

**JOINT COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON HUMAN SERVICES
Subcommittee Orientation Information - February 6, 2017**

INFORMATIONAL & PROCEDURAL ISSUES

Attendance

- The Subcommittee's official meeting time is from 8:30 – 9:45 am, Monday through Thursday. Please be in attendance at the 8:30 am starting time. If you are unable to attend a meeting, please notify the Legislative Fiscal Office (LFO) at 986-1828, or email one of us (Linda Ames or Laurie Byerly).
- Occasional evening meetings may be scheduled.

Subcommittee Rules

- The Subcommittee will use the Joint Committee on Ways and Means rules (pages 4-5).
- This Subcommittee has three Senate members and five House members. This means that two Senate members and three House members are required to make a quorum and report legislation from the Subcommittee to the Full Committee. Senate and House Ways and Means Co-Chairs may also participate and vote when in attendance, as described in the rules.

Meeting Operations

- Subcommittee members, staff, presenters and audience members should turn off audible pagers, cell phones or other electronic devices.
- The microphones in this room are very sensitive, and may pick up side conversations.
- Most votes will be on a voice vote only, with the chair calling for any objections. If a roll call is needed, the committee assistant will call the roll.
- The Subcommittee requires a quorum to open every meeting.

Distribution of Materials

- All informational materials that are normally provided to members by LFO will be provided electronically. The files will be placed in the OLIS system where members of the Subcommittee will have access to them. We will try to get materials to OLIS two or three days before the meeting. Members may choose to access documents directly on their laptops at the dais, or may choose to print out materials and bring them to the meeting.

Agendas

- Meeting notice is required 72 hours before the first public hearing on a bill and 48 hours for subsequent public hearings and work sessions. This may change near the end of session.
- Bills can be carried over to the next day in cases where the work is not completed, if the Subcommittee chair announces that the bill will be carried over and it is carried over for the

same purpose as originally scheduled (e.g., public hearing must be carried over as a public hearing).

- A daily agenda will be distributed in the Subcommittee for that day.
- A weekly agenda will be emailed to you each Thursday for the following week. The weekly agendas for the first two weeks are included on pages 6-7).

BUDGET HEARINGS AND WORK SESSION PROCESS

- A list of all budget bills assigned to this Subcommittee, and the LFO and Chief Financial Office (CFO) analysts and phone numbers for each agency is on page 8.
- The Subcommittee may also deal with:
 - Budget-related fee bills
 - Federal grant application requests
 - Agency reports
 - DHS and OHA 2015-17 budget rebalance plans
 - Substantive legislation with fiscal impact, as assigned by the Ways & Means co-chairs
- The Subcommittee will spend the first two months doing “Phase 1” budget hearings on each agency; the content includes the following:
 - LFO will introduce the agency and describe major policy and budget issues
 - The agency will present, including:
 - Mission and goals
 - How the agency uses its budget, including major policy and budget issues
 - How the program has been performing
 - Outcomes expected from the budget request
 - Actions taken to improve program delivery
 - CFO will present a high-level summary of the Governor’s Budget
 - Public testimony

Phase 2 hearings will start in April, and may not affect all agencies. The purpose of this phase is to prepare for work sessions (actions on budget bills) by going over major budget issues and decisions that need to be made. There may also be special presentation topics.

Phase 3 will be the agency work sessions, and could start as early as March for some agencies.

- Before each agency’s budget hearings begin, a number of materials will be posted to OLIS for the Subcommittee members to review:
 - The Governor’s budget document for the agency
 - Agency Ways & Means reference document
 - LFO 2017-19 Budget Review document for the agency
 - Agency presentation materials for that day (or period of days)

Another useful document is the LFO Analysis of the 2015-17 Legislatively Adopted Budget, which can be found at the following link:

<https://www.oregonlegislature.gov/lfo/Documents/2015-17%20LAB%20Detailed%20Analysis.pdf>

A second document provides updates from the 2016 Session:

<https://www.oregonlegislature.gov/lfo/Documents/2015-17%20Budget%20Highlights%20Update.pdf>

The Co-Chairs' budget can be found at the following link:

<https://www.oregonlegislature.gov/lfo/Documents/2017%20Co-Chair%20Document.pdf>

- The Subcommittee will use work sessions to review and act on budget issues and agency Key Performance Measures (KPMs). LFO will provide a summary memo and work session forms to Subcommittee members in advance of the work session. Based on the Subcommittee's action, staff will develop proposed amendments to the budget bill. A budget report is prepared to document the Subcommittee's recommendations on the budget for the Ways and Means Committee and the Senate and House members.
- Budget notes may be included in the budget report if essential to clarify or expand on administrative requirements directly related to the budget. Proposed budget notes should be channeled through the Subcommittee co-chairs and must be jointly approved by the Ways and Means co-chairs.
- The Subcommittee Chair will assign members to carry the Subcommittee's recommendations to the Full Committee on Ways and Means and to the floor of each chamber. (Carriers to Full must be members of the Full Committee.) LFO will prepare a summary "pony" of the budget bill for carriers for the Full Committee on Ways and Means and for each chamber. LFO will be at the side aisle (or at the member's desk if asked) to provide staff support for floor discussions.

BUDGET INFORMATION

The rest of this document includes information about the state budget and budget process, the role of LFO, and budget details of the Human Services Program Area.

Joint Committee on Ways and Means

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301



Sen. Richard Devlin, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

2017 **Committee Rules**

The Joint Committee shall operate in accordance with the Oregon Constitution, House and Senate Rules, custom, usage and precedents, Mason's Manual of Legislative Procedure, and applicable statutory provisions.

1. The officers of the Joint Committee on Ways and Means shall consist of the Senate and House Co-Chairs and the Senate and House Co-Vice Chairs, who are appointed by the Senate President and the Speaker of the House, respectively. The Co-Chair of each Senate Subcommittee shall be appointed by the Senate President. The Co-Chair of each House Subcommittee shall be appointed by the Speaker of the House.
2. All meetings of the Joint Committee and Subcommittees shall be open to the public.
3. Voting by member of either the Joint Committee or Subcommittees shall be by roll call, if requested by any Committee member.
4. All meetings of the Joint Committee and Subcommittees shall be recorded. The audio records shall be indexed and placed with the Oregon Archivist in accordance with Oregon Law.
5. In addition to the quorum requirements described in Rule 11, the Co-Chairs of the Joint Committee shall be deemed voting members of all Subcommittees when in attendance, unless the Co-Chair is an appointed member of the Subcommittee, in which case the Co-Vice Chair of the same chamber and same party affiliation shall be deemed a voting member of said Subcommittee when in attendance.
6. Hearing notices identifying an agenda of bills and subjects to be considered by the Joint Committee and Subcommittees shall be posted publicly in accordance with Senate and House rules, and the Joint Committee and Subcommittees shall not take action on any item not included in the posted notice. The Senate Co-Chair and the House Co-Chair shall approve all Joint Committee and Subcommittee agendas prior to posting.
7. The Joint Committee may take action on amendments to a measure only after the full text of the amendments has been made publicly available online for at least one hour.
8. Members of the Legislative Assembly and the general public shall be welcome to testify at Subcommittee meetings posted for "Public Hearing with Public Testimony." Members of the Legislative Assembly and the general public may testify before the Joint Committee at the invitation of the Co-Chairs of the Joint Committee and the Co-Chairs of the Subcommittee that heard the bill, or at the invitation of a majority of the Senate members and a majority of the House members of the Joint Committee.

9. Joint Committee bills and resolutions are to be sent to the floor of either chamber without minority reports. All Committee members have the right to their own position in floor debate. If a member plans to oppose a Committee bill, the member should advise the Senate or House Co-Chair in advance of debate in their respective chamber.
10. A quorum for reporting legislation to the floor of either chamber shall be a majority of Senate members and a majority of House members. The affirmative vote of a majority of the appointed members of each chamber is required to report legislation out of committee. In the event of a tie vote, either among the Senate members or among the House members, the Senate President or the Speaker of the House, respectively, may attend as voting members of the Joint Committee.
11. A quorum for reporting legislation from any Subcommittee to the Joint Committee shall be a majority of appointed Senate members and a majority of appointed House members of that Subcommittee. The affirmative vote of a majority of the appointed Subcommittee members of each chamber is required to report legislation to the Joint Committee.
12. Bills and resolutions shall be assigned jointly by the Senate Co-Chair and House Co-Chair to the appropriate Subcommittee for consideration. A Subcommittee does not have the power to table or hold legislation, but must report it back to the Joint Committee for consideration. The Senate and House Co-Chairs may, at any time by joint action, remove a bill or resolution from a Subcommittee and assign it to another Subcommittee or to the Joint Committee.
13. Once a bill has been reported to the floor of either chamber and passed, it shall be, after return to the Joint Committee in the second chamber, automatically reported to the floor of the second chamber unless the Senate and House Co-Chairs decide jointly that such legislation may be held in Committee for further consideration.
14. In the event that the Joint Committee identifies a need for language to clarify or expand upon administrative requirements which are directly related to the execution of budgets during the fiscal period covered by the appropriation and expenditure limitation, such language may be included within the Budget Report for the bill. If the Joint Committee identifies the need for a statement of policy or administrative direction which goes beyond the criteria described above, such statement or directive shall be handled as a separate bill, a resolution, or by amendment to the appropriation bill.
15. Introduction of bills:
 - a) Appropriation bills and non-appropriation bills relating to fiscal matters may be introduced by the Joint Committee on Ways and Means at any date.
 - b) All bills for introduction must first be approved by a Subcommittee before being brought to the Joint Committee, unless permission for direct submission to the Joint Committee is granted jointly by the Senate and House Co-Chairs.
16. These rules may be changed by the affirmative vote of a majority of the appointed members of each chamber of the Joint Committee, provided at least one day's notice of any proposed change has been given in writing to each Committee member.

Joint Committee on Ways and Means

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301

Linda Ames, Committee Coordinator, 503-986-1816
Eric Sorenson, Committee Assistant, 503-986-1823
jwmhs.exhibits@oregonlegislature.gov



Subcommittee on Human Services

Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair
Sen. Sara Gelser
Sen. Jackie Winters
Rep. Teresa Alonso Leon
Rep. Knute Buehler
Rep. Cedric Hayden
Rep. Sheri Malstrom

AGENDA

Week of February 6, 2017

8:30 a.m.

