

HB 5026 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Department of Human Services

2019-21

Emergency Board

2019-21

PRELIMINARY

Budget Summary*

| | 2017-19 Legislatively Approved Budget ⁽¹⁾ | 2019-21 Current Service Level | 2019-21 Committee Recommendation | Committee Change from 2017-19 Leg. Approved | |
|---------------------------|---|----------------------------------|-------------------------------------|--|-------------|
| | | | | \$ Change | % Change |
| General Fund | \$ 3,191,072,203 | \$ 3,701,923,900 | \$ 3,819,890,499 | \$ 628,818,296 | 19.7% |
| General Fund Debt Service | \$ 15,414,969 | \$ 21,145,370 | \$ 21,145,370 | \$ 5,730,401 | 37.2% |
| Other Funds Limited | \$ 666,808,960 | \$ 570,282,885 | \$ 629,678,984 | \$ (37,129,976) | (5.6%) |
| Federal Funds Limited | \$ 5,575,122,100 | \$ 5,823,621,440 | \$ 5,961,628,189 | \$ 386,506,089 | 6.9% |
| Federal Funds Nonlimited | \$ 2,214,345,331 | \$ 2,214,345,331 | \$ 1,939,345,331 | \$ (275,000,000) | (12.4%) |
| Total | \$ 11,662,763,563 | \$ 12,331,318,926 | \$ 12,371,688,373 | \$ 708,924,810 | 6.1% |

Position Summary

| | | | | |
|--------------------------------------|----------|----------|----------|--------|
| Authorized Positions | 9,075 | 9,162 | 9,399 | 324 |
| Full-time Equivalent (FTE) positions | 8,616.92 | 9,084.50 | 9,284.49 | 667.57 |

⁽¹⁾ Includes adjustments through December 2018

* Excludes Capital Construction expenditures

Emergency Board

| | 2017-19 Legislatively Approved Budget ⁽¹⁾ | 2019-21 Current Service Level | 2019-21 Committee Recommendation | Committee Change from 2017-19 Leg. Approved | |
|--------------|---|----------------------------------|-------------------------------------|--|---------------|
| | | | | \$ Change | % Change |
| General Fund | \$ - | \$ - | \$ 4,000,000 | \$ 4,000,000 | 100.0% |
| Total | \$ - | \$ - | \$ 4,000,000 | \$ 4,000,000 | 100.0% |

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 of 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, collections of overpayments, estate collections, third party recoveries, fees, and charges for services.

The federal government is a major funding partner for human services programs; over 63 percent of the DHS budget is federally supported. As a result, the state's ability to provide program services is heavily influenced by the availability of federal dollars and by the rules guiding the use of those funds. In addition, the federal matching funds rate for the largest single Federal Funds source (Title XIX Medicaid, at \$3.7 billion), the Federal Medical Assistance Percentage (FMAP), changes annually and is completely uncontrolled by state policy. For 2019-21, the FMAP adjustment is not working to the state's advantage; the federal matching share will decrease from a biennial average of 63.33 percent in 2017-19 to 61.35 percent in the 2019-21 biennium.

The Supplemental Nutrition Assistance Program (SNAP) is the next largest federal contributor; \$1.9 billion in estimated benefit payments are reflected in the budget as Nonlimited Federal Funds. Other Federal Funds subject to expenditure limitation include the Title XIX Medicaid program, 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). Capped federal grants don't earn inflation, so state General Fund is typically relied upon to make up the difference in order to maintain services or adjust for growing caseloads in mandatory programs.

Federal changes can also increase pressure on state funding, for example, potential modifications to the Temporary Assistance for Needy Families (TANF) block grant. These changes would disallow using TANF for Child Welfare costs and/or counting third-party expenditures as state maintenance of effort; both of the changes would be a significant problem for Oregon's current operations. In 2018, under the Family First Prevention Services Act, Congress revamped Title IV-E grant funding used for Child Welfare by expanding allowable uses to include prevention activities which would keep children in their home under a safety plan. Oregon had previously been using Title IV-E money for prevention activities under a waiver, which is ending. Transitioning to the new funding model however, requires other programmatic changes that will take time to implement.

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; \$117.0 million in CCDF is anticipated for DHS use in 2019-12.

Major sources of Other Funds include the long-term care facilities tax, client account collections (estate recoveries), overpayment collections, the Quality Care Fund (revenue from the Aging and People with Disabilities (APD) and Intellectual and Developmental Disabilities (IDD) licensing fees and civil penalties), marriage license fees (for domestic violence programs), local school funding as a match for the Basic 110 Grant for rehabilitation services, donations, and grants.

Summary of Human Services Subcommittee Action

The mission of the Department of Human Services (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 the most vulnerable citizens – children, families, people with intellectual and developmental disabilities, and older adults. DHS is also responsible for serving people at times when they are most in need – when they have experienced abuse, when they are hungry, or when they are homeless.

DHS's budget can be divided into five distinct program areas; Child Welfare (CW), Self Sufficiency Programs (SS), Vocational Rehabilitation (VR), Aging and People with Disabilities (APD), and Intellectual and Developmental Disabilities (IDD). These program areas are supported by services and functions budgeted in Central Services, Shared Services, and State Assessments and Enterprise-wide Costs. The Subcommittee recommended a budget of \$12,371,688,373 total funds (\$3.8 billion General Fund) and includes 9,399 positions (9,284.49 FTE). This is a 6.1 percent total funds increase from the 2017-19 Legislatively Approved Budget and a 0.3 percent increase from the Current Service Level. For General Fund, the recommendation is a 19.7 percent increase from the 2017-19 Legislatively Approved Budget and a 3.2 percent increase from the current service level. With respect to FTE, the budget represents a 7.8 percent increase from the 2017-19 Legislatively Approved Budget and a 2.2 percent increase from Current Service Level.

The Subcommittee discussed and reviewed packages used to build the Governor's Budget, stakeholder budget requests, and the agency's repricing ("reshoot") adjustments for caseload, cost-per-case, and other changes since budget development began in early 2018. Caseload and associated cost adjustments are based on the agency's spring 2019 caseload forecast. Also included in the Subcommittee's recommended budget are 2017-19 interim actions that have an impact on the agency's 2019-21 budget. To help prioritize finite General Fund resources, the adopted budget does include budget reductions or investments that were approved at a lower level than requested.

After holding public hearings on the agency's programs and reviewing budget information, the Subcommittee approved five budget notes directing action and follow-up during the interim; four of these are program-related and are set out in the narrative for those programs. One applies to programs and appropriations across the agency:

Budget Note:

To improve transparency and accountability within the agency's budget, the Department of Human Services shall, for the 2021-23 budget cycle, request budget bill appropriations at a more detailed level than that presented in HB 5026. At a minimum, appropriations should be established at the following program levels: Vocational Rehabilitation; Self Sufficiency; Child Welfare; Aging and People with Disabilities; Intellectual and Developmental Disabilities; Central Services; State Assessments and Enterprise-wide Costs; and Shared Services. The Department of Administrative Services, Chief Financial Office, shall support this effort by providing any budget or accounting guidance needed to complete this task and will ensure that the budget bill submitted to the Legislature for the 2021 session is consistent with budget note direction.

Self Sufficiency Programs

Self Sufficiency Programs (SSP) assist low-income families meet critical needs, while helping them become self-supporting. Major programs are: Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF); and Employment Related Day Care (ERDC).

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 provide program services and benefits to clients through more than 100 field and branch offices throughout the state.

