

Budget Notes to be included in the budget report for HB 5204:

BUDGET NOTE: The Public Employees Retirement System (PERS) is directed to report to the Joint Committee on Information Management and Technology during the legislative session in 2021 on the implementation of SB 1049 (2019). The Department of Administrative Services (DAS) and the DAS Office of the State Chief Information Officer (OSCIO) are to continue to provide oversight of the PERS SB 1049 (2019) implementation project. The project shall continue to adhere to the Stage Gate process. OSCIO and the DAS Chief Financial Officer, in their oversight roles, are to report separately to the Joint Committee on Information Management and Technology during legislative days in September 2020 and during the legislative session in 2021 on the implementation of SB 1049 (2019). The agencies' reports to the Legislature shall include:

- Update on project scope, schedule, budget, and total cost of ownership;
- Identification of costs associated with one-time solutions versus permanent solutions;
- Independent quality assurance reporting on the project;
- Impact of SB 1049 (2019) information technology project on routine agency operations;
- Any exceptions from administrative rules, policies or procedures, or statutes granted to PERS by the Department of Administrative Services;
- Any investments made by the agency during the biennium for technical debt; and
- Other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project.

BUDGET NOTE: The Oregon State Treasury is requested to undertake a review of statutory accounts and funds invested in the Oregon Short Term Fund to develop criteria and approaches that could be used by the Legislature to identify principal balances that could be partially invested in intermediate and/or long-term investments based upon the cash flow requirements and risk tolerance of the participating statutory account and fund. State Treasury is requested to report to the Emergency Board in May of 2020 with the agency's review and recommendations.

BUDGET NOTE: No later than December 2020, the Oregon Business Development Department shall report to the Emergency Board on the statutory changes and budget adjustments recommended to establish the Oregon Tourism Commission as a program within the Department, effective beginning with the 2021-23 biennium. The Department shall consult with the Oregon Tourism Commission, Department of Administrative Services, and Legislative Fiscal Office in preparing this report.

BUDGET NOTE: The Subcommittee approved the re-designation of the use of \$100,000 of Lottery Funds approved in the 2015-17 biennium budget for the Regional Solutions Program. The funds were initially approved for dike and levee repairs in the North Coast Region, but that project will not be going forward. The Subcommittee approved transferring these funds instead to the City of Astoria, for upgrading a water line and an associated infrastructure project, as recommended by the North Coast Regional Solutions Advisory Committee.

BUDGET NOTE: The Higher Education Coordinating Commission (HECC) shall work with partners, including representatives of post-secondary institutions to study public and non-profit programs designed to promote college access. The study shall include at least the following: (1) identify public and private nonprofit funded college access programs, (2) the number and type of student they serve, (3) the services each provides, (4) their funding sources, (5) an estimate of the cost per student to provide, (6) geographic scope or specific region each serves, and (7) other information required to meet the purpose of this budget note. With this information, HECC will:

- Identify population and geographic gaps of the current set of programs;
- Identify measures or metrics that demonstrate the effectiveness of the programs and their outcomes;
- Means to encourage development where there are gaps; and
- Criteria that future Legislatures may use in determining which programs to fund in the future.

HECC is instructed to report its findings to the Legislature by December 31, 2020.

BUDGET NOTE: Prior to October 1, 2020, the Department of Human Services shall report to the Emergency Board on its utilization of non-budgeted positions associated with “double fill” needs. The report shall provide information (counts, purpose, justification, etc.) on non-budgeted positions by program and use the January 2020 request for 331 positions as the baseline for showing upward or downward trends in utilization. The report should also identify, by program, position costs for the first year of the biennium, how those costs were covered, and how the agency plans to cover them in the second year of the biennium.

BUDGET NOTE: By the end of calendar year 2020, the Department of Human Services (DHS) will provide at least one report to the Emergency Board on the Child Welfare program. The report should include, but need not be limited to, the following: 1) status of child welfare program investments made during both the 2019 and 2020 legislative sessions; 2) Family First implementation efforts; 3) data around case worker recruiting, hiring, position vacancies, separations, turnover, and training; 4) an update on how the

Oregon Child Abuse Hotline is performing with regard to metrics, workforce, training, and quality assurance, and 5) progress made in assessing the effectiveness of the Strengthening, Preserving, and Reunifying Families program.