HR F

Monday, February 6

Informational Meeting

- Subcommittee Orientation

Tuesday, February 7

Informational Meeting

- Subcommittee Orientation

Wednesday, February 8

Public Hearing

- HB 5026 Oregon Health Authority
Agency Overview

Thursday, February 9

Public Hearing

- HB 5026 Oregon Health Authority
Health Services Division - Medicaid

Friday, February 10

No Subcommittee meeting scheduled

Joint Committee on Ways and Means

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Rep. Cedric Hayden
Rep. Sheri Malstrom

AGENDA

Week of February 13, 2017
8:30 a.m.
HR F

Monday, February 13

Public Hearing

- HB 5026 Oregon Health Authority
Health Services Division

Tuesday, February 14

Public Hearing

- HB 5026 Oregon Health Authority
Health Services Division

Work Session

- Federal grant application request

Wednesday, February 15

Public Hearing

- HB 5026 Oregon Health Authority
Health Services Division

Thursday, February 16

Public Hearing

- HB 5026 Oregon Health Authority
Health Services Division

Friday, February 17

No Subcommittee meeting scheduled

AGENCY	LFO ANALYST	CFO ANALYST
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HUMAN SERVICES PROGRAM AREA

HB 5003 - Commission for the Blind	Kim To	Anthony Medina
HB 5026 – Oregon Health Authority		
Health Services (Medicaid and Non-Medicaid)	Linda Ames	Tom MacDonald
Health Policy and Analytics	Linda Ames	Tom MacDonald
Public Employee' Benefit Board	Linda Ames	Linnea Wittekind
Oregon Educators Benefit Board	Linda Ames	Linnea Wittekind
Public Health	Linda Ames	Tom MacDonald
Oregon State Hospital	Linda Ames	Tom MacDonald
Central/Shared/Assessments & Enterprise-wide	Linda Ames	Tom MacDonald
SB 5526 – Department of Human Services		
Vocational Rehabilitation	Laurie Byerly	Tamara Brickman
Intellectual and Developmental Disabilities	Laurie Byerly	Tamara Brickman
Self-Sufficiency	Laurie Byerly	Tamara Brickman
Child Welfare	Laurie Byerly	Tamara Brickman
Aging and People with Disabilities	Laurie Byerly	Tamara Brickman
Program Design Services	Laurie Byerly	Tamara Brickman
Central/Shared/Assessments & Enterprise-wide	Laurie Byerly	Tamara Brickman
HB 5021 - Long Term Care Ombudsman	Laurie Byerly	Tamara Brickman
HB 5032 - Psychiatric Security Review Board	Linda Ames	Michelle Lisper

OTHER AGENCY BUDGETS

HB 5023 – Oregon Medical Board	Gregory Jolivet	Anthony Medina
HB 5024 - Oregon State Board of Nursing	Gregory Jolivet	Anthony Medina

LFO ANALYSTS		CFO ANALYSTS	
Linda Ames	986-1816	Tamara Brickman	378-4709
Laurie Byerly	986-1833	Michelle Lisper	971-283-6360
Gregory Jolivet	986-1845	Tom MacDonald	586-6689
Kim To	986-1830	Anthony Medina	971-209-9980
		Linnea Wittekind	378-3108

Oregon Legislative Fiscal Office and State of Oregon Budget

February 2017

Constitutional Responsibility of Legislature: To balance the budget

Article IX, Section 2 - Legislature to provide revenue to pay current state expenses and interest.

The Legislative Assembly shall provide for raising revenue sufficiently to defray the expenses of the State for each fiscal year, and also a sufficient sum to pay the interest on the State debt, if there be any.

Article IX, Section 4 - Appropriation necessary for withdrawal from treasury.

No money shall be drawn from the treasury, but in pursuance of appropriations made by law.

Article IX, Section 6 - Deficiency of funds; tax levy to pay.

Whenever the expenses, of any fiscal year, shall exceed the income, the Legislative Assembly shall provide for levying a tax, for the ensuing fiscal year, sufficient, with other sources of income, to pay the deficiency, as well as the estimated expense of the ensuing fiscal year.

Oregon's Budget Policy

Based on principles of:

- Balancing estimated revenues and proposed expenditures
- Allocating resources to achieve desired outcomes
- Measuring program outcomes and progress toward desired outcomes
- Encouraging savings and investments that reduce or avoid future costs
- Planning for the short term and the long term, using consistent assumptions on demographics and trends
- Providing accountability at all levels for meeting program outcomes

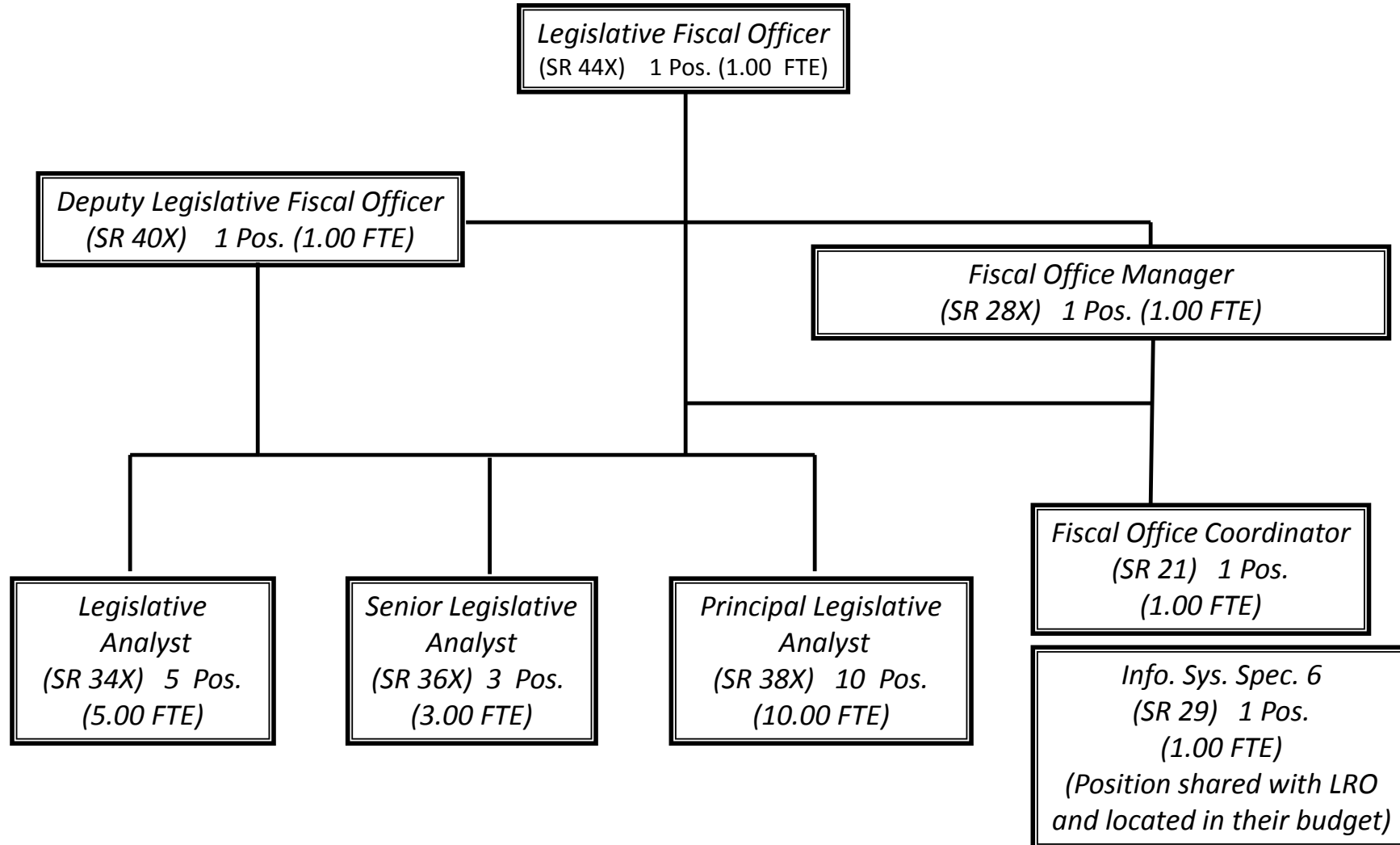
Mission

The Legislative Fiscal Office's mission is to promote state fiscal accountability.

The Legislative Fiscal Office (LFO) provides objective research, analysis, and evaluation of state expenditures, financial affairs, program administration, and agency operations. LFO also provides staffing to several legislative committees.

LFO was created in 1959 as a non-partisan, independent, permanent professional support staff office to the Legislature.

LFO Organization Chart



Session Responsibilities

- Review agency budgets for accuracy
- Analyze fiscal and policy issues
- Examine revenue sources, expenditure limitations, expenditure patterns, staffing levels, and proposed law changes
- Review impact of budget reductions or enhancements
- Make recommendations to the Legislature related to agency budgets
- Prepare fiscal impact statements
- Respond to questions and collect information requested by legislators
- Facilitate bill amendments, budget note and budget report finalization, and presentation of Ways and Means Subcommittee decisions for the Full Ways and Means Committee
- Assist bill carriers on House and Senate floors

Interim Responsibilities

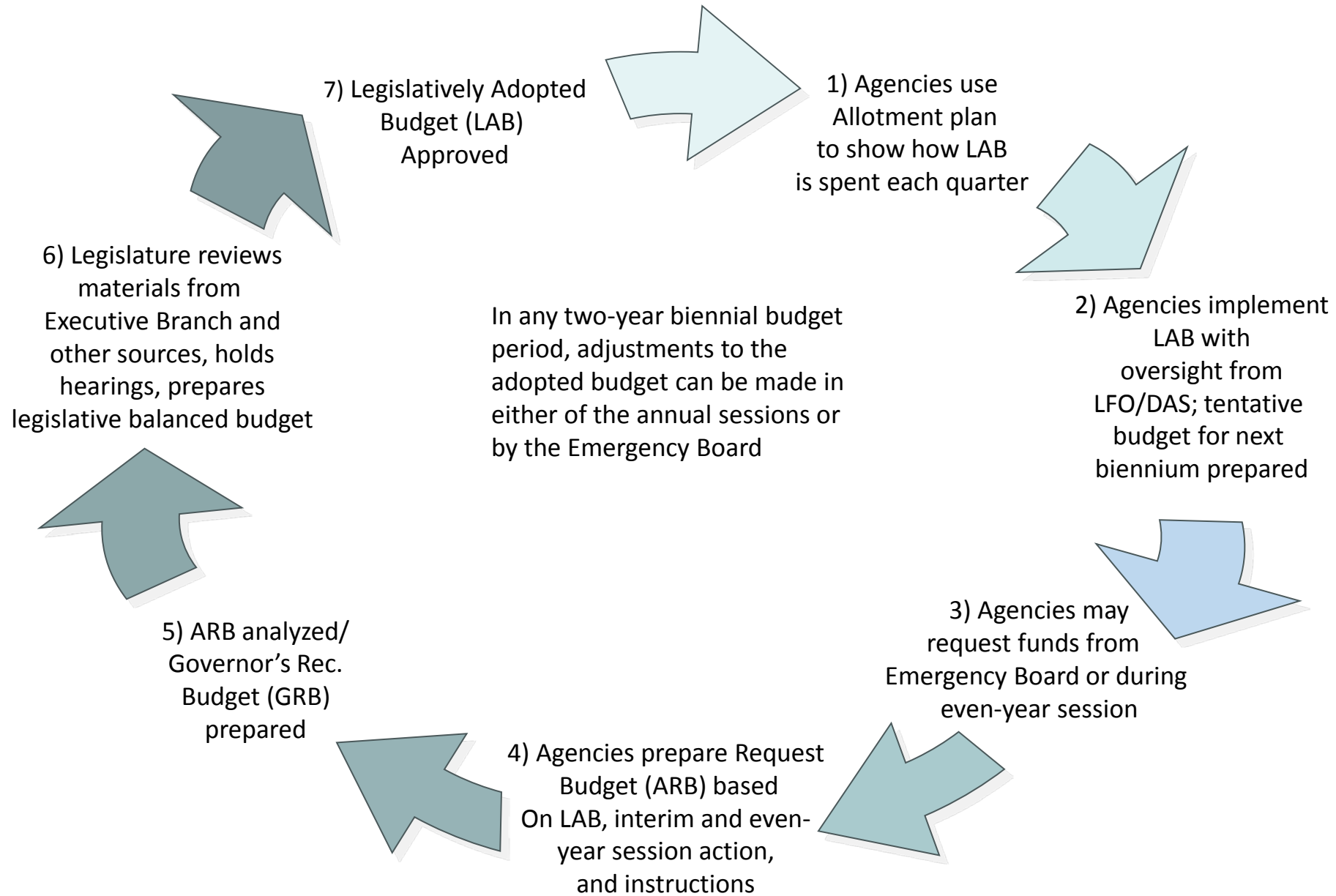
- Analyze and make recommendations on agency requests to the Emergency Board and interim Joint Committee on Ways and Means
- Evaluate and audit programs when issues are identified or as directed by the Legislature
- Analyze reports and make recommendations on major information technology projects and investments
- Publish briefs on budget-related topics and issues of interest to the Legislature
- Produce regular reports on Liquidated and Delinquent Accounts and on Semi-Independent State Agencies
- Review state agency budget execution and operations
- Work to enhance the effectiveness of Oregon's statewide key performance measurement system
- Other duties as assigned (e.g. Task Force on Reserve Funds)

