

## Legislative Fiscal Office

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**To:** Human Services Subcommittee

**From:** Gregory Jolivette, Legislative Fiscal Office

**Date:** June 5, 2023

**Subject:** HB 5026 – Department of Human Services  
Work Session Recommendations

### Department of Human Services – Agency Totals

	2019-21 Actual	2021-23 Legislatively Approved	2023-25 Current Service Level	2023-25 LFO Recommended
General Fund	3,637,247,990	4,843,300,377	5,434,996,743	5,637,837,285
Other Funds	751,048,822	962,504,953	657,050,606	1,031,808,441
Federal Funds	6,087,670,199	7,692,771,219	7,680,566,236	8,115,736,353
Federal Funds NL	2,800,165,775	4,881,868,127	3,681,868,127	3,681,868,127
<b>Total Funds</b>	<b>13,276,132,786</b>	<b>18,380,444,676</b>	<b>17,454,481,712</b>	<b>18,467,250,206</b>
Positions	9,587	10,456	10,336	10,999
FTE	9,340.43	10,275.10	10,280.58	10,751.37

The LFO recommended total funds budget for the Department of Human Services is \$18,467,250,206, an increase of 0.47% compared to the 2021-23 legislatively approved budget (LAB) and 5.8% above the 2023-25 Current Service Level (CSL). The recommended General Fund budget represents a 16.4% increase from the 2021-23 LAB and a 3.7% increase from the 2023-25 CSL. Attached are the recommendations from the Legislative Fiscal Office for the Department of Human Services.

### Agency Budget Overview

**Key Investments.** The recommended budget makes investments in several key areas, namely provider reimbursement rates, new programs and program enhancements, and operational infrastructure. Investments in each of these areas are summarized below

- *Provider Rates.* The recommended budget continues provider rate increases that were set to expire at the end of the current biennium in the Aging and People with Disabilities (APD), Intellectual/Developmental Disabilities (I/DD), and Child Welfare (CW) programs, and provides new rate increases as described below.

In APD, the budget invests \$56,951,080 General Fund to maintain a 10% wage add-on and a 5% COVID enhancement provided to community-based care providers, and invests \$11,176,215 General Fund to provide a 5% rate increase effective July 1, 2024. In I/DD, the budget invests \$27,525,375 General Fund to continue a 5% rate increase adopted as a COVID enhancement in 2021-23.

In CW, the budget invests \$2,870,669 General Fund to continue the 5% vacant bed factor plus a COVID differential of \$13.70 per day of bed use, both of which were set to expire on June 30, 2023. In addition, the budget provides \$16,824,055 General Fund to increase foster care reimbursement rates an average of \$241 per month.

- *New Programs and Enhancements to Existing Programs.* The recommended budget provides resources for continued implementation of new programs. This includes funds for (1) Healthier Oregon Program (HOP) caseload and services, (2) the Oregon Project Independence/Family Caregiver Assistance Program expansion, and (3) implementation of the new 1115 Medicaid Waiver, which--among other things--implements continuous Oregon Health Plan enrollment for kids up to six years of age, and two-year continuous enrollment for individuals over five years of age. In addition, the recommended budget includes \$94,584,880 General Fund on a one-time basis for continued implementation of various enhancements to home and community-based services in the APD and I/DD programs.
- *Agency Operational Capability/Effectiveness.* In support of the DHS's operations infrastructure and capability, the recommended budget provides support for 300 full-time permanent eligibility and support staff to manage the large volume of eligibility redeterminations that accrued because of federal policy changes during the pandemic related to eligibility processing. Other key investments in agency infrastructure include \$16,200,175 General Fund for ONE system maintenance and operational costs, and \$2,958,688 General Fund for mainframe migration.

**Other Agency Budget Adjustments.** Several recommended budget adjustments affect multiple programs within the agency, including agencywide current service level adjustments to vacancy savings, and services and supplies; routine adjustments based on updated caseload forecasts and program expenditure data; and updates to the Federal Medical Assistance Percentage (FMAP). Another change to the agency budget that impacts multiple program areas is the establishment of Oregon Eligibility Partnership as a new program budget structure.

- *Current Service Level Reductions.* The LFO recommendation includes various reductions to the Current Service Level budget which equate to General Fund savings of \$191.4 million. This includes vacancy rate savings of \$56.7 million, one-

time services and supplies reductions of \$29.4 million, one-time fund shifts of \$79.5 million, and other reductions totaling \$23.8 million. Also included is the elimination of 20 positions that have been vacant for more than 12 months for ongoing savings of \$2,058,667 General Fund. Most of the DHS program budgets include adjustments for one or more of these types of reductions.