BUDGET NOTE: At the meeting of the Emergency Board closest to June 1, 2020, the Department of Human Services shall report on options and recommended next steps for the design and implementation of a statewide case management system serving the Intellectual and Developmental Disabilities program. This effort should be focused on how best to meet the needs of the program, case management entities, providers, families, and people experiencing developmental disabilities. The agency will consult with information technology staff from the Oregon Health Authority's Office of Information Systems (OIS), the Office of the State Chief Information Officer (OSCIO), and the Legislative Fiscal Office (LFO) to ensure that options and recommendations account for availability of OIS resources (or appropriate alternatives) and are consistent with the OSCIO Information Technology (IT) Investment Oversight Policy and the Joint State CIO/LFO Stage Gate Review Process for IT projects.

BUDGET NOTE: The Oregon Health Authority shall collect, or develop a plan to start collecting, performance outcome data and service-level expenditure information related to all funding in the agency's budget awarded to community mental health programs to support restorative services and community capacity for individuals under aid and assist court orders. The agency shall report to the Legislature by December 1, 2020 regarding the community mental health program performance outcome and financial reporting requirements in place at that time and any plans by the agency to incorporate additional performance outcome and financial reporting requirements, as necessary, to determine the effectiveness of state investments in aid and assist restorative services and community capacity.

BUDGET NOTE: The purpose of the additional community mental health treatment facility beds established with the \$2.3 million investment is for the Oregon Health Authority (OHA) to transition patients receiving services in the Oregon State Hospital to community beds, as appropriate based on the needs of the patient. OHA shall ensure that Medicaid and other forms of reimbursement for patient care are maximized and shall leverage private resources to the extent possible before state General Fund reimbursement is required.

The agency shall report to the Emergency Board at its first and second meetings in 2020 regarding the progress made to establish additional beds in community settings and the full cost of care for the individuals admitted. At a minimum, the report shall identify the amount of funding expended on one-time start-up costs and what those costs entail, how the agency has leveraged private resources in addition to state funds to establish beds, the number and type of beds established in community settings, and the number of individuals placed in the community beds who were discharged from the Oregon State Hospital versus those who were

not. The report shall also identify the average cost for each individual receiving services and treatment in the community beds; the amount of the average cost supported with General Fund and federal Medicaid reimbursement; and the estimated cost by fund source for continuing to provide services for these individuals through the remainder of the 2019-21 biennium and over the course of the 2021-23 biennium.

BUDGET NOTE: By September 15, 2020, the Oregon Health Authority shall report to the House and Senate Committees on Health Care regarding the estimated costs and required steps to professionalize the health care interpreter workforce.

BUDGET NOTE: The Oregon Health Authority shall take steps to resolve within its existing budget the one-time costs associated with transitioning the coordinated care organization (CCO) quality incentive pool into the monthly CCO rate structure while maintaining the level of quality incentive pool payments funded in the agency's 2019-21 legislatively adopted budget. The agency shall notify the Department of Administrative Services Chief Financial Office and Legislative Fiscal Office of any budget saving measures it identifies to resolve some or all of the one-time costs. If the agency is unable to resolve the one-time costs, the agency shall report to the Emergency Board no later than November 1, 2020 on the steps the agency has taken and explored to mitigate the one-time costs. At a minimum, the report shall identify all vacant positions across the entire agency funded in whole, or in part, with General Fund or other resources that can be used to offset General Fund expenses; the budget-to-actuals position by fund source of all agency programs according to the detail cross reference budget structure; year-to-date collections of and estimates for all Other Funds revenues used to support Medicaid expenditures; and options the agency proposes to contribute to some or all of the one-time costs.