LFO Staffing

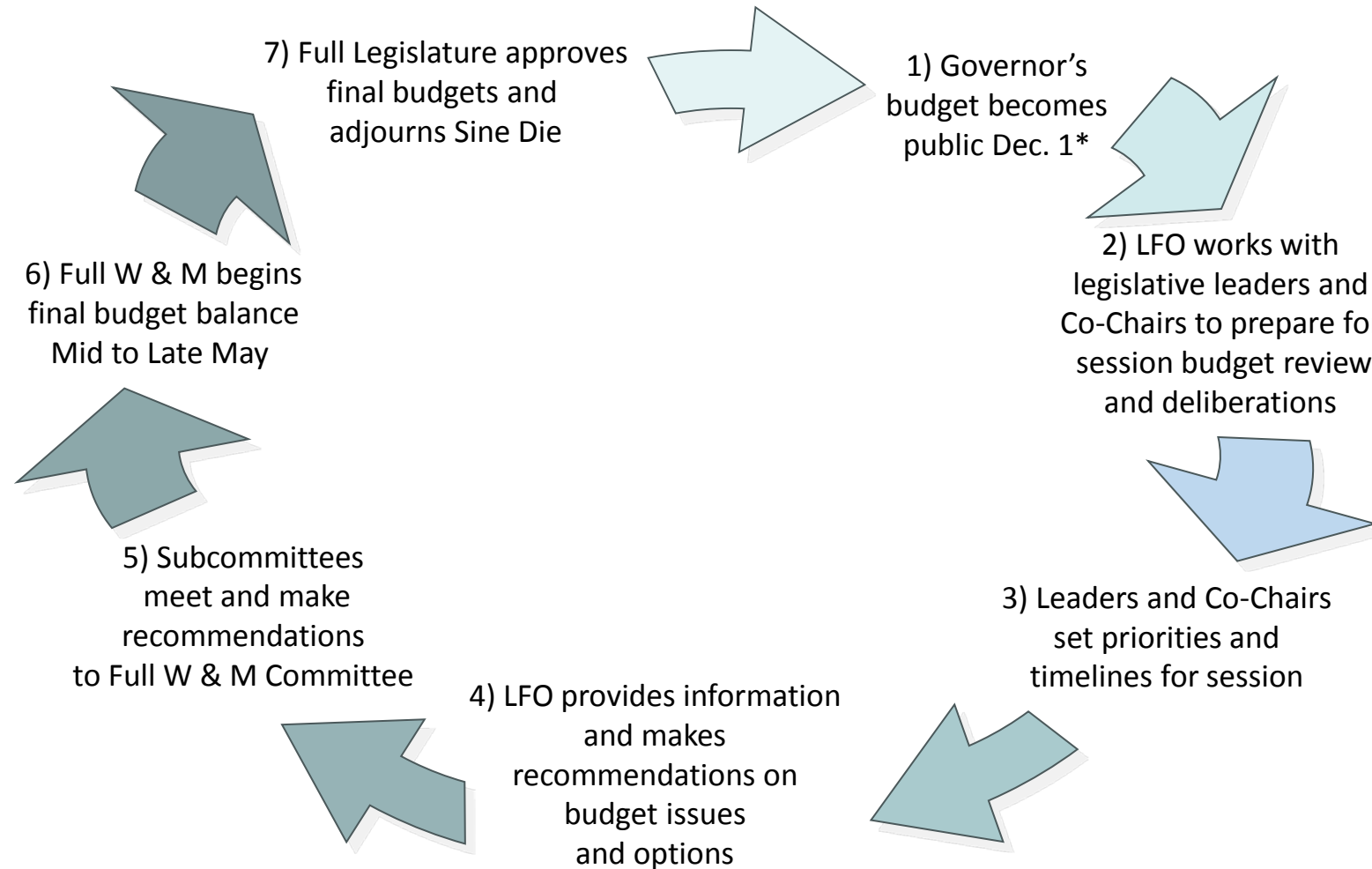
- **Emergency Board** is a constitutional body responsible for making certain allowable budget adjustments when the Legislature (and the Joint Committee on Ways and Means) is not in session.
- **Joint Legislative Audit Committee** is responsible for reviewing audits, conducting evaluations, and making recommendations for change based on audit findings.
- **Joint Legislative Committee on Information Management and Technology** is responsible for establishing statewide policy on information systems and technology and making recommendations on information resource management programs and information technology acquisitions.
- **Transparency Oregon Advisory Commission** is responsible for advising and making recommendations to the Department of Administrative Services on the creation, contents, operations, and enhancements to the state's transparency website.

Oregon Budget Process – Two Year

Oregon budgets on a biennial basis (July 1st of odd-year to June 30th of next odd-year)



Oregon Budget Process – Odd-Year Session



*Required by February 1st for Newly Elected Governor

Budget Process Detail

- Budget consists of four fund types (General Fund, Lottery Funds, Other Funds, Federal Funds)
- General Fund is “fungible”
- Lottery Funds dedicated to economic development, education, parks/salmon habitat
- Other Funds and Federal Funds dedicated by law for specific purposes
- Other Funds and Federal Funds broken into limited and non-limited categories

WORK SESSION REPORT EXAMPLE

Long Term Care Ombudsman

LFO Analyst Recommended

Agency Number: 11400

**LFO102 - Work Session Presentation Report
2015-17 Biennium**

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 11400-010-00-00-00000

Long Term Care Ombudsman

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	2,705,620	-	680,105	-	-	-	3,385,725	19	14.56
2013-15 Ebds, SS & Admin Act	130,077	-	23,216	-	-	-	153,293	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	2,835,697	-	703,321	-	-	-	3,539,018	19	14.56
2013-15 Leg Approved Budget (Base)	2,835,697	-	703,321	-	-	-	3,539,018	19	14.56
Summary of Base Adjustments	659,298	-	16,353	-	-	-	675,651	-	3.69
2015-17 Base Budget	3,494,995	-	719,674	-	-	-	4,214,669	19	18.25
010: Non-PICS Pers Svc/Vacancy Factor	34,621	-	3,937	-	-	-	38,558	-	-
020: Phase In / Out Pgm & One-time Cost	272,410	-	-	-	-	-	272,410	1	1.00
030: Inflation & Price List Adjustments	87,829	-	2,925	-	-	-	90,754	-	-
2015-17 Current Service Level	3,889,855	-	726,536	-	-	-	4,616,391	20	19.25
070: Revenue Reductions/Shortfall	-	-	(194,639)	-	-	-	(194,639)	-	(0.34)
Adjusted 2015-17 Current Service Level	3,889,855	-	531,897	-	-	-	4,421,752	20	18.91
Total LFO Recommended Packages	25,917	-	187,753	-	-	-	213,670	-	0.59
2015-17 Legislative Actions	3,915,772	-	719,650	-	-	-	4,635,422	20	19.50
Net change from 2013-15 Leg Approved Budget	1,080,075	-	16,329	-	-	-	1,096,404	1	4.94
Percent change from 2013-15 Leg Approved Budget	38.1%	0.0%	2.3%	0.0%	0.0%	0.0%	31.0%	5.3%	33.9%
Net change from 2015-17 Current Service Level	25,917	-	187,753	-	-	-	213,670	-	0.59
Percent change from 2015-17 Current Service Level	0.7%	0.0%	35.3%	0.0%	0.0%	0.0%	4.8%	0.0%	3.1%

Budget Process Detail

Budget tracks expenditure categories:

- **Personal Services** includes personnel costs (wages, PERS, benefits, social security, etc.)
- **Services & Supplies** includes operation costs (travel, office supplies, rent, legal expenses, contracts, expendable property, etc.)
- **Special Payments** includes revenue transfers and other payments
- **Capital Outlay** includes products with value of more than \$5,000, life of more than 2 years, used more than once
- **Capital Improvement** includes construction, remodel, improvement costs of less than \$1 million
- **Major Construction/Acquisition** (or Capital Construction) includes construction, remodel, improvement costs of more than \$1 million (\$3 million or more for OUS projects); established for a six-year period
- **Debt Service** includes principal and interest payments on bonds and certificates of participation

Budget also tracks positions and FTE (full-time equivalent)

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5521-A

Long Term Care Ombudsman
Art Ayre - 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ 3,784,880	\$ -	\$ 703,321	\$ -	\$ -	\$ -	\$ 4,488,201	24	16.81
2015-17 Current Service Level (CSL)*	\$ 6,066,619	\$ -	\$ 726,536	\$ -	\$ -	\$ -	\$ 6,793,155	25	24.25
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 010 - Long Term Care Ombudsman									
Package 070: Revenue Shortfalls									
Personal Services	\$ -	\$ -	\$ (108,945)	\$ -	\$ -	\$ -	\$ (108,945)	0	-0.34
Services and Supplies	\$ -	\$ -	\$ (85,694)	\$ -	\$ -	\$ -	\$ (85,694)		
Package 101: Restore position lost in OF Shortfall									
Personal Services	\$ 59,325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,325	0	0.34
Package 102: Position 1140009 to 1.0 FTE									
Personal Services	\$ 24,914	\$ -	\$ 8,306	\$ -	\$ -	\$ -	\$ 33,220	0	0.25
Package 801: LFO Analyst Adjustments									
Personal Services (Vacancy Savings)	\$ (18,322)	\$ -	\$ (3,887)	\$ -	\$ -	\$ -	\$ (22,209)	0	0.00
Services and Supplies									
Agency Program Related S&S	\$ -	\$ -	\$ 103,334	\$ -	\$ -	\$ -	\$ 103,334		
Instate Travel	\$ (25,000)	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -		
Training	\$ (25,000)	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -		
Office Expenses	\$ (15,000)	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -		
Other Services and Supplies	\$ (15,000)	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -		
IT Professional Services	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000		
SCR 020 - Public Guardian and Conservator Program									
Package 801: LFO Analyst Adjustments									
Personal Services (Vacancy Savings)	\$ (5,552)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,552)	0	0.00
TOTAL ADJUSTMENTS	\$ 20,365	\$ -	\$ (6,886)	\$ -	\$ -	\$ -	\$ 13,479	0	0.25
SUBCOMMITTEE RECOMMENDATION *	\$ 6,086,984	\$ -	\$ 719,650	\$ -	\$ -	\$ -	\$ 6,806,634	25	24.50

Budget Process Details

- Appropriation bills are the budgetary control
- Appropriation bills are session law (Oregon Laws)
- Appropriation bills are not detailed to the expenditure category level
- Appropriation bills are by fund type and may be total agency or detailed to program within agency
- Budget Reports provide information on the budget but do not have force of law
- Budget Notes are directives within the Budget Report

APPROPRIATION BILL EXAMPLE

Enrolled
Senate Bill 5521

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Oregon Department of Administrative Services)

CHAPTER

AN ACT

Relating to the financial administration of the Long Term Care Ombudsman; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. There are appropriated to the Long Term Care Ombudsman, for the biennium beginning July 1, 2015, out of the General Fund, the following amounts for the following purposes:

- (1) General program and services provided to care facility residents..... \$ 3,915,772
- (2) Public guardian and conservator program \$ 2,171,212

SECTION 2. Notwithstanding any other law limiting expenditures, the amount of \$719,650 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, and including federal Older Americans Act funds received from the Department of Human Services, but excluding lottery funds and federal funds not described in this section, collected or received by the Long Term Care Ombudsman.