General Fund supports 14.3 percent of this budget, Other Funds 3.9 percent, and Federal Funds 81.8 percent. The major source of Other Funds is federal Child Care Development Fund dollars transferred from the Oregon Department of Education for ERDC. 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 dollars; SNAP benefits are projected at \$1.9 billion for the 2019-21 biennium. Federal Funds also help pay for program administrative costs on a 50 percent state/50 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's federal TANF block grant 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 recommended budget for SSP is \$444,882,878 General Fund, \$120,454,568 Other Funds expenditure limitation, \$603,079,912 Federal Funds expenditure limitation, \$1,939,345,331 Federal Funds Nonlimited (\$3,107,762,689 total funds), and 2,498 positions (2,494.60 FTE). The General Fund budget is \$49.7 million, or 10.9 percent, above the 2017-19 Legislatively Approved Budget. The Federal Funds limited budget is an increase of \$68.8 million, or 12.0 percent, over the 2017-19 biennium. Due to a reduction of \$275 million in Federal Funds Nonlimited, the total funds biennial comparisons are skewed. The Subcommittee recommended the following packages:

Package 070, Revenue Shortfalls. This package accounts for a Federal Funds revenue shortfall of \$5.8 million in the 2019-21 Current Service Level calculated from the Spring 2018 TANF caseload forecast; the caseload continues to decline, but at a slower rate.

Package 095, December 2018 Rebalance/Non-CSL Reshoot. One component of this package transfers the Runaway and Homeless Youth program from Child Welfare to SSP. The move is expected to improve service delivery and provide youth access to additional services, such as employment training. This is an increase of \$3.2 million total funds and one position (1.00 FTE). Positions are also transferred from SSP to other programs, which is primarily driven by a need to refine the placement of Oregon Health Plan (OHP) Medicaid eligibility positions transferred wholesale to DHS SSP in an action taken during the 2018 session. The net result is a reduction of nine positions (9.00 FTE)

Package 111, Grant Funded Limited Duration Positions. This package provides \$1.7 million in Federal Funds expenditure limitation and creates seven limited duration positions (7.00 FTE) to continue work under several federal grants. These are primarily related to SNAP activities.

Package 801, LFO Analyst Adjustments. This package makes several changes. It changes the Self Sufficiency Programs budget for caseload and cost per case changes tied to the Spring 2019 caseload forecast; the projected 2019-21 caseload decrease is 1.2 percent between the Fall 2018 and Spring 2019 forecasts. Other package elements include position transfers between agency programs and position reclassifications. Some positions that were part of the transfer of the OHP Medicaid eligibility move are also recommended for transfer back to the Oregon Health Authority (OHA) since their work does not have a close nexus with eligibility activities; these 21 positions (21.00 FTE) support the Community Partnership Outreach Program and Cover All Kids. This specific adjustment drives a decrease of \$4.9 million General Fund (\$10.1 million total funds). A decrease of \$275 million Federal Funds Nonlimited is also recommended to align the budget with projected caseload expenditures; these are SNAP benefit payments.

A \$9.2 million General Fund backfill built into the Current Service Level for the Employment Related Day Care (ERDC) program is reversed in Package 801. Then, \$9.2 million Other Funds expenditure limitation is added to match up spending authority with revenue. Finally, \$20 million Other Funds expenditure limitation is added to reflect an additional transfer of Child Care Development Fund (CCDF) dollars from ELD, based on updated revenue projections.

Collectively, these actions result in an overall ERDC recommended budget of \$179.8 million total funds (\$65.5 million General Fund and \$114.3 million Other Funds). This funding level, which is a 12 percent increase over the 2017-19 Legislatively Approved Budget, is expected to allow the program to serve an average of 8,230 families over the biennium. The caseload estimate is based on a cost per case of \$910 per month but may change (increase) as rate increases, effective January 1, 2019, fully impact child care costs; this will potentially affect the number of families and children served. The bulk of the funding increase will help cover the rate increases bargained in 2017-19 due to additional revenues available at the federal level; the federal funding authorization also includes a no-supplant clause. In addition, about \$2.7 million of the budget will be used on a one-time basis to support a pilot incentive program for child care providers offering evening, night, and weekend child care.

Package 804, \$40 Million TANF Strategy. This package contains a spending plan for \$40 million in federal TANF funding transferred out of the Child Welfare (CW) program back to Self Sufficiency Programs. These funds are available based on a Subcommittee recommendation to use \$40 million General Fund to replace TANF Federal Funds budgeted for positions in the CW program. Statutory guidance for some of the strategies identified are contained in HB 2032 (2019); that bill includes three one-time pilot projects that cross over into the 2021-23 biennium. The spending plan components are listed below:

- Retaining \$13 million in the TANF program to cover caseload costs; while caseloads are still trending downward, the pace of decrease has slowed since the current service level was originally developed.

- Applying \$7.5 million to continue benefits to eligible TANF participants who are over the 60-month time limit.
- Using \$3.5 million for a vocational training and education pilot program targeted at families receiving TANF in rural locations (HB 2032).
- Backfilling \$1.5 million General Fund in the Job Opportunity and Basic Skills (JOBS) program; this frees up General Fund to be sent to the Oregon Health Authority (OHA). OHA will administer a mental and behavioral health pilot program to award grants to up to four coordinated care organizations to assess potential gaps in access by TANF recipients to mental and behavioral health services (HB 2032).
- Sending \$10.5 million to the Housing and Community Services Department (HCSD) for a TANF housing pilot. Organizations will apply for grant funds through a competitive process and pair those dollars with funds from similar programs toward extending the time for families receiving TANF to receive housing assistance (HB 2032).
- Adding \$4 million to \$1 million in federal TANF funds already going to HCSD for the housing stabilization program. The program provides temporary (up to four months) assistance to stabilize housing for low-income eligible families who are homeless or at-risk of losing their housing. The base funding is currently a revenue transfer, so the recommendation is to budget that amount along with the additional funding as a special payment to HCSD.

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; frequently these involve 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.

The Subcommittee recommended budget is \$777,187,316 General Fund, \$39,019,172 Other Funds expenditure limitation, \$540,302,215 Federal Funds expenditure limitation (\$1,356,508,703 total funds) and 3,267 positions (3,217.65 FTE). This is a 15.4 percent total funds increase from the 2017-19 Legislatively Approved Budget and is 1.5 percent above the 2019-21 Current Service Level. The General Fund increase from the current biennium is \$176.1 million, which is a 29.3 percent increase. The Subcommittee recommended the following packages:

Package 070, Revenue Shortfalls/ Package 107- Backfill TANF on CW Positions. Package 107 adds \$40 million General Fund to maintain 2,420 positions (2,385.69 FTE), otherwise lost due to the removal of \$40 million of federal TANF funding in Package 070; the federal dollars are moved to Self Sufficiency to help cover caseload costs and support program initiatives. Non-program or “administrative” spending within the TANF program, for both state and federal expenditures, is subject to a limit of 15 percent; moving the TANF out of CW helps address this constraint.

Package 095, December 2018 Rebalance/Non-CSL Reshoot. This package includes several changes. It transfers the Runaway and Homeless Youth program (\$3.2 million total funds) from CW to Self Sufficiency. While unaccompanied minors can be a child safety issue, most youth

served by this program are also receiving services and benefits from Self Sufficiency; the move is expected to improve service delivery and provide youth access to additional services. This package also reconciles the budget between regular foster care and enhanced foster care; this saves \$7.4 million General Fund. Most of these savings are offset by a change in the fund split for attorney general charges. The budgeted fund split for attorney general charges is out of alignment with the actual allowable federal share, so \$6.3 million is shifted from Federal Funds to General Fund. The package also contains some technical adjustments and the transfer of one position (1.00 FTE) with the Runaway and Homeless Youth program to Self Sufficiency.