- *Federal Medical Assistance Percentage (FMAP)*. The FMAP is computed annually from a formula that considers the average per capita income of the state relative to the national average. Between Fall 2022 and Spring 2023 the FMAP rate changed by 0.06% resulting in General Fund costs of \$8.6 million across all affected programs. However, for the first two quarters of the 2023-25 biennium, the state will receive enhanced FMAP authorized by the federal Families First Coronavirus Response Act which results in \$44.5 million General Fund savings.
- *Caseload/Cost Per Case Adjustments*. The recommended budget adjusts for the Fall 2022 and Spring 2023 caseload forecasts, as well as updates cost/per case assumptions based on a comparison of projected to actual expenditures. The Fall 2022 adjustments are shown in Package 40, and the Spring 2023 adjustments are captured in Package 801.
- *Oregon Eligibility Partnership*. The new Oregon Eligibility Partnership (OEP) program centralizes eligibility processing and ONE system maintenance and operations under one program management and budget structure. The recommendation includes various related position and funding transfers from several programs -- Self-Sufficiency, Aging and People with disabilities, and Central Services-- to OEP.

### **Program Budget Details**

**Self-Sufficiency Programs.** The LFO recommended total funds budget for Self-Sufficiency Programs (SSP) is 24.7% below the 2021-23 legislatively approved budget and 1.2% below the 2023-25 current service level (CSL). The General Fund budget is 47.6% below 2021-23, which largely reflects the transfer of funding from Self-Sufficiency to the Oregon Eligibility Partnership program. This includes:

PKG 95 - DHS December 2022 Rebalance Reshoot - Increases General Fund by \$6,211,589, Other Funds expenditure limitation by \$15,646, and Federal Funds expenditure limitation by \$19,620,553. Adjusts for TANF caseload and cost per case changes based on the December 2022 caseload forecast. Makes permanent seven full-time limited duration positions. Provides Federal Funds expenditure limitation needed in part to allow the agency to spend child abuse prevention grant funds.

### PKG 801 - LFO Adjustments

- *Caseload/Cost Per Case*. Increases the General Fund by \$17,704,709 and decreases Other funds by \$16,644 to adjust for caseload changes in the spring forecast as well as higher than budgeted costs per case in the TANF program.

- *Vacancy Savings*. Reduces the General Fund budget for SSP salaries and wages by \$4,098,362 based on personal services expenditures in recent years.
- *Transfer to Oregon Eligibility Partnership (OEP)*. Package 801 reduces General Fund by \$218,334,144, total funds by \$447,6119,099, and reduces SSP staff by 1,801 positions (1,799.09 FTE) to reflect the transfer of funding and positions to OEP.
- *Transfer to Self-Sufficiency/Independent Residence Facilities*. Increases the General Fund by \$1,381,525 to reflect the transfer of funding and one position for Independent Residence Facilities to SSP's Youth Experiencing Homelessness Program. This transfer improves alignment between the program funding and population served. Recipients of these services are not involved in Child Welfare. This transfer includes \$87,008 General Fund to support an existing Administrative Assistant 2 position (0.50 FTE).
- *Department of Early Learning and Care (DELIC) Pass Through*. Provides Other Funds expenditure limitation of \$338,035,033 to allow the agency to pay Employment-Related Day Care providers on behalf DELIC.
- *Temporary Assistance to Needy Families Penalty*. Provides \$7,679,059 General Fund to pay a penalty from federal fiscal year 2002 related to work participation rules.
- *Local Food Purchasing Infrastructure*. Provides \$10,000,000 General Fund to fill the gap in food supplies resulting from reduced post-pandemic food donations through distribution of funds throughout the statewide food bank network.

#### PKG 802 - LFO Adjustment - Long-Term Vacancies

- *Eliminate Long-Term Vacancies*. Reduces the General Fund by \$553,663, Other Funds by \$175, and Federal Funds by \$323,115 and eliminates five vacant positions (5.00 FTE) that have remained vacant for more than 12 months.

**Child Welfare.** The LFO recommended total funds budget for Child Welfare is 3.2% above the 2021-23 legislatively approved budget and 0.1% above the 2023-25 current service level (CSL). The General Fund budget is 4.7% above 2021-23. This includes:

PKG 82 - September E-Board - Provides \$1,108,784 General Fund to support one newly established permanent full-time Operations and Policy Analyst 3 positions (1.00 FTE) as well as program payments related to an expansion of the Family Treatment Court Program.

PKG 95 - DHS December 2022 Rebalance Reshoot - Provides \$2,044,091 General Fund and \$6,508,165 Other Funds and decreases Federal Funds expenditure limitation by \$507,688 for various December 2022 rebalance/reshoot adjustments.

PKG 118 - Child Protective Services Staff - Provides \$6,907,091 General Fund (\$9,209,453 total funds) and 202 full-time permanent positions (50.50 FTE) devoted to child protective

services.