SECTION 3. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect July 1, 2015.

BUDGET NOTE EXAMPLE

Budget Note:

- 1) The Department of Human Services is directed to take steps to provide policy and budget options for decision making that will be required during the 2017 legislative session to ensure future sustainability of the APD and IDD programs. Steps include further refinement, analysis, and pricing of viable options or ideas brought forth by the agency, stakeholders, and other interested parties; the focus should be on ways to control caseload growth and utilization. The agency will reach out to legislators, stakeholders, and partners to assist in this effort. In developing sustainability proposals, the Department shall prioritize options that minimize impacts on consumers and providers. The Department will also formally report, at a minimum, to the Emergency Board during Legislative Days in May and December 2016 on progress made under both parts of this budget note. The agency may also be requested to report to interim legislative policy committees on human services.
- 2) In addition to the work described above, the Department is also directed to take immediate actions that may help contain costs without changing the current service system structure and that do not require statutory changes. The agency's action plan includes:
 - Review and correct, if needed, the relationship between assessment tools and program eligibility criteria;
 - Take action to more efficiently align service authorization with people's needs, also consider appropriate limits;
 - Work to limit use of overtime in service plans; but the agency should take into account workforce shortage areas, the needs of consumers, and changes to current consumer provider relationships;
 - Continue discussions with CMS to prevent the conversion of natural support to paid support, with consideration for parental responsibility; and
 - Further restrict the live-in program to prohibit live-in service plans when the individual lives in their family's home or the family lives with the individual and is served by that relative (they would still be served in the hourly program).

Budget Note:

The budget for the Public Employees' Benefit Board has been limited to annual per employee growth of 3.4 percent. It is the legislature's expectation that PEBB will meet these limits by holding health plans accountable to change the health care delivery system to promote better health, better care and lower costs, and not by shifting costs to PEBB members.

Budget Process Detail

- Appropriation bills generally agency specific (House bills in 5000, Senate bills in 5500 series)
- Oregon has about 90 agencies
- Agencies range from small (\$400,000 biennial budget) to large (\$20 billion biennial budget)
- Budget for bonding and capital construction in bills separate from agency budget bills
- Article IX, Section 7, Oregon Constitution limits appropriation bills to state current expenses (no other subject allowed)
- Final bills of session are commonly known as the Program Change bill and the Emergency Fund bill

Subcommittee Role and Responsibilities

- Agency Budget Presentations – Phase 1, Phase 2, and Phase 3 (Work Session).
- Budget or Appropriation Bills
- Budget Report – Corresponds to a specific appropriation bill.
- Budget Notes – Included in a Budget Report to provide budget execution to agency. Cannot be used lieu of legislations.
- Federal Grants – Required by statute to have Joint Committee on Ways and Means or Emergency Board approval. Subcommittee makes recommendation to Full Committee.

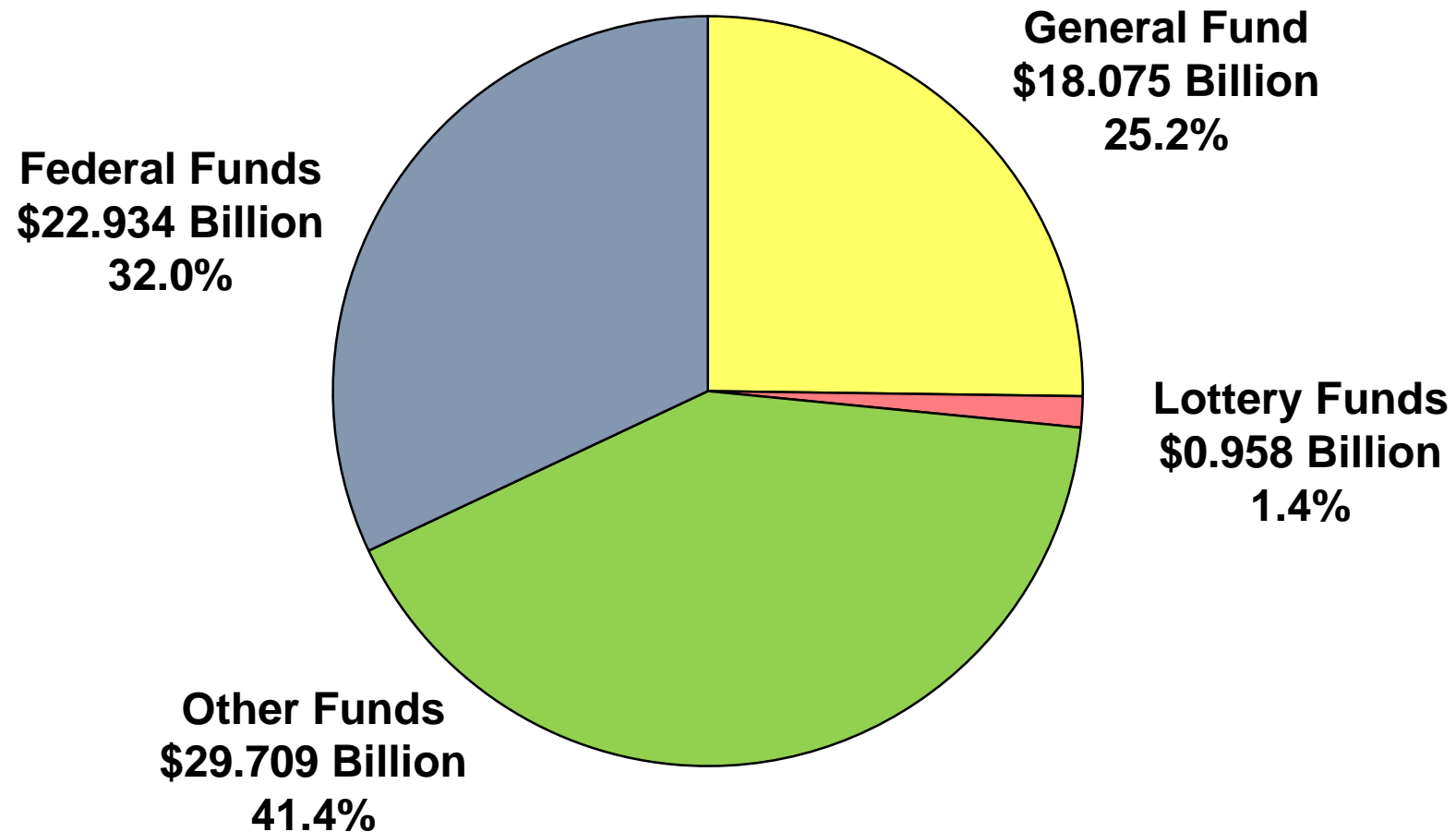
Subcommittee Role and Responsibilities (cont.)

- Reports – Often required by Budget Report or Subcommittee instructions. If formally, required by a Budget Report or statute, Subcommittee makes formal recommendation to Full Committee.
- Informational Hearings
- Fee Related Bills – Generally tied to an agency's budget request.
- Policy Bills – Referred to Joint Committee on Ways and Means by legislative leadership or a policy committee. Assigned to a Subcommittee by Full Committee Co-Chairs. Often has a financial impact or may be tied to assumptions in an agency budget.

Oregon 2015-17 Budget Information

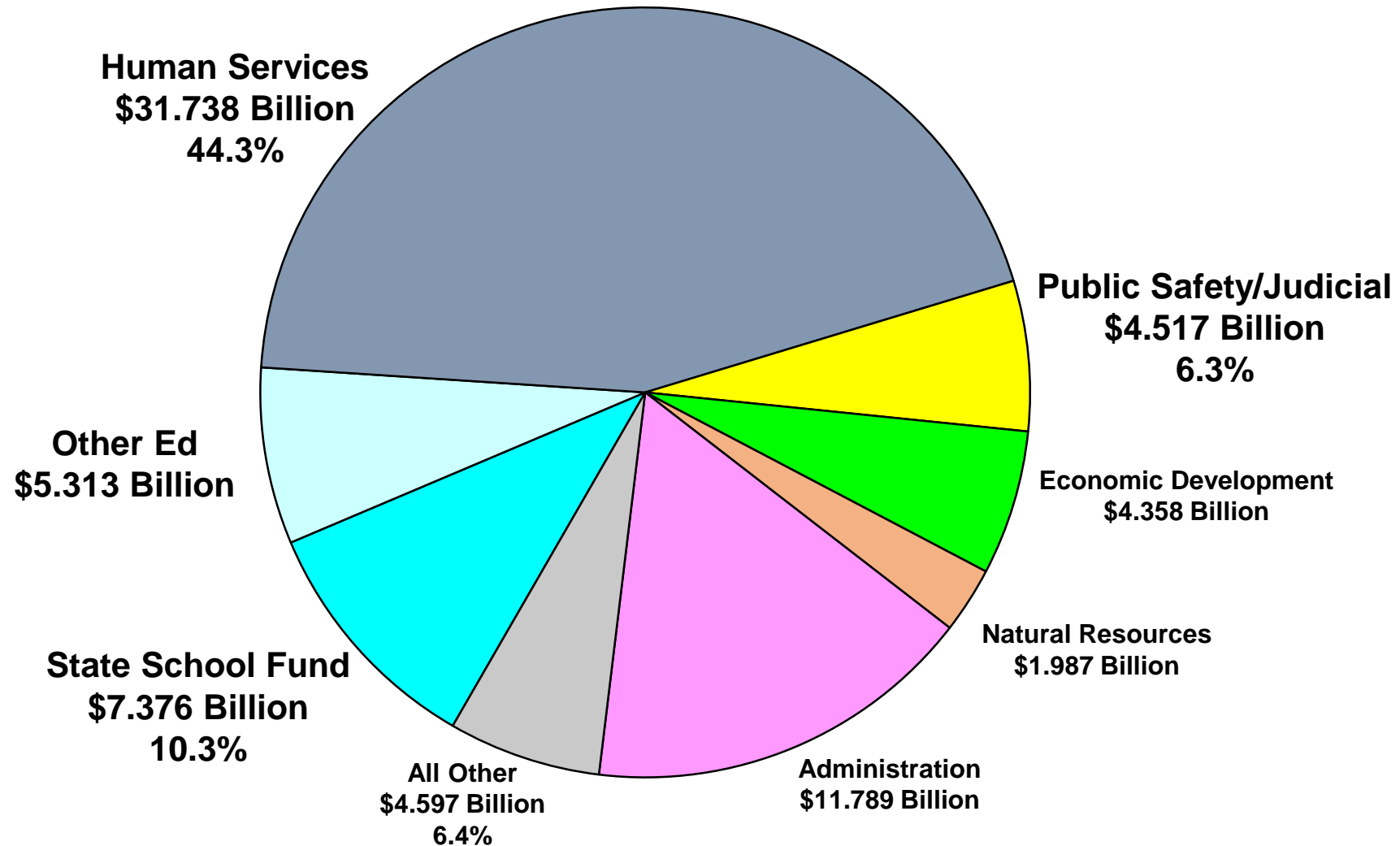
2015-17 Legislatively Approved Budget Totals \$71.676 Billion

