



Oregon

Kate Brown, Governor

Department of Human Services

Office of the Director

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April 12, 2019

The Honorable Senator Fred Girod, Co-Chair
The Honorable Representative Paul Holvey, Co-Chair
Joint Committee On Ways and Means Subcommittee on Capital Construction
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048



RE: 19-21 bonds for the Integrated Eligibility ONE system project testimony

Dear Co-Chairpersons:

DHS requests bonds to support the continuation of the ONE Integrated Eligibility & Medicaid Eligibility (ONE IE & ME) Project. The ONE system will be a single eligibility determination system for Non-MAGI Medicaid, Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, and Employment Related Day Care programs. These resources would support DHS' business needs and is related to the Legacy System Project DHS is undertaking to ensure functionality not assumed into the Integrated ONE system from legacy systems remains available for DHS business usage.

Due to changes in schedule, an additional \$4.7 million in bonds is necessary for the full funding of the project for a total request of new bonds in 19-21 of \$37,500,000, which will also incur \$665,000 for cost of issuance and new debt service in 19-21 of \$5,757,349 above the amount for prior sales which is in the base budget. While this increases bond need, there is a net decrease in the overall need for GF of \$1.3 million due to less Maintenance and Operation costs anticipated in 19-21 due to a 4-month extension of the project timeline offset in part by an increase in debt service. This extension was deemed necessary to ensure the quality of the project is not sacrificed due to unrealistic internal time lines for a project this size and scope. Of the revised ask of \$22.67 million, \$17.78 or 78% of the request is Medicaid federal funds. The total fund revised ask for 2019-21 is \$214.1 million of which \$141.4 million or 66% is federal funds.

"Assisting People to Become Independent, Healthy and Safe"

The table below overviews the change in estimated funding for the project in 2019-21 from Governor's Budget to current state.

The OHA additional other funds limitation is for OIS related services shared with OHA but will be funded by DHS.

Integrated Eligibility Policy Package 201 - funding at Governor's Budget versus updated need								
POP 201 at Revised (April Reshoot)								
	General Fund	General Fund Debt Service	General Fund Other Funds	Federal Funds	Total Funds	Positions	FTE	
OHA Policy Pkg pricing	\$ 671,490	\$ -	\$ 11,216,676	\$ 1,638,121	\$ 13,526,287	45	34.52	
DHS Policy Pkg pricing	\$ 11,174,770	\$ 5,757,349	\$ 43,898,481	\$ 139,731,325	\$ 200,561,925	33	30.78	
Total DHS + OHA	\$ 11,846,260	\$ 5,757,349	\$ 55,115,157	\$ 141,369,446	\$ 214,088,212	78	65.30	
POP 201 at GB								
	General Fund	General Fund Debt Service	General Fund Other Funds	Federal Funds	Total Funds	Positions	FTE	
OHA Policy Pkg pricing	\$ 671,490	\$ -	\$ 9,589,123	\$ 1,638,121	\$ 11,898,734	45	31.00	
DHS Policy Pkg pricing	\$ 13,047,490	\$ 5,273,482	\$ 39,247,563	\$ 121,950,843	\$ 179,519,378	33	25.26	
Total DHS + OHA	\$ 13,718,980	\$ 5,273,482	\$ 48,836,686	\$ 123,588,964	\$ 191,418,112	78	56.26	
Difference (April Reshoot less GB)								
	General Fund	General Fund Debt Service	General Fund Other Funds	Federal Funds	Total Funds	Positions	FTE	
OHA Policy Pkg pricing	\$ -	\$ -	\$ 1,627,553	\$ -	\$ 1,627,553	0	3.52	
DHS Policy Pkg pricing	\$ (1,872,720)	\$ 483,867	\$ 4,650,918	\$ 17,780,482	\$ 21,042,547	0	5.52	
Total DHS + OHA	\$ (1,872,720)	\$ 483,867	\$ 6,278,471	\$ 17,780,482	\$ 22,670,100	0	9.04	

For additional information please contact Tony Black, Project Director ONE IE & ME Project at 503-934-5087.

Sincerely,



Eric Luther Moore
 DHS Chief Financial Officer

- c. Bob Cummings, Legislative Fiscal Office
- Laurie Byerly, Legislative Fiscal Office
- Tamara Brickman, Chief Financial Office
- Cathy Connolly, Chief Financial Office