PKG 123 - Foster Care Reimbursement Rate Increase - Provides \$16,824,055 General Fund (\$27,097,338 total funds) to increase monthly foster care payments an average of \$241 per month.

PKG 801 - LFO Adjustments

- *Behavior Rehabilitation Rate Adjustment* - Provides \$2,870,669 General Fund (\$3,328,215 total funds) to continue one-time adjustments approved in 2021-23. Specifically, this maintains the 5% vacant bed factor plus a COVID differential of \$13.70 per day of bed use.
- *DOJ Child Advocacy Program* - Provides \$3,967,708 General Fund and \$2,645,139 Federal Funds expenditure limitation to pay the Oregon Department of Justice for legal services through its new Child Advocacy Program.
- *Caseload/Cost Per Case*. Reduces the General Fund by \$3,646,390 and decreases Other Funds by \$264,181 and Federal Funds by \$2,382,283 to adjust for caseload changes in the spring forecast as well as higher than budgeted costs per case in the TANF program. General Fund caseload savings of \$10,827,599 are partially offset by a projected cost per case increase of \$7,181,209 General Fund.
- *Federal Medical Assistance Percentage*. Reduces General Fund by \$1,722,620 and increases Federal Funds expenditure limitation by \$1,722,620 for FMAP adjustments in CW. This shift from General Fund to Federal Funds reflects General Fund costs of \$210,407 from a change in the regular FMAP offset by one-time General Fund savings of \$1,933,027 from pandemic related enhanced FMAP.
- *Vacancy Savings*. Reduces the General Fund budget for Child Welfare salaries and wages by \$23,680,942 based on personal services expenditures in recent years.
- *Services and Supplies Reductions*. Package 801 reduces the General Fund budget for Child Welfare services and supplies by \$15,436,737 based on services and supplies expenditures in recent years.
- *Transfer to Central Services/Community Engagement Funds*. Reduces the General Fund by \$100,000 to reflect the transfer of this amount to Central Services for community engagement activities. The Self Sufficiency, Child Welfare and Aging and People with Disabilities programs are each redirecting \$100,000 to Central Services for an initiative to engage community members and incentivize local participation in policy development and service delivery improvement.
- *Transfer to Self-Sufficiency/Independent Residence Facilities*. Reduces the General Fund by \$1,381,525 to reflect the transfer of funding and one position for

Independent Residence Facilities to SSP's Youth Experiencing Homelessness Program. This transfer improves alignment between the program funding and population served. Recipients of these services are not involved in Child Welfare. This transfer includes \$87,008 General Fund to support an existing Administrative Assistant 2 position (0.50 FTE).

- *Child and Family Service Review Penalty Reversal.* Reduces the General Fund by \$3,365,252. At the time the budget was developed, it was assumed the state would be required to pay a penalty for not meeting certain federal child welfare benchmarks; however, the federal Children's Bureau subsequently notified Oregon the penalty would not be assessed due to a change in national standards.

#### PKG 802 - LFO Adjustment - Long-Term Vacancies

- *Eliminate Long-Term Vacancies.* Reduces the General Fund by \$808,082 and Federal Funds by \$318,186 and eliminates six vacant positions (6.00 FTE) that have remained vacant for more than 12 months.

**Vocational Rehabilitation.** The LFO recommended total funds budget for Vocational Rehabilitation is 0.2% below the 2021-23 legislatively approved budget and 0.6% below the 2023-25 current service level (CSL). The General Fund budget is 10% above 2021-23. This includes:

PKG 95 - DHS December 2022 Rebalance Reshoot - Reduces General Fund by \$46,186 and Federal Fund expenditure limitation by \$45,231 due to a technical adjustment that transfers costs from the program to the Central Services and State Assessments and Enterprise-wide Costs divisions.

PKG 148 - Rehabilitation Services Administration (RSA) Audit Report. Authorizes five positions (5.00 FTE) to provide training and technical assistance to school districts related to the Youth Transition Program. DHS had contracted for this service; however, in 2022, DHS was notified by the federal RSA that the work cannot be delegated to a contracted provider. The funds previously used to support provider contracts will instead be used to fund the new positions.

#### PKG 801 - LFO Adjustments

- *Vacancy Savings.* Reduces the General Fund budget for Vocational Rehabilitation salaries and wages by \$735,400 based on personal services expenditures in recent years.

**Aging and People with Disabilities.** The LFO recommended total funds budget for Aging and People with Disabilities is 4.7% above the 2021-23 legislatively approved budget and 1.5% above the 2023-25 current service level (CSL). The General Fund budget is 15.8% above 2021-23, which largely reflects the phase-out of one-time federal funds available in the current biennium to offset General Fund costs. This includes:

PKG 95 - DHS December 2022 Rebalance Reshoot - Increases General Fund by \$661,252 and Federal Fund expenditure limitation by \$1,594,178 for technical adjustments, including the transfer of position-related funding and one Operations and Policy Analyst positions (1.00 FTE) from APD to the Central Services and State Assessments and Enterprise-wide Costs divisions. Also provides an increase to the APD budget for the employer share of the new statewide paid family leave insurance program for Home Care Workers.