8.5% Increase from 2013-15 Approved



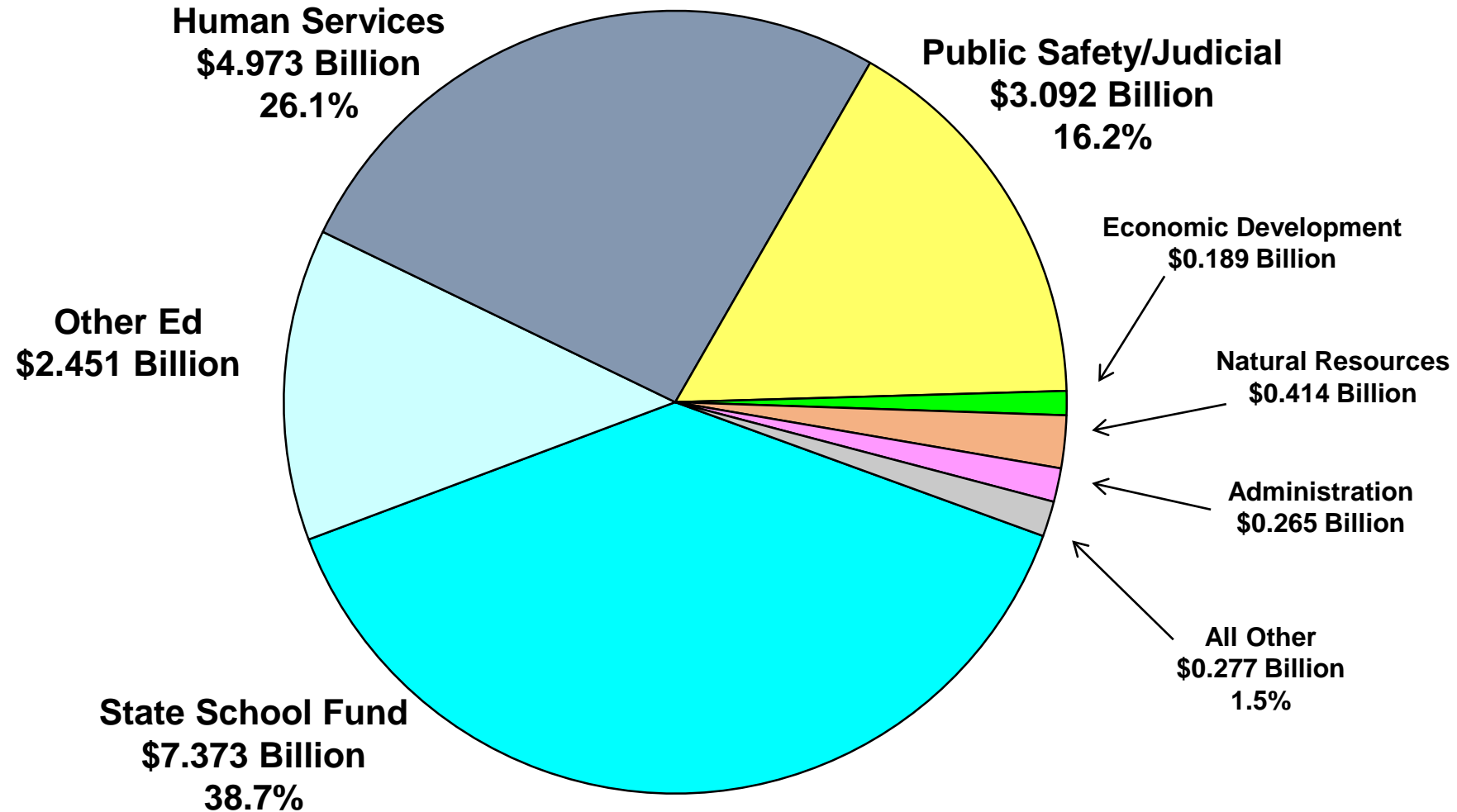
2015-17 Legislatively Approved Budget - Total Funds \$71.676 Billion

8.5% Increase from 2013-15 Approved
(through Dec. 2016 Emergency Board)

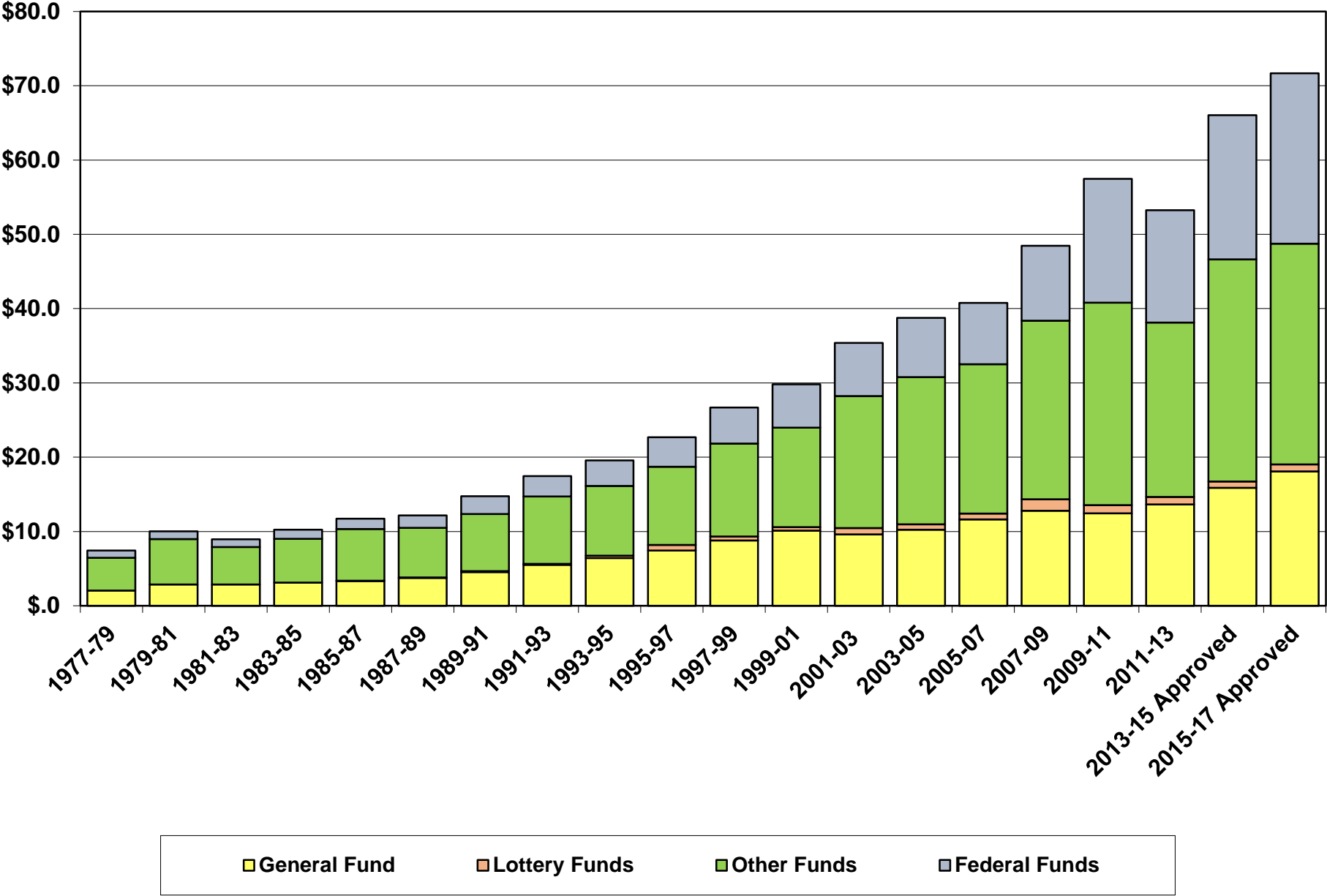


2015-17 General Fund & Lottery Funds Approved Total \$19.033 Billion

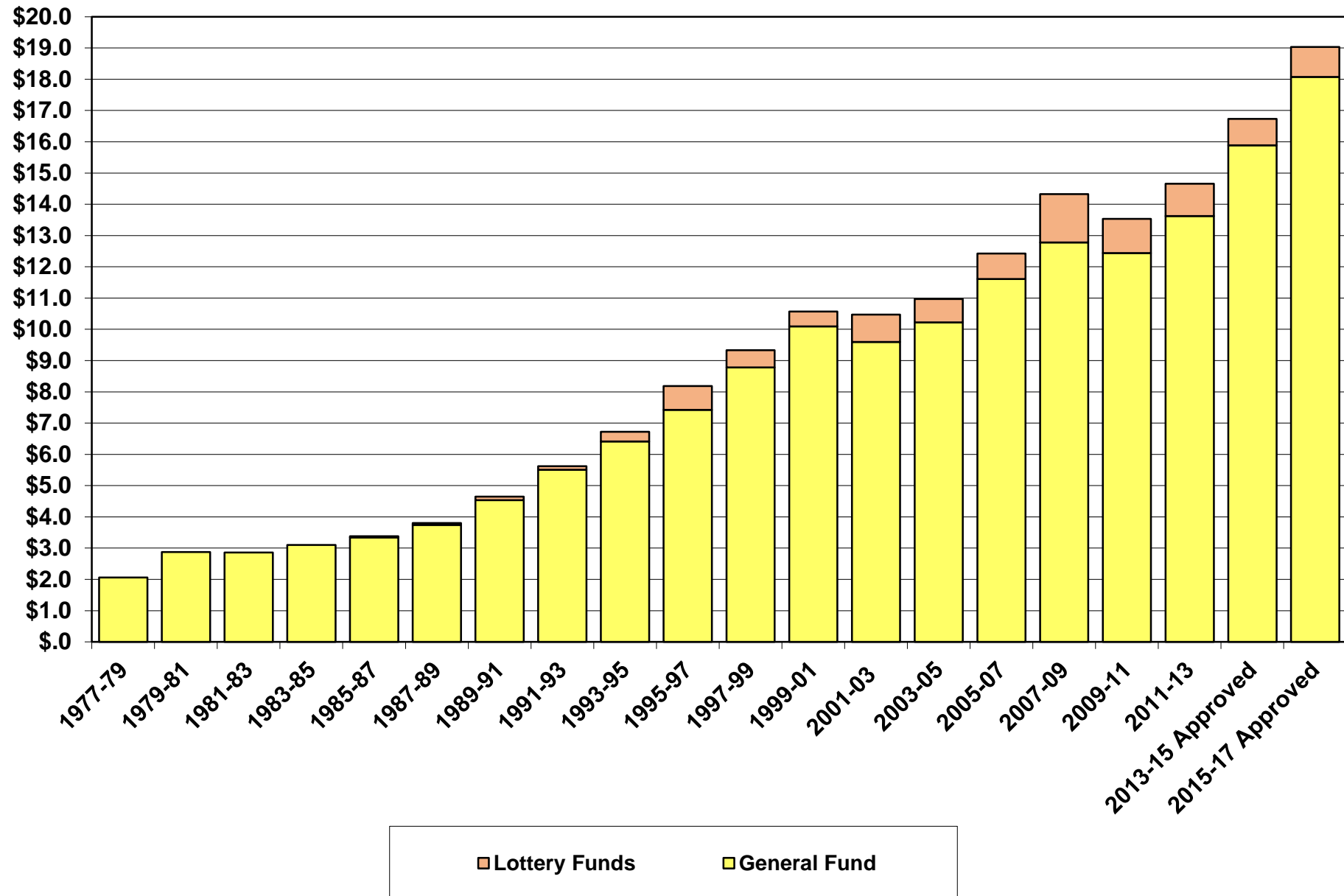
13.8% Increase from 2013-15 Approved
(through Dec. 2016 Emergency Board)