Package 119, Centralized Screening. This package adds \$8.9 million General Fund and 46 permanent positions (38.51 FTE) to improve staffing levels for the Oregon Child Abuse Hotline (ORCAH); the agency's move to this centralized screening operation was initially accomplished by realigning existing positions and staff over an eight month period ending in early April 2019. Additional staff are needed to help ORCAH handle a high volume of calls and mitigate caller wait times. The positions are fully phased in by July 1, 2020.

Package 131, Foster Family Recruitment Team. To support the development of a data-informed statewide foster family recruitment and retention model, this package adds \$3.0 million General Fund (\$3.8 million total funds) and 17 permanent positions (17.00 FTE). The foster family recruitment and retention team will consist of a centrally located program manager and a recruitment specialist located in each of the agency's 16 districts.

Package 801, LFO Analyst Adjustments. This package contains both reductions and additions to the CW budget. To make General Fund available for program needs, the following budget reductions are recommended:

- Reducing the enhanced foster care budget by \$2.3 million General Fund; this is the remainder of what is left after the Package 095 reconciliation and applying \$1.1 million General Fund to adoption savings. This change does not impact program as these were one-time funds provided in 2017-19 to capture "applicable child" General Fund savings that must be reinvested into the child welfare system based on federal law.
- Reducing the Strengthening, Preserving, and Reunifying Families (SPRF) budget by 50 percent (just under \$7 million General Fund); because the Title IV-E waiver ends on October 1, 2019, the program becomes fully reliant on General Fund. To be eligible for future federal match under the newly modified Title IV-E program, providers will need to offer approved, evidence-based services.
- Reducing the budget for Focused Opportunities for Children Utilizing Services (FOCUS) placements by 25 percent (\$6.3 million General Fund, \$6.6 million total funds). This program is primarily supported by General Fund and serves children with specialized needs; as the state develops in-state placements to help meet those needs, federal dollars can be leveraged to help cover placement costs.

Another Package 801 component is \$12.7 million General Fund (\$23.3 million total funds) to cover additional billings from the Department of Justice (DOJ) for providing full legal representation to CW caseworkers in all juvenile dependency proceedings. The DOJ 2019-21 budget

recommendation includes 54 positions in its Child Advocacy program to address base program workload and complete the last phase (July 2019) of the legal representation rollout for Clackamas, Clatsop, Marion, Multnomah, Union, and Washington counties.

The Child Welfare 2019-21 Current Service Level budget includes \$37.0 million General Fund (\$45.6 total funds) and 228 positions (228.00 FTE) to address mandated caseload based on funding the existing workload model at 88 percent. However, because the Department is actively working to update the workload model and workload continues to be a challenge for caseworker recruitment and retention, CW has used a “best practices standards” approach to identify the best array of positions needed to help stabilize the program. While funding is not available to buy the 754 (\$68 million General Fund) to 1,879 (\$174 million General Fund) positions estimated to be required to cover 75 percent to 100 percent of the best practices staffing gap, the existing funding can be reworked to support more positions; this results in an increase of 44 positions (43.50 FTE). The associated adjustment in Package 801 includes a change in the Current Service Level position mix (fewer caseworkers and more case aides, for example) and a funding split based on updated spending patterns. The package also adds \$2.2 million General Fund (\$3.1 million total funds) and 16 positions (14.08 FTE) to pay for more Mentoring, Assisting, and Promoting Success (MAPS) positions; which provide mentoring and other support to first-year caseworkers.

To assist foster families, \$3.1 million General Fund (\$7.8 million total funds) will pay for the statewide expansion of a former pilot program, called Keeping Foster and Kin Parents Supported and Trained. The program provides weekly training to small groups of parents; the sessions cover parenting techniques and skills tailored specifically to each cohort’s needs.

Package 801 also includes \$2.3 million General Fund (\$3.9 million total funds) and 17.60 FTE to continue the Leveraging Intensive Family Engagement program at its current, limited level in five counties. The program was scheduled to be phased out by October 2019 since it was funded with expiring Title IV-E Waiver funds; the 20 positions supporting the program are budgeted for three months in the Current Service Level as limited duration; this change adds 21 months and makes them permanent and ongoing. The program offers monthly case planning meetings, enhanced family finding, parent mentors, and team collaboration.

Finally, this package adds \$578,480 Other Funds expenditure limitation to spend adoption savings. Under federal law these savings, which are state dollars freed up as federal spending on adoptions increases, must be spent on certain child welfare activities. Child Welfare spends 30 percent on post-adoption activities and the remaining 70 percent, starting in the 2017-19 biennium, has been used to develop a child care stipend program for foster parents. Participation in the program, which offers up to \$375 per month to help offset employment-related child care costs for children ages zero through five, has been lower than expected. A proposed program expansion, which includes increasing eligibility for children through age 12 and covering education-related child care costs, is also recommended. The agency will monitor utilization and adjust the monthly stipend or eligible ages to ensure the program stays self-sustaining.

Package 802, \$50 Million Behavioral Health Investments. This package includes two investments from a \$50 million General Fund behavioral health funding plan across several agencies; these are also related to Senate Bill 1 and recommendations made by the Children and Youth with

Specialized Needs workgroup. The first investment is a \$4 million General Fund appropriation to the Emergency Board to help increase capacity for non-Medicaid in home services under Family First Prevention Services Act (FFPSA). The second investment is a \$3.5 million General Fund appropriation (\$8.5 million total funds) to pay for therapeutic foster care home recruitment, training, and support.

Regarding the \$4 million General Fund special purpose appropriation, in addition to allowing federal funding for prevention services, FFPSA also seeks to improve the well-being of children already in foster care by limiting funding for children who are placed in a setting that is not a foster family home unless the setting is a qualified residential treatment program. This change is expected to require changes in services offered by existing providers, many of whom were already having difficulty attracting and retaining staff even before addressing new programmatic requirements. To help address this issue, the Subcommittee approved the following Budget Note:

Budget Note:

The Oregon Department of Human Services, along with Child Welfare residential providers, shall assess the workforce issues associated with the provider community and develop recommendations focused on regulatory barriers and provider culture. These recommendations shall focus on the system changes needed to encourage providers to enhance capacity in the State of Oregon while also identifying strategies to help attract, develop, and retain a quality service provider workforce. A report is due back to the appropriate policy committee(s) no later than September 2020.

Package 803, Comprehensive CW Information System. This package adds \$3.8 million General Fund (\$7.5 million total funds) and nine permanent positions (9.00 FTE) to continue planning and initiation work related to the OR-KIDS system, which is the state's primary child welfare data system. Federal rules require these systems to meet new standards regarding data quality and modularity toward becoming a Comprehensive Child Welfare Information System. Work completed to date includes a high level business case, which anticipates the project duration will be at least five years. The agency will work with the Office of the State Chief Information Officer and the Legislative Fiscal Office (LFO) throughout the lifecycle of the project. Timing for formal reports back to the Legislature on project status during the 2019-21 biennium will be determined as the detailed business case and project scheduled is refined. There is also a companion package in the Oregon Health Authority for Shared Services.

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 recommended budget is \$35,629,792 General Fund, \$3,013,701 Other Funds expenditure limitation, \$84,026,231 Federal Funds expenditure limitation (\$122,669,724 total funds) and 261 positions (260.04 FTE). This is a 4.4 percent increase in total funds from the 2017-19 Legislatively Approved Budget. The Subcommittee recommended the following packages:

Package 070, Revenue Shortfalls. This package acknowledges a projected shortfall in base federal revenue, which requires a \$3.4 million reduction in Federal Funds expenditure limitation. This is offset by Package 095.

Package 095, December-18 Rebalance/Non-CSL Reshoot. This package adds \$4.5 million one-time Federal Funds expenditure limitation to spend one-time Federal Fiscal Year 2018 reallocation revenue carried forward from the 2017-19 biennium. Package 095 offsets the Federal Funds reduction in Package 070. This increase will be phased out during 2021-23 budget development.