PKG 105 - Healthier Oregon Program - Increases the General Fund by \$17,495,346 to support forecast HOP caseload. Includes funding for the population enrolled during 2022 (individuals ages 19-26 and 55+) and expansion of services to the remainder of age groups starting July 1, 2023.

#### PKG 801 - LFO Adjustments

- *Community Based Care (CBC) Provider Rate Increase.* Provides a total of \$68,127,295 General Fund and \$126,516,278 Federal Funds expenditure limitation to support an adjustment to CBC provider rates. Specifically, this will (1) continue one-time rate increases provided in 2021-23, including a 10% wage add-on and a 5% COVID enhancement; and (2) provide a new 5% rate increase effective July 1, 2024, for assisted living facilities, residential care facilities, memory care-endorsed facilities, and in-home agencies. In addition to the funds added by this package (\$30,714,439 General Fund and \$37,483,256 Federal Funds), the agency is directed to use \$37,412,856 General Fund and \$89,033,022 Federal Funds expenditure limitation already in the Current Service Level budget for ADP inflation to cover the balance of costs for these provider rate increases.

A ***budget note*** is recommended stipulating these funds should be used to maintain wage increases for direct care staff in these long-term care settings. (See Budget Note #1 - Long Term Care Wages)

- *Nursing Facility Rate Update.* Package 801 increases the General Fund by \$40,912,834 and Federal Funds by \$63,786,889 to adjust for increases in the cost of nursing facility care.
- *Oregon Project Independence/Family Caregiver Assistance Program.* Increases the General Fund by \$2,376,068 and reduces Federal Funds expenditure limitation by \$6,738,494. Two adjustments are reflected here: 1) a \$4,501,449 General Fund reduction to the CSL budget associated with delayed implementation of the 1115 waiver, with a corresponding \$15,885,110 decrease in Federal funds limitation; and 2) an increase of \$6,877,517 General Fund and \$9,146,616 Federal Funds to cover Area Agency on Aging (AAA) costs to administer the new waiver program.

Oregon Project Independence (OPI) provides in-home supports to approximately 2,000 older adults and individuals with Alzheimer's and other related dementia

diagnoses, as well as approximately 350 young adults with disabilities in 12 of Oregon's 36 counties. OPI is administered by the Areas Agencies on Aging and 100% state funded.

- *ARPA HCBS Carryforward.* Provides \$31,407,143 General Fund and \$46,603,644 Federal Funds expenditure limitation to allow APD to continue to execute the home and community-based services spending plan approved by the U.S. Department of Health and Human Services pursuant to the American rescue Plan Act (ARPA).

ARPA provided temporary enhanced federal funds for state Medicaid spending on home and community-based services. For the period April 1, 2021, through March 31, 2022, states were eligible to receive a 10% increase in their FMAP for home and community-based services (HCBS) if they spent an equivalent amount of state monies by March 31, 2025, to enhance, expand or strengthen Medicaid home and community-based services.

- *General Assistance Cost.* Provides \$81,107 General Fund and \$84,128 Other Funds expenditure limitation to adjust the General Assistance Cost for inflation. It was last adjusted in 2016. The General Assistance Program serves individuals with severe disabilities, the benefits include utility assistance, cash assistance, housing assistance, and free assistance with Social Security application and appeal process. Current monthly caseload is 130.
- *Provider Tax Carryforward/Adjustment.* Reduces the General fund by \$33,965,615 and increases Other Funds by the same amount to reflect the use of available one-time nursing facility provider tax revenues.
- *Caseload.* Package 801 reduces the General Fund by \$23,561,700 and decreases Federal Funds by \$33,164,642 to adjust for caseload changes in the spring forecast. This includes a reduction of \$6,084,962 General Fund for lower Healthier Oregon Program caseload.
- *Workload Model Adjustments.* Package 801 increases the General fund by \$1,306,524 and Federal Funds expenditure limitation by \$1,306,524 and provides eight positions (8.00 FTE) for workload adjustments associated with spring reshoot caseloads. This includes \$457,937 General Fund and \$457,937 Federal Funds for DHS positions, and \$848,587 General Fund and \$848,587 Federal Funds for Area Agency on Aging contracted staff.
- *Federal Medical Assistance Percentage.* Package 801 reduces General Fund by \$17,031,443 and increases Federal Funds expenditure limitation by the same amount for FMAP adjustments in the APD program. This shift from the General Fund to Federal Funds is the net result of General Fund costs from a change in the



regular FMAP (\$2,466,596) and General Fund savings from pandemic related enhanced FMAP (-\$19,498,039).