BUDGET NOTE: The Oregon Health Authority shall use the \$1.4 million General Fund appropriation related to implementing nurse staffing laws to hire, whether through state employment or by contract, a manager with nurse staffing experience; ensure current client care surveyors are trained to understand the current practices of nurse staffing; and support administrative simplification of the nurse staffing process and survey toolkit. These actions are consistent with the recommendations of the Nurse Staffing Advisory Board and should include, but are not limited to, approval of standardized templates and universal forms and postings to the attestation of portions of the survey tool agreed upon by both Hospital Nurse Staffing Committee co-chairs. The agency shall also consider ways to address complaints in a timely fashion and leverage the expertise of the Nurse Staffing Advisory Board. The agency shall report to the Legislature during the 2021 legislative session on the progress of how these funds are being allocated to improve the intent and goal of hospital nurse staffing laws to promote better patient outcomes.

BUDGET NOTE: The Oregon Health Authority shall notify the Department of Administrative Services Chief Financial Office and Legislative Fiscal Office in writing any time the census of the 16-bed “Rivers Run” treatment cottages totals fewer than nine patients. Upon doing so, the agency shall provide a detailed description of the reason for the underutilization of the bed space, the number of individuals who qualify to be placed in the cottages based on treatment needs, and the estimated time for placing individuals in the cottages.

BUDGET NOTE: No later than September 2020, the Public Defense Services Commission shall report to the Legislature on the use of the \$20.0 million provided in this bill (HB 5204, 2020). It is the Legislature’s intent that the funds be used as follows: (1) \$3.9 million to provide increases in compensation for public defense contracts across the state; (2) \$11.1 million to recruit and retain public defense attorneys, and address system overhead costs; (3) \$2.5 million to increase the rate paid to contract investigators and interpreters; and (4) \$2.5 million to hire 23 permanent full-time employees (9.67 FTE).

BUDGET NOTE: No later than January 2021, the Public Defense Services Commission shall report to the Legislature and other relevant committees of the Legislative Assembly on the strategic plan to improve indigent public defense services and agency oversight of the service delivery system. The plan should articulate a vision for the delivery of public defense services in Oregon and identify specific initiatives the agency has undertaken or will undertake to move toward that vision, with target implementation dates. At a minimum, the plan must address: (1) caseload standards, (2) workforce stability, (3) training for attorneys in the Parent Child Representation Program; (4) system performance and client-based outcome evaluations, and (5) standards and processes designed to ensure consistency, fairness, and equity in the public defense contract review process.

BUDGET NOTE: In consultation with the Legislative Fiscal Office and the Department of Administrative Services Chief Financial Office, the Department of Corrections (DOC) is directed to develop and recommend a statewide biennial inflation factor for community corrections funding that is weighted proportionately for personnel costs and services and supplies costs incurred by counties for the provision of community corrections programs locally. DOC shall submit the recommended methodology and associated work papers in writing for approval by the Legislative Fiscal Office by March 15, 2020, and use the approved inflation factor in the development of its agency recommended budget for community corrections each biennium.

BUDGET NOTE: The Department of Corrections shall create outcome measures for community corrections that are relevant to the work being conducted; in line with evidence based practices and recognized national benchmarks; and applied consistently across all community corrections agencies. The Department shall solicit outside expertise and technical assistance in defining and implementing these outcomes, and shall seek grant or in-kind resources if necessary to support this work. The Department of

Corrections is expected to report on the recommended outcome measures for community corrections during the 2021 legislative session and implement them by July 1, 2021.

BUDGET NOTE The Department of Corrections has reported an estimated General Fund budget shortfall of \$60 million for the 2019-21 biennium. The agency is directed to report to the Legislature at each meeting of the Emergency Board in 2020 and 2021, and quarterly during the 2021 legislative session, on the status of management efforts undertaken to balance expenditures to the agency's legislatively approved budget. At a minimum, each report should include updates on projected spending, cost saving measures taken to date, and the effect of the cost savings measures on the projected budget shortfall and on prison and program operations.