Package 116, Pre-Employment Transition Services. This package adds \$0.6 million Other Funds expenditure limitation and three permanent positions to help VR collaborate with school districts to provide pre-employment transition services for all eligible students. Currently, VR has two service coordinators for the entire state. The package pays for two Program Analyst 1 positions (2.00 FTE) who will coordinate services in eastern and southern Oregon and one Operations and for one Policy Analyst 1 position (1.00 FTE) for program data support.

Aging and People with Disabilities

The 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 under Section 1915(k) of the Social Security Act. Federal Older Americans Act services include help with abuse prevention, caregiver supports, medication management, nutrition services, legal issues, and other services. Federal matching funds for the Medicaid program are determined by the FMAP rate, which determines the federal share of eligible program expenditures; the rate changes each federal fiscal year.

The Subcommittee recommended a \$3,944,761,463 total funds budget, which is 11.4 percent higher than the 2017-19 Legislatively Approved Budget. The budget contains \$1,205,195,117 General Fund, \$250,616,522 Other Funds expenditure limitation, \$2,488,949,824 Federal Funds expenditure limitation, and 1,568 positions (1,515.11 FTE). The Subcommittee recommended the following packages:

Package 082, December 2018 Emergency Board. This package adds \$993,087 General Fund, increases Other Funds expenditure limitation by \$752,952, increases Federal Funds expenditure limitation by \$4,033,805, and establishes 19 permanent positions (19.00 FTE). These increases

are due to two actions approved at the December 2018 meeting of the Emergency Board. Fifteen of the positions (15.00 FTE) are added to support APD complying with a federal mandate requiring all nursing facility complaint investigations to be conducted by the agency's Nursing Facility Survey Unit. Previously, some investigations were handled by local adult protective services staff. Federal funding pays for 75 percent of the work. Four of the positions (4.00 FTE) are positions approved to embed case managers in four hospitals; dedicated case managers can more quickly assess and place hospitalized individuals needing long-term care Medicaid services upon discharge. The full cost of the positions will be paid for by the hospitals.

Package 095, December-18 Rebalance. This package adds \$951,469 General Fund, decreases Other Funds expenditure limitation by \$682,891, increases Federal Funds expenditure limitation by \$763,459, and adds five permanent positions (5.00 FTE). The package accounts for technical adjustments from the December 2018 rebalance and provides funding for the transfer of positions to and from APD and other programs within the agency.

Package 801, LFO Analyst Adjustments. This package decreases General Fund by \$35,967,854, increases Other Funds expenditure limitation by \$32,491,655, decreases Federal Funds expenditure limitation by \$4,612,201, and adds three permanent positions (1.14 FTE). Components included within this package are adjustments due to caseload and cost per case changes tied to the Spring 2019 caseload forecast; these net out to an increase of \$2.3 million General Fund (\$2.7 million total funds). Embedded in these numbers are costs due to caseload growth in nursing facilities, caseload and cost increases in community based care, and savings from lower caseloads for in home care. A correction to a Current Service Level inflation calculation error also reduces the need for General Fund. A change in the FMAP rate requires additional state funds.

To make General Fund available for program needs, the package eliminates \$1.3 million General Fund (discretionary, unmatched funding) used to fund evidence based health promotion programs operated through local Area Agencies on Aging (AAA). The package also eliminates \$2.2 million General Fund (discretionary, unmatched funding) that was added to the AAA budgets in previous biennia when sequestration reduced Older American Act funding distributions to states. The Federal Funds have been partially restored since those sequester reductions in 2013.

Package 801 also adds \$270,759 total funds (Other and Federal Funds, split 50/50) and three positions (1.14 FTE), to implement House Bill 2600, which goes into effect January 1, 2021. The bill requires DHS to conduct annual inspections of care facilities' kitchens and food preparation areas. The Other Funds expenditure limitation will be supported by a combination of inspection fees and Quality Care Fund revenue.

Finally, in the nursing facilities program, the recommended package proposes the use of \$31.9 million from a projected carryforward balance in the long-term care facility assessment (Other Funds revenue) in place of the same amount of General Fund on a one-time basis; the General Fund is then used to pay for program needs in Package 805. The caregiver training budget was also set at \$3.7 million General Fund; recommended budget assumes the agency will continue its relationship with Oregon Care Partners to deliver this training.

Package 805, Medicaid Access and Staffing. This package increases General Fund by \$31,581,389, Federal Funds expenditure limitation by \$53,298,501, and adds 84 positions (42.00 FTE). Components included within this package are funding for an increase in rates (\$52.6 million total funds) for Assisted Living Facilities, Residential Care Facilities, Memory Care Facilities, and In-Home Care Agencies. The rates are to be increased five percent on July 1, 2019 and five percent on July 1, 2020. Providence ElderPlace funding will also increase by five percent on July 1, 2019. Dollars are also provided (\$15.3 million total funds) to increase rates for Adult Foster Homes (AFH) within the APD program; these rates are also subject to collective bargaining. The AFH rate increase from this funding is expected to be 10 percent on January 1, 2020 and another five percent increase on July 1, 2020. The package also provides 20 full-time permanent community-based care surveyor positions (10.00 FTE) to help reduce a backlog of inspections and keep up with facility oversight; the positions are to be phased in July 1, 2020. Finally, to address workload issues in local APD and AAA offices, the equivalent of 143 positions (71.50 FTE) are added to those offices and phased in mid-biennium; most of these are case manager positions and 64 of these full-time permanent positions (32.00 FTE) are dedicated to DHS. The current workload model is out of sync with duties, as both duties and expectations have significantly changed or increased over the last six years with increasingly complex consumers, high expectations from federal partners, and frequent policy changes.

While the Subcommittee did not recommend any adjustments to the budget for Oregon Project Independence (OPI), which provides in-home services outside of the Medicaid program and is funded at \$28.1 General Fund, the following budget note related to the program was approved:

Budget Note:

The Department of Human Services, in collaboration with the Oregon Health Authority, shall explore opportunities to obtain federal funding for the Oregon Project Independence program and family caregiver respite programs. The Department shall convene an advisory committee to make recommendations on the design of the programs, the benefit packages and the application for federal approval. The Department shall report the results of this work to the appropriate legislative policy committee(s) no later than December 31, 2020. Future implementation of any new program(s) would be contingent upon any necessary approvals from the Centers of Medicaid and Medicare Services (CMS), potentially including a new 1115 demonstration project waiver. If a federal waiver is required, the Department shall apply for such a waiver, but only implement the program(s) if the budget is available, and CMS approves the program through a new and distinct waiver from the currently approved Oregon Health Plan waiver. Lastly, if CMS requires the state to amend the existing Oregon Health Plan waiver, the Department/state shall withdraw the request.

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 a 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 34.2 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 recommended a \$3,086,247,550 total funds budget, which is 13.5 percent higher than the 2017-19 Legislatively Approved Budget. The budget contains \$1,054,908,231 General Fund, \$28,651,532 Other Funds expenditure limitation, \$2,002,687,787 Federal Funds expenditure limitation and 920 positions (918.94 FTE). The Subcommittee recommended the following packages:

Package 801, LFO Analyst Adjustments. This package increases General Fund by \$52,586,857, decreases Other Funds expenditure limitation by \$312,858, increases Federal Funds expenditure limitation by \$108,352,269, and establishes six positions (5.64 FTE). Components included within this package are adjustments for caseload and cost per case changes and are tied to the Spring 2019 caseload forecast; these net out to an increase of \$13.5 million General Fund (\$28.2 million total funds). The largest component of caseload change is a seven percent increase in adult in home support services. A change in the Federal Medical Assistance Percentage (FMAP; federal share decreases from 63.33 percent to 61.35 percent) drives a \$0.8 million shift from Federal Funds to General Fund. To access matching federal dollars on local Community Developmental Disability Program (CDDP) administrative costs and to true-up Developmental Disability Council expenditure limitation, Federal Funds expenditure limitation is increased by \$7.6 million.