- *Vacancy Savings.* Package 801 reduces the General Fund by \$7,500,697, Other Funds by \$338,968 and Federal Fund by \$2,849,760 based on historical spending.
- *Services and Supplies Reductions.* Package 801 reduces the General Fund budget for APD services and supplies by \$1,075,883 based on historical spending.
- *Transfer to Oregon Eligibility Partnership (OEP).* Package 801 reduces General Fund by \$63,119,004, total funds by \$125,825,810, and reduces APD staff by 325 positions (324.50 FTE) to reflect the transfer of funding and positions to the newly created Oregon Eligibility Partnership program.
- *Transfer to Central Services/Community Engagement Funds.* Reduces the General Fund by \$100,000 to reflect the transfer of this amount to Central Services for community engagement activities. The Self Sufficiency, Child Welfare and Aging and People with Disabilities programs are each redirecting \$100,000 to Central Services for an initiative to engage community members and incentivize local participation in policy development and service delivery improvement.
- *Access for Deaf and Hard of Hearing Individuals.* Provides \$1,000,000 General Fund to increase access to appropriate services for individuals who are deaf or heard of hearing through grants to community-based organizations.
- *Other Adjustments.* Reduces the General Fund by \$12,000,000 to capture excess GF budgeted for Waivered Case Management. Reduces General Fund by \$8,000,000 to reflect the availability of Federal Emergency Management Agency (FEMA) monies to reimburse APD for reimbursable COVID-related costs. Provides \$15,100,000 Other Funds expenditure limitation to allow the agency to carryforward ARPA State Fiscal Recovery monies provided for long term care workforce development and emergency preparedness.

#### PKG 802 - LFO Adjustment - Long-Term Vacancies

- *Eliminate Long-Term Vacancies.* Reduces the General Fund by \$696,922, Other Funds by \$2,299, and Federal Funds by \$845,457 and eliminates nine vacant positions (9.00 FTE) that have remained vacant for more than 12 months.

**Intellectual/Developmental Disabilities.** The LFO recommended total funds budget for Intellectual and Developmental Disabilities is 17.4% above the 2021-23 legislatively approved budget and 7.9% above the 2021-23 current service level (CSL). The General Fund

budget is 43% above 2021-23, which largely reflects the phase-out of one-time federal funds available in the current biennium to offset General Fund costs. This includes:

PKG 95 - DHS December 2022 Rebalance Reshoot - Increases General Fund by \$765,857 and Federal Fund expenditure limitation by \$1,665,849 for technical adjustments, including the transfer of position-related funding from I/DD to the Central Services and State Assessments and Enterprise-wide Costs divisions. Also provides an increase to the I/DD budget for the employer share of the new statewide paid family leave insurance program for Home Care Workers.

PKG 105 - Healthier Oregon Program - Increases the General Fund by \$12,865,521 to support forecast HOP caseload. Includes funding for the population enrolled during 2022 (individuals ages 19-26 and 55+) and expansion of services to the remainder of age groups starting July 1, 2023.

#### PKG 801 - LFO Adjustments

- *I/DD Provider Rate Increase.* Provides \$27,525,375 General Fund and \$51,835,276 Federal Funds expenditure limitation to continue a 5% rate increase that is set to expire at the end of the 2021-23. Providers affected by the increase include adult and child group homes, attendant care, adult supported living, day support activities, and employment services. In addition to the funds added by this package (\$11,961,102 General Fund and \$31,433,142 Federal Funds), the agency is directed to use \$15,564,273 General Fund and \$20,402,134 Federal Funds expenditure limitation already in the Current Service Level budget for ADP inflation to cover the balance of costs for this rate increase.
- *ARPA HCBS Carryforward.* Provides \$63,177,737 General Fund and \$41,334,723 Federal Funds expenditure limitation to allow I/DD to continue to execute the home and community-based services spending plan approved by the U.S. Department of Health and Human Services pursuant to the American rescue Plan Act (ARPA).

ARPA provided temporary enhanced federal funds for state Medicaid spending on home and community-based services. For the period April 1, 2021, through March 31, 2022, states were eligible to receive a 10% increase in their FMAP for home and community-based services (HCBS) if they spent an equivalent amount of state monies by March 31, 2025, to enhance, expand or strengthen Medicaid home and community-based services.

- *Caseload/Cost Per Case.* Package 801 increases General Fund by \$70,318,310 and Federal Funds expenditure limitation by \$114,264,088 to adjust for caseload changes in the spring forecast as well as higher than budgeted costs per case in the I/DD program. Includes caseload costs of \$53,617,839 General Fund and a projected cost per case increase of \$16,700,471 General Fund. This adjustment includes caseload adjustments for the Healthier Oregon and CDDP/Brokerages.

