islander Youth		No Data	1	1
	Disparity of Non-Hispanic White Youth (always=1)		No Data	1	1
	Disparity of Non-Hispanic Native American/Alaska Native Youth		No Data	1	1
	Disparity of Hispanic (any race) Youth		No Data	1	1
19. CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME - The percent of children served in Child Welfare on an average daily basis (In Home and Foster Care) who were served while residing in their parent's home.		Approved	23.90%	33%	33%
20. TANF JOBS PLACEMENTS - The percentage of clients who achieve job placement each month compared to those anticipated to achieve placement.		Approved	122.40%	100%	100%
2. TANF FAMILY STABILITY - The percentage of children receiving TANF who entered foster care.		Legislatively Deleted	0.67%	0.50%	0%
16. ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES - The percentage of seniors and adults with physical disabilities experiencing abuse.		Legislatively Deleted	0.73%	2.20%	0%
18. PLACEHOLDER: SERVICE EQUITY		Legislatively Deleted	No Data	0%	0%

LFO Recommendation:

Approve the Key Performance Measures (KPMs) and targets as proposed; this includes new measures replacing #2, #16, and #18. Data for the new measures should be available in reporting year 2018; with targets for KPM #2 to be developed from that data for the next biennial report.

Direct the Department to review existing key performance measures for all programs and propose changes for the 2019-21 biennium as needed or based on legislative feedback; please note the current customer service KPM should not be modified as that is a standardized, statewide measure.

Due to legislative concerns about Child Welfare workforce retention and training adequacy, the agency is directed to propose at least two KPMs that will help measure results in this area; such as measures around turnover rates or number of annual training hours received. The agency should be able to distinguish between trends for the newer workforce (for example, one year of service or less) and the more established segment.

In addition to legislative interest, this direction is driven by a pending agency head change and new program leaders that want to relook at the current measures for possible improvements or to develop measures more in line with evolving programs. The Department will provide a written progress update to the Legislative Fiscal Office by February 1, 2018 and may be asked to present that work to the Subcommittee during the 2018 legislative session or at an interim meeting, based on agency progress and committee workload.

SubCommittee Action:

The Subcommittee approved the LFO Recommendation.

The Subcommittee also expressed interest in seeing data on disparity in foster youth achieving permanency with regard to mental illness and intellectual/developmental disability. In addition, there was discussion about ensuring the agency is adequately demonstrating its performance in the areas of abuse prevention and investigation.