To make General Fund available for program needs, the package eliminates \$3.0 million General Fund for the receipt of enhanced federal match for the program's payment and reporting system (eXPRS), which is contingent on approval from the Centers for Medicare and Medicaid Services (CMS). The package also eliminates \$320,083 General Fund and Other Funds related to the decreased budget need for community housing maintenance. Finally, the package eliminates \$2.0 million General Fund for job coaching hours to reflect actual usage of those services.

For CDDPs and Brokerages, the package includes a recommendation of almost \$13.0 million General Fund (\$22.9 million total funds), to add 149.55 FTE under a newly updated workload model that captures complex case management activities and efforts required to use a new assessment tool, the Oregon Needs Assessment. The funding provided is \$10 million General Fund less than requested by the agency, due to limited General Fund availability. An adjustment to the workload model for Children's Services provided by DHS staff adds \$648,831 total funds and three permanent positions (3.00 FTE). While the funding package is \$10 million General Fund below the agency's request for model funding,

the new budget level does represent a 20.0 percent increase over the current biennium. To help continue discussions around IDD case management during the interim, the Subcommittee approved the following Budget Note:

Budget Note:

The Department of Human Services is directed to report to the Senate Human Services and House Human Services and Housing Committee during the 2020 Legislative Session on case management duties and training requirements for case managers serving individuals with intellectual and developmental disabilities.

The package also adds \$324,939 General Fund (\$536,188 total funds) and establishes one permanent full-time position and two limited duration positions (2.64 FTE) to implement Senate Bill 274, which expands eligibility for support services by a brokerage to individuals with developmental disabilities from 18 years of age and older to 14 years of age and older. The two limited duration positions will be used to train brokerage staff on aspects of case management for children and one permanent full-time position for quality assurance work.

Finally, to support higher wages for direct support professionals, the package adds \$30.0 million General Fund (\$91.8 million total funds) to increase IDD provider rates (Adult and Children 24 Hour Residential, Attendant Care, Supported Living, Non-Medical Transportation, Day Support Activity, Employment Path, and Small Group Employment). To provide additional guidance around this investment, the Subcommittee also approved the following Budget Note:

Budget Note:

It is the intent of the Legislature that providers serving people with intellectual and developmental disabilities will use the \$30.0 million General Fund (\$91.8 million total funds) approved for provider rate increases in HB 5026 to help bring the direct support professional wage as close as possible to \$15.00 per hour by the end of the 2019-21 biennium. In addition, the Legislature understands the Department of Human Services will be transitioning to new rate models during the biennium; to ensure there is enough funding available to effectively implement these new structures, rate increases under the old models should be limited to no more than four percent. DHS is also directed, to the best of its ability, to apply this investment in a manner that prioritizes supporting individuals with the highest need. By February 1, 2020, the agency will submit a report to the Interim Joint Committee on Ways and Means outlining how the funding has been and will be applied, describing stakeholder involvement in the process, identifying impacts on providers and workers, and providing an update on the transition to the new rate models.

Package 802, \$50 M Behavioral Health Investment. This package adds \$4.9 million General Fund (\$10.5 million total funds) and one permanent position (0.88 FTE) to provide enhanced foster care services to about 140 youth and the development of small group home settings for 12 youth. This package is related to Senate Bill 1, which contains recommendations made by the interim workgroup on Children and Youth with Specialized Needs.

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

Central Services includes functions directly related to policy and programs in the Department. Central Services includes: the Office of the Director and Policy including the Chief of Staff, Tribal Affairs, the Deputy Director, the Office of the Chief Financial Officer, and the Office of the Chief Administrative Officer. The Central Services office also includes the Office of Equity and Multicultural Services (OEMS), the Office of Human Resources, the Central DHS Budget, Planning and Analysis Office, the Public Affairs Office (which includes Legislative Relations and Communications), the Office of Program Integrity, the Office of Reporting Research, Analytics and Implementation, the Office of Business Information Services, the Office of Information Support Services, and the Integrated Eligibility and Medicaid Eligibility ONE Project Office.

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. The DHS Shared Services budget includes the following: Budget Center; Office of Forecasting, Research and Analysis; Office of Enterprise Data Analytics; Office of Financial Services (OFS); Office of Human Resources; the Background Check Unit (BCU); Office of Facilities Management; Office of Imaging and Records Management (IRMS); Office of Contracts and Procurement; Office of Training and Investigation Services; Internal Audit and Consulting Unit; Office of Payment Accuracy and Recovery (OPAR); and the Office of Publications and Creative Services. Funding for Shared Services is included in the Shared Services Special Payments portion of the State Assessments and Enterprise-wide Costs (SAEC) budget.

The SAEC budget contains statewide assessments including various Department of Administrative Services' assessments/charges (e.g., Risk Management, Chief Financial Office), Central Government Services Charges, Oregon State Library, and the Secretary of State audits. It also includes the budgets for rent, debt service, and computer replacements. The budget also includes funding for DHS and OHA Shared Services attributable to DHS; this is budgeted as a Special Payment to the shared services provider, either DHS or OHA.

For these three programs, the Subcommittee recommended a budget of \$323,232,535 General Fund, \$187,923,489 Other Funds expenditure limitation, \$242,582,220 Federal Funds expenditure limitation (\$753,738,244 total funds) and 885 positions (878.15 FTE). This is a 12.1 percent total funds decrease from the 2017-19 Legislatively Approved Budget. The Subcommittee recommended the following packages:

Package 095, Dec-18 Rebalance. The package adds \$2,804,886 General Fund, reduces Other Funds expenditure limitation by \$376,374, reduces Federal Funds expenditure limitation by \$1,630,821, and adds four permanent positions (4.00 FTE) to reflect technical adjustments and position transfers. Of this amount, \$2.2 million General Fund is included to cover performance audit billings from the Secretary of State as federal dollars cannot pay for performance audit costs.

Package 202, Medicaid Modularity. This package adds \$277,922 General Fund, increases Federal Funds expenditure limitation by \$276,444, and adds two permanent positions (2.00 FTE) to support continuation of planning and begin implementation activities for modularization of the systems supporting Oregon Medicaid.

Package 208, Centralized Abuse Management System. This package adds \$1,756,474 General Fund, increases Federal Funds expenditure limitation by \$1,756,475 and adds three permanent positions (2.64 FTE) to provide resources for the operations and maintenance of the Centralized Abuse Management System and pay for software licensing through 2019-21.

Package 801, LFO Analyst Adjustments. The package decreases General Fund by \$625,346, decreases Other Funds expenditure limitation by \$1,265,553, decreases Federal Funds expenditure limitation by \$15,596,615, and adds three permanent positions (3.00 FTE). The components of this package include technical adjustment including the transfer and reclassification of positions. The Federal Funds decrease trues up the agency's budget. Finally, \$500,000 General Fund is reduced from the Business Information Services Office and \$500,000 (\$2.0 million total funds) is reduced in Shared Services to help balance the agency's overall budget.

Summary of Maximum Supervisory Ratio

The Subcommittee reviewed the agency's proposed Maximum Supervisory Ratio of 1:8.39.

Summary of Performance Measure Action

See attached "Legislatively Approved 2019-2021 Key Performance Measures."