- *Federal Medical Assistance Percentage.* Package 801 reduces General Fund by \$16,858,315 and Other Funds by \$116,931 and increases Federal Funds expenditure limitation by \$16,975,246 for FMAP adjustments in I/DD. This shift from General Fund to Federal Funds reflects General Fund costs of \$6,184,267 from a change in the regular FMAP offset by one-time General Fund savings of \$23,042,582 from pandemic related enhanced FMAP.
- *Vacancy Savings.* Package 801 reduces I/DD salaries and wages budget by \$4,652,174 General fund, \$112,753 Other Funds, and \$1,008,660 Federal Funds based on historical spending.
- *Services and Supplies Reductions.* Package 801 reduces the General Fund budget for I/DD services and supplies by \$1,500,000 based on historical spending.
- *CSL Correction.* Increases General Fund by \$7,732,693 and Federal Funds expenditure limitation by \$14,888,170 to correct an error in calculating the phase-in for the Personal Support Worker wage increase.
- *I/DD Council Fund Shift.* Reduces Other funds expenditure limitation by \$564,843 and increases Federal funds expenditure limitation by \$564,843 to correct the fund split. The council is funded entirely by federal grants.
- *Participation Update.* Package 801 reduces the General Fund by \$14,140,089 and increases Federal Funds expenditure limitation by the same amount to reflect a higher Medicaid participation rate than assumed during budget development. This means more claims are expected to be eligible for federal match than anticipated.

**Oregon Eligibility Partnership.** The LFO recommended total funds budget for the new Oregon Eligibility Partnership program is \$368,741,172 and supports a total of 2,642 positions (2,597.88 FTE). This includes:

PKG 105 - Healthier Oregon Program - Increases the General Fund by \$7,871,628 to support forecast HOP caseload. Includes funding for the population enrolled during 2022 (individuals ages 19-26 and 55+) and expansion of services to the remainder of age groups starting July 1, 2023. This request was reduced by \$1,525,262 General Fund in the spring reshoot to reflect slower ramp-up than originally anticipated.

PKG 142 - Eligibility/Redeterminations Staff - Provides \$30,000,000 General Fund (\$51,728,451 total funds) and 300 permanent full-time positions (300.00 FTE) to support eligibility workload, including the backlog of redeterminations.

PKG 143 - ONE Ongoing Maintenance - Provides \$16,200,175 General Fund (\$39,188,654 total funds) and 34 positions (26.00 FTE) for ONE system maintenance and operation costs.

PKG 201- Medicaid Waiver Implementation - Provides \$4,479,037 General Fund (\$11,289,398 total funds) and 55 positions (34.65 FTE) to handle workload related to implementation of the new Medicaid Waiver.

PKG 203 - Mainframe Migration - Provides \$375,242 General Fund (\$938,101 total funds) and six positions (4.14 FTE) for costs and workload related to mainframe migration. This will allow DHS/OHA to migrate all current mainframe functions (many dating back to the 1970s) to more modern, cloud-based solutions to reduce the risk of major disruptions in services. In total, the recommended budget includes \$2,958,688 General Fund (\$5,083,030 total funds) and ten positions (7.14 FTE) for mainframe migration. The balance of funding and positions is in the Shared Services and State Assessments and Enterprise-wide Costs budgets.

PKG 301 - Employment Related Day Care (ERDC) - Provides \$3,000,000 Other Funds expenditure limitation to allow the agency to spend funds transferred from the Department of Early Learning and Care for ERDC-related administrative costs.

#### PKG 801 - LFO Adjustments

- *Funding and Positions from Other Programs.* Provides \$334,719,130 General Fund, \$3,779,368 Other Funds, and \$370,726,796 Federal Funds and 2,211 positions (2,208.59 FTE) transferred from other programs to create the new budget structure.
- *Federal Medical Assistance Percentage.* Increases the General Fund by \$20,428 and reduces Federal Funds by the same amount for FMAP adjustments in OEP. This shift from Federal Funds to the General Fund reflects General Fund costs of \$34,842 from a change in the regular FMAP partially offset by one-time General Fund savings of \$14,414 from pandemic related enhanced FMAP.
- *Vacancy Savings.* Reduces OEP salaries and wages budget by \$13,685,048 based on vacancy savings in recent years.
- *Services and Supplies Reductions.* Package 801 reduces the General Fund budget for OEP services and supplies by \$10,236,650 based on recent expenditures.
- *Records Management Positions.* Reduces the General Fund by \$1,002,770 and Federal Funds expenditure limitation for \$726,131 and transfers 12 positions (12.00 FTE) to Shared Services to handle redeterminations-related workload in Information and Records Management Services.