Oregon Budget History -- All Funds
(Billions \$)

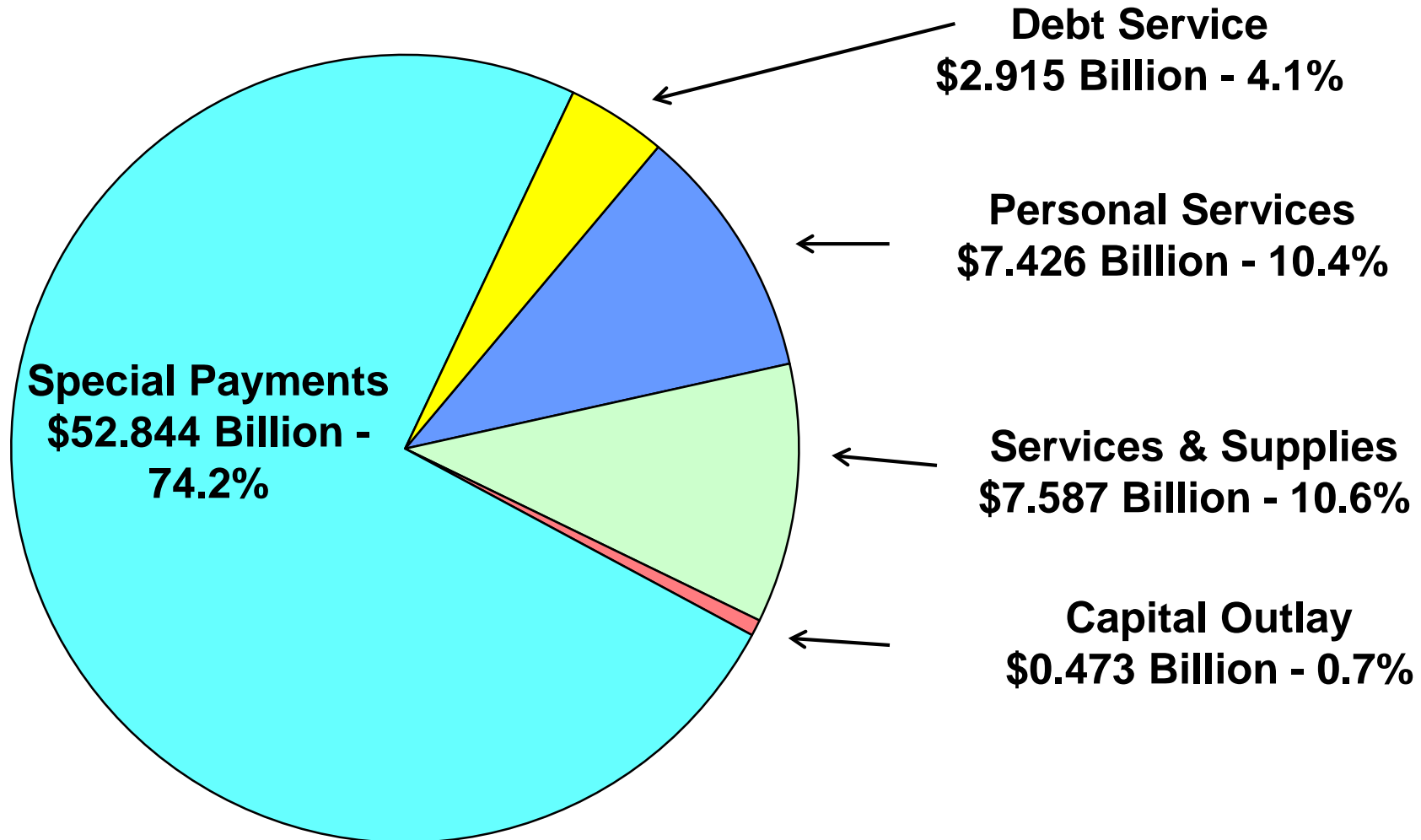


Oregon Budget History -- General Fund and Lottery Funds (Billions \$)



Expenditures by Category

**Total Funds - 2015-17 Legislatively Approved Budget
(through May 2016; \$71.2 Billion)**



Budget Issues

Key Drivers of Budget Change:

- Population Growth
- Demographics
- Inflation
- Health Care Costs
- Mandated Caseloads
- Federal Policy Changes
- Lawsuits
- Initiatives
- Rollup Costs
- Public Employees Retirement System
- Replacement of One-Time Revenues
- State Policy Decisions

Budget Issues Facing 2017 Legislature

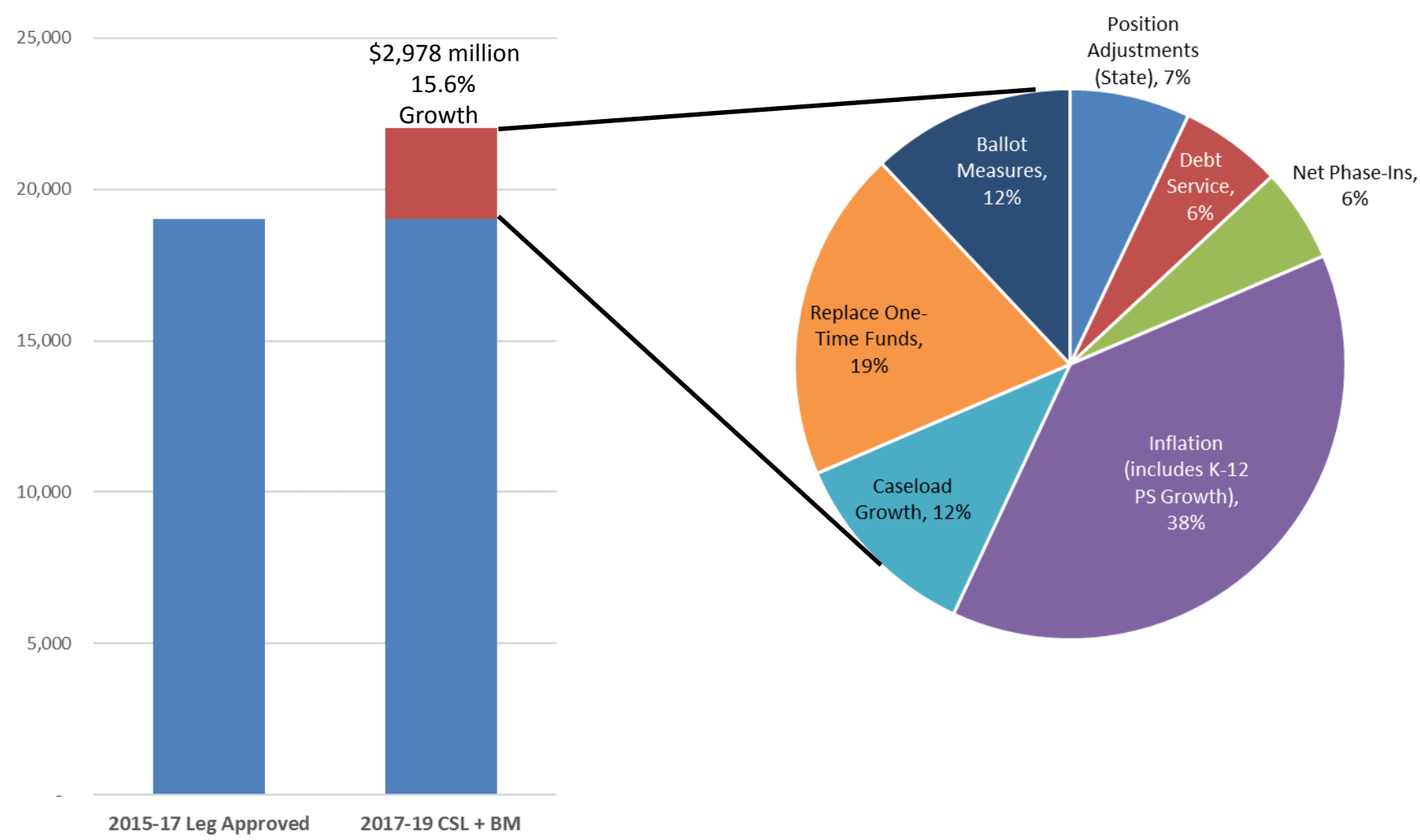
- Rebalancing the 2015-17 budget
- Revenue Forecast Changes
- Potential difficulty continuing current General Fund programs and services
- Governor and other stakeholder budget proposals
- Potential Issues (e.g., lawsuits, decreased federal funding)
- State employee and non-state employee compensation
- Responding to successful ballot initiatives
- 2019-21 tentative budget and revenue forecast

Current Service Level Budget - Adjustments

- Personal Services adjustments for 2017-19
- Debt Service adjustments
- Program phase-in costs for new programs that did not operate for the entire biennium
- Program phase-out savings for programs that will be discontinued or were one-time
- Inflation (3.7% general, 4.1% medical, exceptions)
- Mandated caseload increases or decreases
- Fund shifts – replace one-time funds