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services
 Tamara Brickman and Cathy Connolly - (503) 378-4709 and (503) 373-0083

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|--|------------------|---------------|----------------|------------|------------------|------------------|-------------------|---------|------------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| 2017-19 Legislatively Approved Budget at Dec 2018 * | \$ 3,206,487,172 | \$ - | \$ 666,808,960 | \$ - | \$ 5,575,122,100 | \$ 2,214,345,331 | \$ 11,662,763,563 | 9,075 | 8,616.92 |
| 2019-21 Current Service Level (CSL)* | \$ 3,723,069,270 | \$ - | \$ 570,282,885 | \$ - | \$ 5,823,621,440 | \$ 2,214,345,331 | \$ 12,331,318,926 | 9,162 | 9,084.50 |
| SUBCOMMITTEE ADJUSTMENTS (from CSL) | | | | | | | | | |
| SCR 060-01 - Self-Sufficiency | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Insufficient TANF Federal Funds to cover CSL | \$ - | \$ - | \$ - | \$ - | \$ (5,828,689) | \$ - | \$ (5,828,689) | | |
| Package 095: Dec-18 Rebalance/Non-CSL Reshoot | | | | | | | | | |
| Runaway and Homeless Youth | \$ 2,554,375 | \$ - | \$ - | \$ - | \$ 600,000 | \$ - | \$ 3,154,375 | | |
| Technical Adjustments/Transfers | \$ (893,717) | \$ - | \$ 254,340 | \$ - | \$ (1,013,854) | \$ - | \$ (1,653,231) | (9) | (9.00) |
| Package 111: Grant Funded LD Positions | | | | | | | | | |
| Various SNAP and other grants | \$ - | \$ - | \$ - | \$ - | \$ 1,657,278 | \$ - | \$ 1,657,278 | 7 | 7.00 |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Caseload/Cost per Case | \$ (331,937) | \$ - | \$ - | \$ - | \$ (49,601) | \$ - | \$ (381,538) | | |
| Tech Adjustments/Transfers/Reclasses | \$ (5,144,684) | \$ - | \$ (163,762) | \$ - | \$ (5,188,099) | \$ - | \$ (10,496,545) | (22) | (22.50) |
| Right size Federal Funds Nonlimited (SNAP) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (275,000,000) | \$ (275,000,000) | | |
| Reverse CSL ERDC Fund shift | \$ (9,183,772) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (9,183,772) | | |
| Correct CSL Expenditure Limitation | \$ - | \$ - | \$ 9,181,749 | \$ - | \$ - | \$ - | \$ 9,181,749 | | |
| Increase CCDF Allocation from Early Learning | \$ - | \$ - | \$ 20,000,000 | \$ - | \$ - | \$ - | \$ 20,000,000 | | |
| Package 804: \$40M TANF Strategy | | | | | | | | | |
| Cover TANF Caseload | \$ - | \$ - | \$ - | \$ - | \$ 13,000,000 | \$ - | \$ 13,000,000 | | |
| TANF Time Limit Backstop | \$ - | \$ - | \$ - | \$ - | \$ 7,500,000 | \$ - | \$ 7,500,000 | | |
| Education and Training Pilot (HB 2032) | \$ - | \$ - | \$ - | \$ - | \$ 3,500,000 | \$ - | \$ 3,500,000 | | |
| JOBS Fundshift | \$ (1,500,000) | \$ - | \$ - | \$ - | \$ 1,500,000 | \$ - | \$ - | | |
| OHA Mental/Behavioral Health Pilot (HB 2032) | \$ 1,500,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,500,000 | | |
| TANF Housing Pilot (HB 2032) | \$ - | \$ - | \$ - | \$ - | \$ 10,500,000 | \$ - | \$ 10,500,000 | | |
| Augment Housing Stability Program (HSP) | \$ - | \$ - | \$ - | \$ - | \$ 5,000,000 | \$ - | \$ 5,000,000 | | |
| SCRs 060-02, 060-03, 060-04, 060-06 - Child Welfare | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Title IV-E Waiver Ending & TANF 15% Administrative Cap | \$ - | \$ - | \$ - | \$ - | \$ (61,440,518) | \$ - | \$ (61,440,518) | (2,420) | (2,385.69) |
| Package 095: Dec-18 Rebalance/Non-CSL Reshoot | | | | | | | | | |
| Runaway and Homeless Youth | \$ (2,554,375) | \$ - | \$ - | \$ - | \$ (600,000) | \$ - | \$ (3,154,375) | | |
| Reconcile Enhanced Foster Care Budget | \$ (7,366,395) | \$ - | \$ (962,418) | \$ - | \$ (6,417,540) | \$ - | \$ (14,746,353) | | |
| Align Attorney General Fund Splits | \$ 6,284,984 | \$ - | \$ (1,595) | \$ - | \$ (8,658,405) | \$ - | \$ (2,375,016) | | |
| Tech Adjustments/Transfers (includes RHY position) | \$ (298,136) | \$ - | \$ 308 | \$ - | \$ 1,630,599 | \$ - | \$ 1,332,771 | (1) | (1.00) |
| Package 107: Backfill TANF on Child Welfare Positions | | | | | | | | | |
| Restores positions eliminated in Pkg 070 | \$ 40,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 40,000,000 | 2,420 | 2,385.69 |