**Central, Shared, State Assessments and Enterprise-wide Costs.** The LFO recommended total funds budget for Central, Shared, and State Assessments and Enterprise-wide Costs is 14.9% below the 2021-23 legislatively approved budget and 14.2% below the 2023-25 current service level (CSL). The General Fund budget is 22.4% lower than 2021-23. This includes:

PKG 95 - DHS December 2022 Rebalance Reshoot - Increases General Fund by \$2,249,346 and Federal Fund expenditure limitation by \$2,102,143 for technical adjustments, including the transfer of position-related funding from divisions who earned new positions in the February 2022 Legislative session to the Central Services and State Assessments and Enterprise-wide Costs divisions.

PKG 203 - Mainframe Migration - Provides \$2,583,446 General Fund (\$4,892,394 total funds) and four positions (3.00 FTE) for costs and workload related to mainframe migration. In total, the recommended budget includes \$2,958,688 General Fund (\$5,083,030 total funds) and ten positions (7.14 FTE) for mainframe migration. The balance of funding and positions is in the OEP budget.

#### PKG 801 - LFO Adjustments

- *Records Management Positions.* Provides \$1,792,919 General Fund, \$4,217,457 Other Funds, and \$1,885,390 Federal Funds in support of 23 positions (23.00 FTE). This includes 11 new positions to improve agency compliance with archive requirements, and 12 positions transferred from OEP to manage workload related to eligibility redeterminations.
- *Vacancy Savings.* Reduces salaries and wages budget by \$2,356,496 General Fund and \$9,220,083 Federal Funds based on vacancy savings in recent years.
- *Services and Supplies Reductions.* Reduces the General Fund budget for services and supplies by \$1,157,370 based on recent expenditures.
- *Transfer to Oregon Eligibility Partnership (OEP).* Reduces General Fund by \$53,265,982, Other Funds expenditure limitation by \$3,513,023, and Federal Funds expenditure limitation by \$79,001,380, and reduces staff by 85 positions (85.00 FTE) to reflect the transfer of funding and positions to the newly created Oregon Eligibility Partnership program.
- *Community Engagement Funds.* Increases the General Fund by \$300,000 to reflect funds transferred to Central Services from programs for community engagement activities; Self Sufficiency, Child Welfare and Aging and People with Disabilities programs are each redirecting \$100,000 to Central Services for an initiative to engage community members and incentivize local participation in policy development and service delivery improvement.
- *Position from Oregon Health Authority (OHA) - Public Health.* Provides \$172,671 Other Funds expenditure to support a position transferred from OHA-Public Health to the DHS Background Check Unit to support the Oregon Psilocybin program.
- *Water Delivery.* Provides \$4,000,000 General Fund to pay for water delivery to residents with limited access to safe drinking water because of groundwater contamination or other water issues.

## **Adjustments to Current Service Level**

See attached “Work Session Presentation Report.”

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

**Accept** LFO Recommendation:

**MOTION:** I move the LFO recommendation to HB 5026. (VOTE)

**OR**

**Change** LFO Recommendation:

**MOTION:** I move the LFO recommendation to HB 5026, with modifications. (VOTE)

## **Performance Measures**

See attached “Legislatively Proposed 2023-25 Key Performance Measures.”

**Accept** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Key Performance Measures. (VOTE)

**OR**

**Change** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

## **Budget Notes**

### **1. Long Term Care Wages**

In the 2021-23 biennium, the Legislature approved a temporary 10% enhanced Medicaid rate for assisted living facilities, residential care facilities, memory care-endorsed facilities, and in-home care agencies to support raising wages for direct care staff in these long-term care settings. The Medicaid rate adjustment approved for the 2023-2025 biennium is intended to protect and maintain those wage increases for direct care staff in home and community-based settings. The Department of Human Services is directed to conduct a survey of providers to determine the wages paid to direct care staff to inform future

legislative consideration of provider rate adjustments and report to the Human Services Subcommittee of the Joint Committee on Ways and Means by February 15, 2025.

## **2. Home and community Based Services Investments**

The Department of Human Services shall provide a report to the Human Services Subcommittee of the Joint Committee on Ways and Means by January 1, 2024, on the status of the home and community-based services spending plan. The report shall include actual and projected expenditures for activities in the investment plan, and discuss outcomes associated with spending plan investments.

## **3. Eligibility Redeterminations Backlog**

The Department of Human Services shall report to the Human Services Subcommittee of the Joint Committee on Ways and Means during the 2024 regular legislative session on the status of eligibility redeterminations. The report shall include, but not be limited to, the number of redeterminations completed; the number of redeterminations yet to be completed for compliance with federal guidelines; information on caseload outcomes, including the number of Oregonians enrolled in and disenrolled from the Oregon Health Plan and enrolled in other programs; and the number of budgeted and non-budgeted positions in the OEP program by classification type. The legislative expectation is that DHS will gradually reduce the non-budgeted positions in this program as the redeterminations workload subsides.