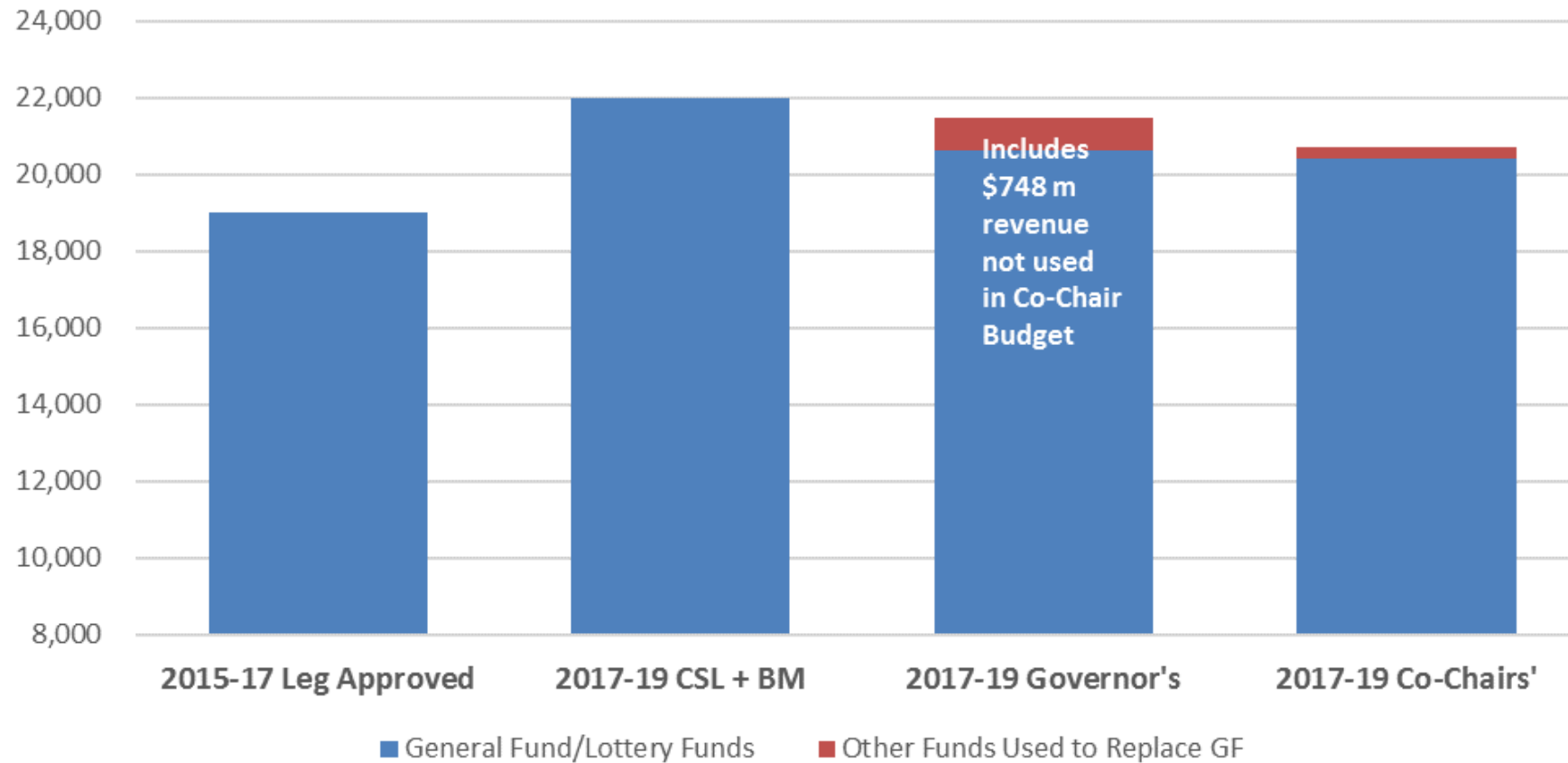
2017-19 Budget Growth – General Fund/Lottery Funds

Current Service Level



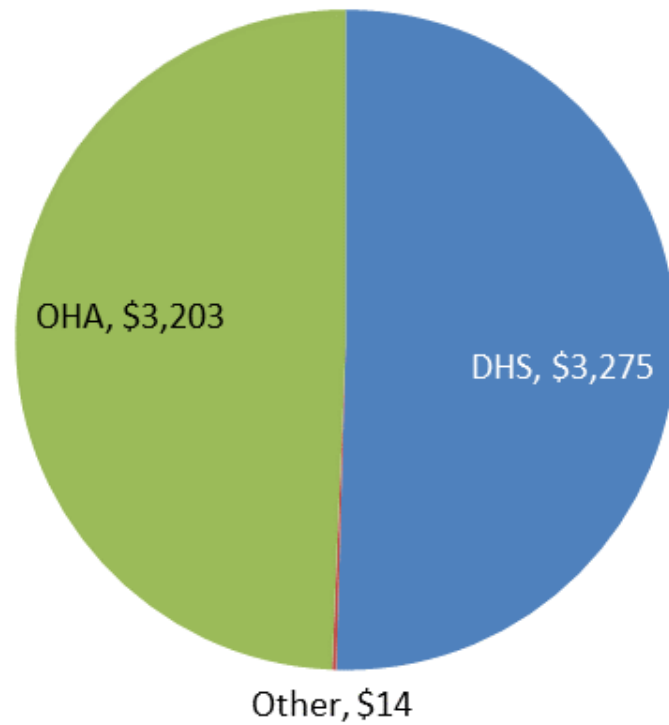
Statewide General Fund/Lottery Funds Budget

Millions of Dollars

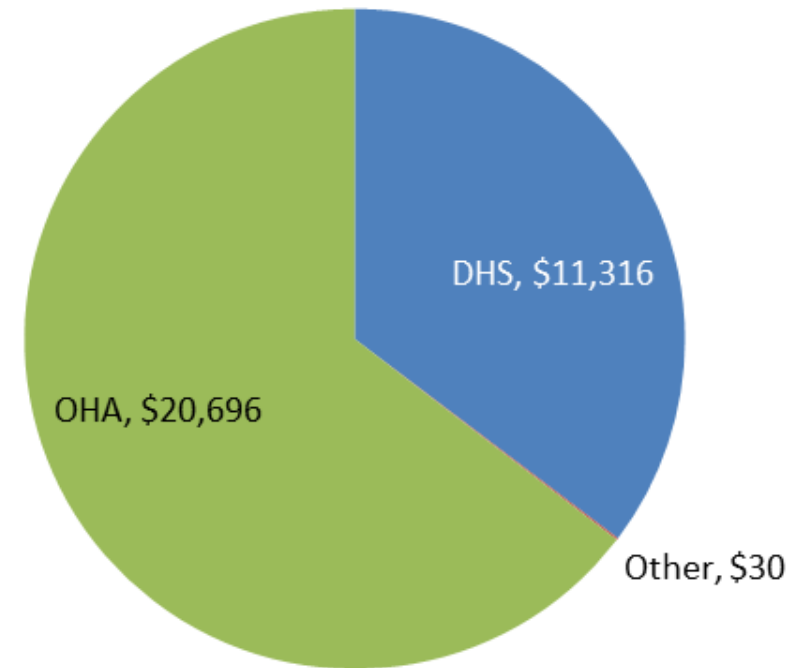


Human Services Program Area Budget Information

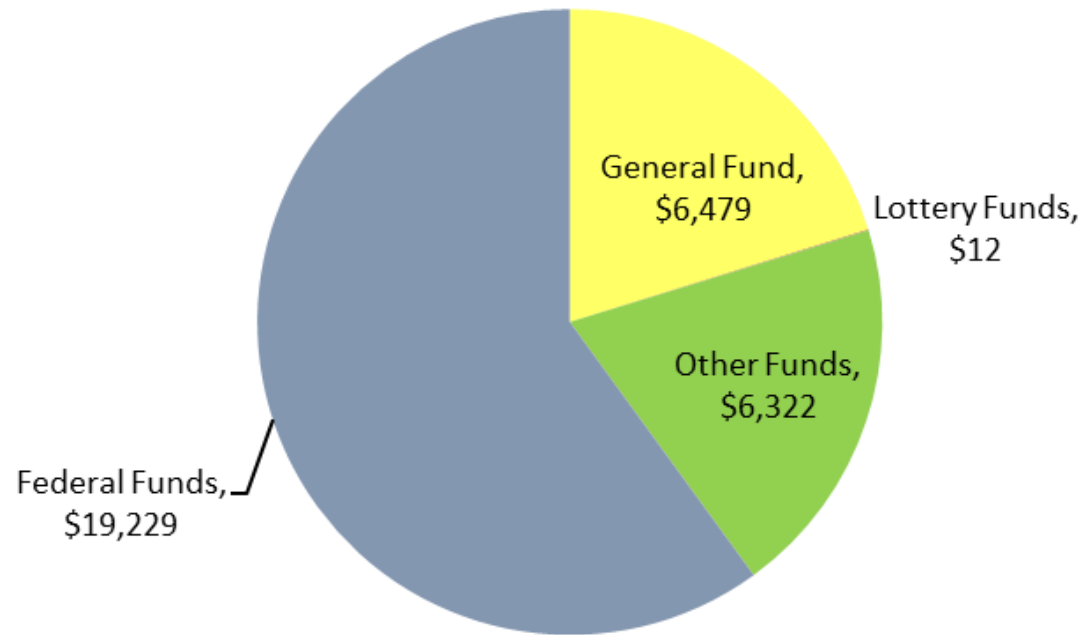
**Human Services Program Area
2017-19 Current Service Level - GF/LF
\$6,492 Million**



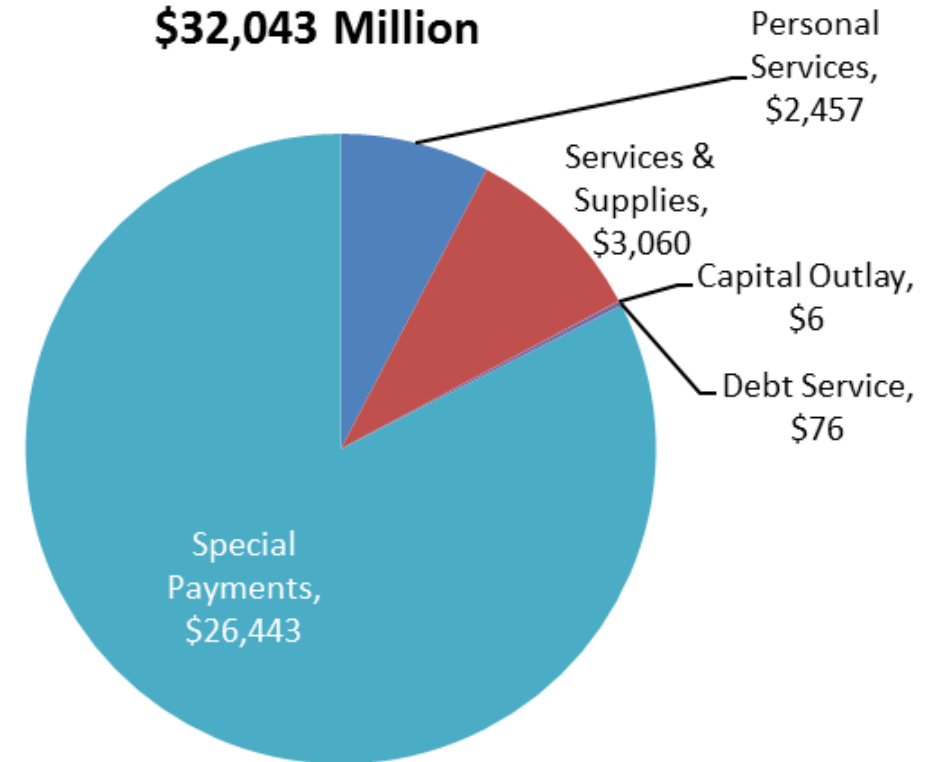
**Human Services Program Area
2017-19 Current Service Level - Total Funds
\$32,043 Million**



Human Services Program Area
2017-19 Current Service Level - Total Funds
\$32,043 Million



Human Services Program Area
2017-19 Current Service Level - Total Funds
\$32,043 Million