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|-----------------|---------------|----------------|------------|----------------|------------|-----------------|-----|--------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| Package 119: Centralized Screening Positions are phased in at 21, 18, 12 months | \$ 8,947,301 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,947,301 | 46 | 38.51 |
| Package 131: Foster Family Recruitment Team Statewide foster family recruitment and retention | \$ 3,008,924 | \$ - | \$ - | \$ - | \$ 749,993 | \$ - | \$ 3,758,917 | 17 | 17.00 |
| Package 801: LFO Analyst Adjustment | | | | | | | | | |
| Caseload/Cost Per Case | \$ 3,418,863 | \$ - | \$ (1,369,608) | \$ - | \$ (8,612,976) | \$ - | \$ (6,563,721) | | |
| Tech Adjustments/Transfers | \$ (311,944) | \$ - | \$ - | \$ - | \$ (808,091) | \$ - | \$ (1,120,035) | (3) | (2.50) |
| Error Corrections | \$ 8,574,708 | \$ - | \$ 423,747 | \$ - | \$ 425,128 | \$ - | \$ 9,423,583 | | |
| Federal Medical Assistance Percentage | \$ 66,477 | \$ - | \$ - | \$ - | \$ (66,477) | \$ - | \$ - | | |
| Enhanced Foster Care | \$ (2,292,741) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (2,292,741) | | |
| Reduce FOCUS by 25 percent | \$ (6,312,614) | \$ - | \$ (131,979) | \$ - | \$ (187,488) | \$ - | \$ (6,632,081) | | |
| Reduce SPRF by 50 percent | \$ (6,995,871) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (6,995,871) | | |
| Legal Representation for Caseworkers | \$ 12,657,727 | \$ - | \$ - | \$ - | \$ 10,670,188 | \$ - | \$ 23,327,915 | | |
| Apply Best Practices Staffing to Pkg 040 | \$ (21,939) | \$ - | \$ - | \$ - | \$ 6,125,228 | \$ - | \$ 6,103,289 | 44 | 43.50 |
| Mentoring Assisting Promoting Success | \$ 2,170,701 | \$ - | \$ - | \$ - | \$ 961,779 | \$ - | \$ 3,132,480 | 16 | 14.08 |
| Expand KEEP Program Statewide | \$ 3,100,000 | \$ - | \$ - | \$ - | \$ 4,650,000 | \$ - | \$ 7,750,000 | | |
| Leveraging Intensive Family Engagement | \$ 2,281,394 | \$ - | \$ - | \$ - | \$ 1,647,006 | \$ - | \$ 3,928,400 | 0 | 17.60 |
| Applicable Adoptions Expenditure Limitation | \$ - | \$ - | \$ 578,480 | \$ - | \$ 369,848 | \$ - | \$ 948,328 | | |
| Package 802: \$50 Million Behavioral Health Investment Strengthen Therapeutic Foster Care | \$ 3,500,000 | \$ - | \$ 430,000 | \$ - | \$ 4,600,000 | \$ - | \$ 8,530,000 | | |
| Package 803: Comprehensive Child Welfare Information System Developing business case (Stage-Gate 1/Stage Gate 2) | \$ 3,810,386 | \$ - | \$ - | \$ - | \$ 3,657,541 | \$ - | \$ 7,467,927 | 9 | 9.00 |
| SCR 060-07 - Vocational Rehabilitation | | | | | | | | | |
| Package 070: Revenue Basic 110 Grant Insufficient | \$ - | \$ - | \$ - | \$ - | \$ (3,435,378) | \$ - | \$ (3,435,378) | | |
| Package 095: Dec-18 Rebalance/Non-CSL Reshoot Basic 110 Grant FFY 18 Reallocation Funds | \$ - | \$ - | \$ - | \$ - | \$ 4,446,741 | \$ - | \$ 4,446,741 | | |
| Package 116: Pre-Employment Transition Services Staff to collaborate with school districts | \$ - | \$ - | \$ 576,906 | \$ - | \$ - | \$ - | \$ 576,906 | 3 | 3.00 |
| SCR 060-08 - Aging and People with Disabilities | | | | | | | | | |
| Package 082: December 2018 Emergency Board Nursing Facility Survey Staff 2019-21 Cost | \$ 993,087 | \$ - | \$ - | \$ - | \$ 4,033,805 | \$ - | \$ 5,026,892 | 15 | 15.00 |
| Case Managers Embedded in Hospitals | \$ - | \$ - | \$ 725,952 | \$ - | \$ - | \$ - | \$ 725,952 | 4 | 4.00 |
| Package 095: Dec-18 Rebalance Technical Adjustments/Transfers | \$ 951,469 | \$ - | \$ (682,891) | \$ - | \$ 763,459 | \$ - | \$ 1,032,037 | 5 | 5.00 |
| Package 801: LFO Analyst Adjustment | | | | | | | | | |
| Caseload/Cost Per Case | \$ 2,288,834 | \$ - | \$ 387,554 | \$ - | \$ 64,660 | \$ - | \$ 2,741,048 | | |
| Error Corrections from CSL | \$ (3,725,447) | \$ - | \$ - | \$ - | \$ (3,842,679) | \$ - | \$ (7,568,126) | | |
| Federal Medical Assistance Percentage | \$ 969,350 | \$ - | \$ - | \$ - | \$ (969,350) | \$ - | \$ - | | |
| Eliminate Evidence Based Health Promotion (AAAs) | \$ (1,296,250) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (1,296,250) | | |
| Eliminate Sequestration Backfill for AAAs | \$ (2,235,831) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (2,235,831) | | |
| Implement HB 2600 | \$ - | \$ - | \$ 135,591 | \$ - | \$ 135,168 | \$ - | \$ 270,759 | 3 | 1.14 |
| One-time use of LTC Facility Assessment \$ Balance for NF | \$ (31,968,510) | \$ - | \$ 31,968,510 | \$ - | \$ - | \$ - | \$ - | | |

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|-------------------------|---------------|-----------------------|-------------|-------------------------|-------------------------|--------------------------|--------------|-----------------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| Package 805: Medicaid Access and Staffing | | | | | | | | | |
| Increase rates for ALF/RCF/MC/IHA/PACE | \$ 17,188,598 | \$ - | \$ - | \$ - | \$ 35,386,344 | \$ - | \$ 52,574,942 | | |
| Increase rates for APD Adult Foster Homes | \$ 5,000,000 | \$ - | \$ - | \$ - | \$ 10,279,284 | \$ - | \$ 15,279,284 | | |
| Add Community Based Care Surveyors | \$ 1,403,640 | \$ - | \$ - | \$ - | \$ 932,940 | \$ - | \$ 2,336,580 | 20 | 10.00 |
| Add Case Mgrs., Supv, HSS3 positions - APD | \$ 3,846,747 | \$ - | \$ - | \$ - | \$ 2,557,529 | \$ - | \$ 6,404,276 | 64 | 32.00 |
| Add Case Mgrs., Supv, HSS3 positions - AAA | \$ 4,142,404 | \$ - | \$ - | \$ - | \$ 4,142,404 | \$ - | \$ 8,284,808 | | |
| SCR 060-09 - Intellectual and Developmental Disabilities | | | | | | | | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Caseload/Cost Per Case | \$ 13,544,710 | \$ - | \$ - | \$ - | \$ 28,216,179 | \$ - | \$ 41,760,889 | | |
| Federal Medical Assistance Percentage | \$ 814,943 | \$ - | \$ 7,225 | \$ - | \$ (822,168) | \$ - | \$ - | | |
| Add Expenditure Limitation/Revenue | \$ - | \$ - | \$ - | \$ - | \$ 7,573,892 | \$ - | \$ 7,573,892 | | |
| Enhanced Medicaid Match for eXPRS | \$ (3,000,000) | \$ - | \$ - | \$ - | \$ 3,000,000 | \$ - | \$ - | | |
| Reduce Community House Contract by 10% | \$ (320,083) | \$ - | \$ (320,083) | \$ - | \$ - | \$ - | \$ (640,166) | | |
| Reduce Job Coaching Hours | \$ (2,000,000) | \$ - | \$ - | \$ - | \$ (2,000,000) | \$ - | \$ (4,000,000) | | |
| Workload model update CDDPs/Brokerages | \$ 12,953,834 | \$ - | \$ - | \$ - | \$ 9,976,858 | \$ - | \$ 22,930,692 | | |
| Workload model update - Children's Services | \$ 324,939 | \$ - | \$ - | \$ - | \$ 323,892 | \$ - | \$ 648,831 | 3 | 3.00 |
| Rate Increase for IDD Providers (DSPs) | \$ 30,000,000 | \$ - | \$ - | \$ - | \$ 61,815,942 | \$ - | \$ 91,815,942 | | |
| Implement SB 274: Brokerages Serve Age 14↑ | \$ 268,514 | \$ - | \$ - | \$ - | \$ 267,674 | \$ - | \$ 536,188 | 3 | 2.64 |
| Package 802: \$50M Behavioral Health Investment | | | | | | | | | |
| Youth with IDD/Behavioral Health Needs | \$ 4,940,000 | \$ - | \$ - | \$ - | \$ 10,481,220 | \$ - | \$ 15,421,220 | 1 | 0.88 |
| SCRs 010-040, 010-045, 010-050 - Central Svcs, Shared Svcs, SAEC | | | | | | | | | |
| Package 095: Dec-18 Rebalance | \$ 2,804,886 | \$ - | \$ (376,374) | \$ - | \$ (1,630,821) | \$ - | \$ 797,691 | 4 | 4.00 |
| Package 202: Medicaid Modularity | \$ 277,922 | \$ - | \$ - | \$ - | \$ 276,444 | \$ - | \$ 554,366 | 2 | 2.00 |
| Package 208: Centralized Abuse Management System | \$ 1,756,474 | \$ - | \$ - | \$ - | \$ 1,756,475 | \$ - | \$ 3,512,949 | 3 | 2.64 |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Tech Adjustments/Transfers/Reclasses | \$ 374,654 | \$ - | \$ (265,553) | \$ - | \$ (14,596,615) | \$ - | \$ (14,487,514) | 3 | 3.00 |
| Reduce Business Information Services | \$ (500,000) | \$ - | \$ - | \$ - | \$ (500,000) | \$ - | \$ (1,000,000) | | |
| Reduce Shared Services General Fund | \$ (500,000) | \$ - | \$ (1,000,000) | \$ - | \$ (500,000) | \$ - | \$ (2,000,000) | | |
| TOTAL ADJUSTMENTS | \$ 117,966,599 | \$ - | \$ 59,396,099 | \$ - | \$ 138,006,749 | \$ (275,000,000) | \$ 40,369,447 | 237 | 199.99 |
| SUBCOMMITTEE RECOMMENDATION * | \$ 3,841,035,869 | \$ - | \$ 629,678,984 | \$ - | \$ 5,961,628,189 | \$ 1,939,345,331 | \$ 12,371,688,373 | 9,399 | 9,284.49 |
| % Change from 2017-19 Leg Approved Budget | 19.8% | 0.0% | (5.6%) | 0.0% | 6.9% | (12.4%) | 6.1% | 3.6% | 7.8% |
| % Change from 2019-21 Current Service Level | 3.2% | 0.0% | 10.4% | 0.0% | 2.4% | (12.4%) | 0.3% | 2.6% | 2.2% |