BUDGET NOTE The Department of Corrections (DOC) is directed to assess its minimum security prisons and report its findings to the Legislature. This assessment is to include physical plant conditions, including major repairs planned, the volume and estimated cost of deferred maintenance, and operating costs for utilities; operating conditions, including staff recruitment and retention considerations, the availability of health care services for adults in custody, and transportation and logistics costs; programming provided at each facility; and any other factors the agency deems relevant to prison costs and operations. DOC shall report to the Legislature on this assessment no later than March 1, 2021.

BUDGET NOTE The Coffee Creek Correctional Facility (CCCF) is the state's only prison for women and the state prison system's intake center. It is located in the northern Willamette Valley near the state's largest urban center and major medical facilities. For these and other reasons it is a desirable location for pilot programs intended to address specific needs of adults in custody, improve prison operations, or both. There are currently ten pilot programs operating at CCCF, including a pilot for Certified Medication Aides (SB 5504, 2019); hospital watch security positions (SB 5504, 2019); civil legal services (HB 2631, 2019); and the Family Preservation Project, Early Head Start, the Reducing Overdose After Release (ROAR) pilot, and others.

The Department of Corrections (DOC) is directed to evaluate its organizational capacity to conduct pilot programs at CCCF, and to assess the following: staff time devoted to each pilot, ability to evaluate the relative success of each pilot, outcomes for the adults in custody participating in each pilot, scalability, and other factors that cost or benefit the prison system as a whole or benefit adults in custody. DOC shall report its findings to the Legislature no later than March 1, 2021.

BUDGET NOTE: The Criminal Justice Commission is directed to work collaboratively with the Department of Consumer and Business Services and the Oregon Health Authority on a project to develop a dataset linking behavioral health data to criminal justice data sources in order to analyze the use of both criminal justice and public health resources in Oregon.

BUDGET NOTE The Family Preservation Project strengthens family ties by providing services and supports to incarcerated parents and their minor children. The program operates at the Coffee Creek Correctional Facility in Wilsonville and is provided by the YWCA of Greater Portland. The Criminal Justice Commission (CJC) is directed to work with the Department of Corrections (DOC) and the YWCA of Greater Portland to track the program's outcomes for incarcerated adults and their minor children, its effect on successful parent re-entry into society upon release from prison, its effect on reducing recidivism, and any other pro-social program outcomes as determined by DOC, CJC, and the YWCA of Greater Portland. CJC shall report to the Legislature on Family Preservation Program outcomes at least annually during a legislative session.

BUDGET NOTE: The Department of Justice is to report to the Legislature in 2021 on state funding of Children's Advocacy Centers. The report is to include:

- the number of children served;
- the number of children receiving medical assessments;
- the number of children unable to receive medical assessments;
- the number of children receiving forensic interviews;
- the number of children unable to receive forensic interviews;
- other types of services provided;
- timeliness of services provided; client satisfaction survey results; and
- recommendations on how service delivery to children residing in rural areas can be improved.

BUDGET NOTE: The Oregon Youth Authority is directed to work with the Legislative Fiscal Office and the Department of Administrative Services Chief Financial Office to create a statewide case rate to reimburse county juvenile departments for performing juvenile expunctions per SB 1573 (2019). OYA shall submit the recommended case rate and associated work papers in writing for approval by the Legislative Fiscal Office by September 1, 2020. OYA shall report on the statewide case rate in conjunction with other reporting requirements specified in SB 1573.

Based on county experience performing expunctions under SB 1573 and based on the approved case rate, OYA may request funding from the Emergency Board or the Legislature to reimburse counties for performing juvenile expunctions during the 2019-21 biennium. Ongoing funding to counties for this purpose shall be estimated and included in the agency's 2021-23 requested budget.

BUDGET NOTE: The Oregon Department of Transportation is directed to work with community-based organizations and other stakeholders to ensure broad community outreach and engagement related to implementation of HB 2015 (2019). The Department is further directed to use existing resources of up to \$500,000 for such outreach and to contract with one or more trusted community-based organizations with a track record of providing culturally competent and linguistically appropriate community outreach. No later than September 2020, the Department shall report to the Emergency Board on the details of the community outreach activities.