Ways & Means Human Services Subcommittee

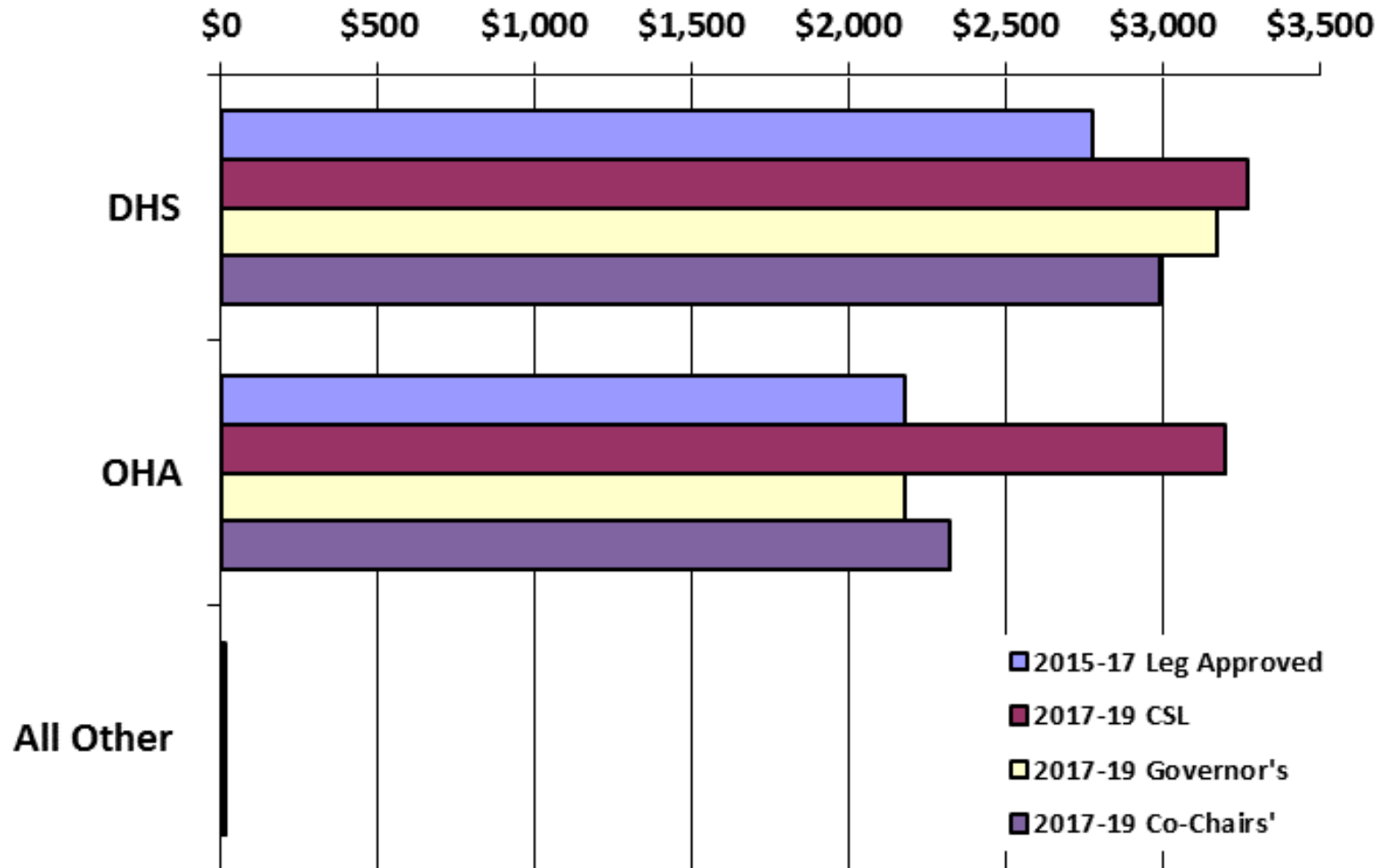
Agency Budget History: 2013-15 Actual to 2017-19 Governor's Budget

Dollars in Millions

	2013-15 Actual			2015-17 Legislatively Approved Budget at December 2016			2017-19 Current Service Level			2017-19 Governor's Budget		
	General Fund	Total Funds	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds	FTE
HUMAN SERVICES												
PROGRAM AREA AGENCIES												
Dept of Human Services (DHS)												
--Vocational Rehabilitation	21.0	98.4	229.08	24.3	110.8	259.17	32.4	112.5	249.25	27.0	114.0	260.25
--Intell/Developmental Disabilities	583.4	1,797.3	744.59	743.4	2,323.0	847.63	893.7	2,682.9	885.50	893.9	2,712.7	893.00
--Self-Sufficiency	393.4	3,243.6	1,985.99	375.4	3,433.9	2,035.49	452.8	3,191.8	2,039.63	441.2	3,178.4	2,045.63
--Child Welfare	369.5	854.7	2,403.45	481.3	963.4	2,544.65	547.2	1,041.8	2,682.65	541.6	1,050.8	2,620.15
--Aging and People with Disabilities	733.9	2,467.7	1,151.76	897.0	3,105.3	1,235.28	1,066.6	3,588.9	1,357.43	992.0	3,414.8	1,381.93
--Program Design Services	21.7	53.9	251.84	31.4	117.1	250.70	36.5	67.7	215.00	31.2	161.6	139.87
--Central, Shared Services, SAEC	203.4	490.8	717.98	226.0	582.4	735.37	245.9	630.6	735.42	246.9	632.2	735.73
Total DHS	2,326.3	9,006.3	7,484.69	2,778.7	10,635.9	7,908.29	3,275.1	11,316.1	8,164.88	3,173.7	11,264.5	8,076.56
Oregon Health Authority (OHA)												
--Health Services Division	1,301.1	12,052.1	622.99	1,450.5	15,687.4	610.47	2,392.5	15,276.1	790.10	1,463.6	15,051.9	807.26
--Health Policy and Analytics	44.4	138.9	114.07	22.4	153.2	131.49	27.3	131.9	138.15	31.2	151.7	140.15
--Public Employees' Benefit Board	0.0	1,649.4	19.50	-	1,872.8	18.50	-	1,899.9	19.50	-	1,895.8	18.50
--Oregon Educators Benefit Board	0.0	1,431.7	23.00	-	1,597.5	22.00	-	1,663.6	20.00	-	1,663.4	20.00
--Public Health	40.7	511.6	727.56	43.1	635.3	765.22	45.1	647.6	751.41	43.5	648.3	755.66
--Oregon State Hospital	388.7	528.1	2,052.74	452.0	525.8	2,262.90	531.1	592.5	2,433.32	436.6	537.3	2,188.57
--Central & Shared Services, SAEC	158.5	400.5	552.43	202.0	599.8	584.24	194.7	484.6	589.36	193.1	484.4	610.12
Total OHA	1,933.4	16,712.3	4,112.29	2,169.9	21,071.8	4,394.82	3,190.7	20,696.3	4,741.84	2,167.9	20,432.9	4,540.26
Commission for the Blind	1.6	15.9	46.21	3.7	20.7	52.21	3.6	19.4	52.21	3.2	20.4	61.50
Psychiatric Security Review Board	2.2	2.2	11.00	2.7	2.7	11.00	3.0	3.0	11.00	3.0	3.0	11.00
Long Term Care Ombudsman	2.5	3.2	16.81	6.3	7.0	24.50	7.0	7.7	24.50	6.4	7.3	24.50
Program Area Total	4,266.0	25,740.0	11,671.00	4,961.3	31,738.2	12,390.82	6,479.3	32,042.6	12,994.43	5,354.2	31,728.0	12,713.82
OTHER AGENCIES												
Board of Nursing	-	13.5	47.80	-	15.8	47.80	-	16.5	46.90	-	16.9	48.90
Oregon Medical Board	-	9.8	38.79	-	11.6	38.79	-	12.5	38.79	-	13.1	41.00

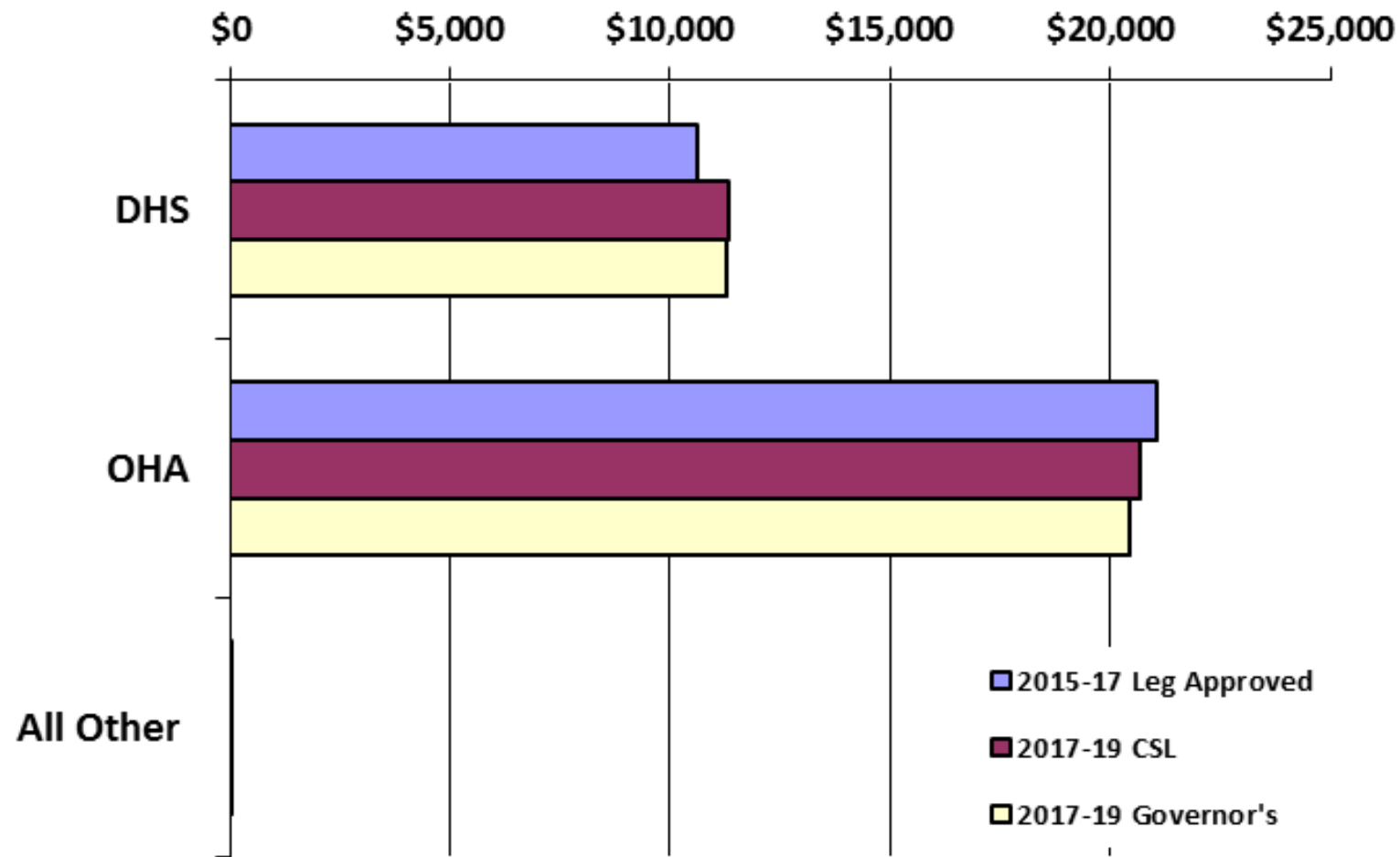
Human Services Program Area

General Fund/ Lottery Funds in Millions



Human Services Program Area

Total Funds in Millions



Note: Total Funds is not available for Co-Chairs' budget

2017-19 Human Services Program Area Budget Growth – GF/LF Current Service Level