*Excludes Capital Construction Expenditures

EMERGENCY BOARD

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|--|--------------|---------------|-------------|------------|---------------|------------|-----------------|-----|------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| Special Purpose Appropriation for Family First Prevention Services Act | \$ 4,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,000,000 | 0 | 0.00 |
| Total Adjustments | \$ 4,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,000,000 | 0 | 0.00 |

Legislatively Approved 2019 - 2021 Key Performance Measures

Published: 6/20/2019 11:47:09 AM

Agency: Human Services, Department of

Mission Statement:

To help Oregonians in their own communities achieve safety, well-being and independence through services that protect, empower, respect choice and preserve dignity

| Legislatively Approved KPMs | Metrics | Agency Request | Last Reported Result | Target 2020 | Target 2021 |
|--|---------|----------------|----------------------|-------------|-------------|
| 1. OVRS CLOSED - EMPLOYED – The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed. | | Approved | 57% | 65% | 65% |
| 2. EMPLOYMENT IN SECOND QUARTER - The percentage of clients closed from plan who are employed during second quarter following closure | | Approved | No Data | 52% | 52% |
| 3. EMPLOYMENT IN FOURTH QUARTER - The percentage of clients closed from plan who are employed during fourth quarter following closure | | Approved | No Data | 52% | 52% |
| 4. MEDIAN QUARTERLY WAGE - Median quarterly wage at second quarter following closure from VR program | | Approved | No Data | \$3,300.00 | \$3,300.00 |
| 5. HOUSEHOLDS AT, OR ABOVE, LIVING WAGE - The percentage of households leaving Self Sufficiency who are at, or above, a living wage four quarters out | | Approved | No Data | TBD | TBD |
| 6. HOUSING STABILITY - The percentage of Self Sufficiency participants who improve their housing situation | | Approved | No Data | TBD | TBD |
| 7. ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization. | | Approved | 92% | 97% | 97% |
| 8. TIMELY REUNIFICATION - The percentage of foster children exiting to reunification within 12 months of foster care entry. | | Approved | 71.60% | 76% | 76% |
| 9. TIMELINESS OF ADOPTION ONCE LEGALLY FREE - Percent of Legally free children adopted in less than 12 months | | Approved | 42.10% | 54% | 54% |
| 10. LTC NEED PREVENTION - Percentage of seniors (65+) needing publicly-funded long term care services. | | Approved | 3.05% | 3.08% | 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 | 87.40% | 89% | 89% |
| 12. SERVICE ELIGIBILITY - ODDS - The percentage of individuals who apply for ODDS services who are determined eligible within 90 days from application | | Approved | No Data | TBD | TBD |
| 13. In-Home Services - The percentage of adults enrolled in the Intellectual/Developmental Disabilities program who are receiving services in their own home, including family home | | Approved | No Data | 75% | 75% |
| 14. SUPPORTED EMPLOYMENT - EMPLOYMENT FIRST - The number of individuals who obtain competitive integrated employment | | Approved | No Data | TBD | TBD |
| 15. ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES - The percentage of substantiated abuse/neglect of adults in licensed and endorsed programs | | Approved | No Data | 0% | 0% |
| 16. Abuse Investigation Timeliness - Percent of abuse reports assigned for field contact that meet policy timelines. | | Approved | 97.82% | 95% | 95% |

| Legislatively Approved KPMS | Metrics | Agency Request | Last Reported Result | Target 2020 | Target 2021 |
|--|---|-----------------------|----------------------|-------------|-------------|
| 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 | 73.80% | 81% | 81% |
| | Accuracy | | 78.80% | 91% | 91% |
| | Overall | | 75.70% | 90% | 90% |
| | Helpfulness | | 83% | 86% | 86% |
| | Expertise | | 78.50% | 90% | 90% |
| | Availability of Information | | 90% | 92% | 92% |
| 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 | 0.70 | 1 | 1 |
| | Disparity of Non-Hispanic Asian/Pacific Islander Youth | | 0.90 | 1 | 1 |
| | Disparity of Non-Hispanic White Youth (always=1) | | 1 | 1 | 1 |
| | Disparity of Non-Hispanic Native American/Alaska Native Youth | | 1 | 1 | 1 |
| | Disparity of Hispanic (any race) Youth | | 1 | 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 | 23.80% | 33% | 33% |
| 20. FOOD SECURITY - The percentage of Self Sufficiency participants who improve their food security | | Approved | No Data | TBD | TBD |
| 21. SELF-EFFICACY/HOPE - The percentage of Self Sufficiency participants who improve their ability to influence their future outcomes | | Approved | No Data | TBD | TBD |
| 2. TANF FAMILY STABILITY - Rate per 1,000 of TANF recipient children entering child welfare (foster care or in home) | | Legislatively Deleted | 3.40 | 3.90 | 3.90 |
| 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. | | Legislatively Deleted | 62.51% | TBD | TBD |
| 4. SNAP (Supplemental Nutrition Assistance Program) UTILIZATION - The ratio of Oregonians served by SNAP to the number of low-income Oregonians. | | Legislatively Deleted | 98% | 0% | 0% |
| 5. SNAP (Supplemental Nutrition Assistance Program) ACCURACY - The percentage of accurate SNAP payments | | Legislatively Deleted | 92.23% | 0% | 0% |
| 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 | | Legislatively Deleted | 77.60% | 0% | 0% |
| 12. DEVELOPMENTAL DISABILITY SUPPORT SERVICES - The percentage of eligible adults who are receiving adult support services within 90 days of request. | | Legislatively Deleted | 72.16% | 0% | 0% |
| 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. | | Legislatively Deleted | 75.26% | 0% | 0% |

| Legislatively Approved KPMs | Metrics | Agency Request | Last Reported Result | Target 2020 | Target 2021 |
|---|---------|-----------------------|----------------------|-------------|-------------|
| 14. SUPPORTED EMPLOYMENT - Increase the number of individuals who receive developmental disability services in supported employment. | | Legislatively Deleted | 3,012 | 0 | 0 |
| 15. ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES - The percentage of people with developmental disabilities experiencing abuse. | | Legislatively Deleted | 2% | 0% | 0% |
| 20. TANF JOBS PLACEMENTS - The percentage of clients who achieve job placement each month compared to those anticipated to achieve placement. | | Legislatively Deleted | 110.40% | TBD | TBD |

LFO Recommendation:

Approve the agency's request to delete 10 KPMs and add 11 new or modified KPMs, with targets as shown. Regarding the new measures without data or developed targets, LFO recommends directing the Department to provide a detailed update on the status of data collection and target development as part of the Annual Performance Progress Reports due in October 2019 and October 2020.

The Department has also committed to look at KPM renumbering and title standardization for the next budget cycle.

SubCommittee Action:

The Human Services Subcommittee approved the Legislative Fiscal Office recommendations on Key Performance Measures.

PRELIMINARY