**Accept** LFO Recommendation:

**MOTION: I move the LFO recommendation on Budget Notes. (VOTE)**

**OR**

**Change** LFO Recommendation (any changes must be approved by the co-chairs):

**MOTION: I move the LFO recommendation on Budget Notes, with modifications. (VOTE)**

## **Recommended Changes**

LFO recommends a budget of \$5,637,837,273 General Fund, \$1,031,808,441 Other Funds, and \$8,115,736,353 Federal Funds and 10,999 positions (10,751.37 FTE), which is reflected in the –2 amendment.

**MOTION: I move adoption of the –2 amendment to HB 5026. (VOTE)**

## **Final Subcommittee Action**

LFO recommends that HB 5026, as amended by the –2 amendment, be moved to the Ways and Means Full Committee.

**MOTION: I move HB 5026, as amended, to the Full Committee with a do pass recommendation. (VOTE)**

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_



DEPARTMENT OF HUMAN SERVICES: AGENCY TOTALS  
 HB 5026 WORK SESSION

	GEN FUND	OTHER	FEDERAL	NL FEDERAL	TOTAL FUNDS	POS	FTE
<b>2021-23 Legislatively Approved Budget (As of Dec 2022)</b>	4,843,300,377	962,504,953	7,692,771,219	4,881,868,127	18,380,444,676	10,456	10,275.10
<b>2023-25 Current Service Level</b>	5,434,996,743	657,050,606	7,680,566,236	3,681,868,127	17,454,481,712	10,336	10,280.58
<b>2023-25 Governor's Budget</b>	5,343,817,382	1,022,662,167	7,710,534,101	3,681,868,127	17,758,881,777	11,111	10,802.97
<b>2023-25 LFO RECOMMENDED BUDGET</b>	5,637,837,285	1,031,808,441	8,115,736,353	3,681,868,127	18,467,250,206	10,999	10,751.37
Vocational Rehabilitation	39,915,930	10,853,531	97,350,572	-	148,120,033	275	274.04
Child Welfare	963,286,351	40,820,276	576,369,726	-	1,580,476,353	3,594	3,407.98
Aging and People with Disabilities	1,699,377,390	345,699,123	3,126,093,255	-	5,171,169,768	1,504	1,496.05
Intellectual and Developmental Disabilities	1,811,688,005	26,472,959	3,151,159,775	-	4,989,320,739	948	947.17
Oregon Eligibility Partnership	368,741,172	7,594,581	422,587,509	-	798,923,262	2,642	2,598
Self Sufficiency Programs	298,966,885	340,275,312	407,816,134	3,681,868,127	4,728,926,458	987	986.13
Central, Shared, Assessments	455,861,552	260,092,659	334,359,382	-	1,050,313,593	1,049	1,042.12
<b>TOTAL 2023-25 DHS RECOMMENDED BUDGET</b>	<b>5,637,837,285</b>	<b>1,031,808,441</b>	<b>8,115,736,353</b>	<b>3,681,868,127</b>	<b>18,467,250,206</b>	<b>10,999</b>	<b>10,751.37</b>
\$ Change from 2021-23 Approved	794,536,908	69,303,488	422,965,134	(1,200,000,000)	86,805,530	543	476.27
% Change from 2021-23 Approved	16.40%	7.20%	5.50%	-24.58%	0.47%	5.19%	4.64%
\$ Change from 2023-25 CSL Estimate	202,840,542	374,757,835	435,170,117	-	1,012,768,494	663	470.79
% Change from 2023-25 CSL Estimate	3.73%	57.04%	5.67%	0.00%	5.80%	6.41%	4.58%
\$ Change from 2023-25 Governor's Budget	294,019,903	9,146,274	405,202,252	-	708,368,429	(112)	(51.60)
% Change from 2023-25 Governor's Budget	5.50%	0.89%	5.26%	0.00%	3.99%	-1.01%	-0.48%

DEPARTMENT OF HUMAN SERVICES: SELF SUFFICIENCY  
HB 5026 WORK SESSION

	GENERAL	OTHER	FEDERAL	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
<b>2021-23 Legislatively Approved Budget (As of Dec 2022)</b>	569,979,504	236,814,723	592,141,548	4,881,868,127	6,280,803,902	2,788	2,765.35	
<b>2023-25 Current Service Level</b>	478,758,199	2,507,797	625,216,365	3,681,868,127	4,788,350,488	2,791	2,788.22	
<b>2023-25 Governor's Budget</b>	262,487,953	340,522,598	412,075,158	3,681,868,127	4,696,953,836	957	955.68	
<b>2023-25 LFO RECOMMENDED BUDGET</b>	298,966,885	340,275,312	407,816,134	3,681,868,127	4,728,926,458	987	986.13	
<b>1 2023-25 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL</b>								
<b>2</b>								
<b>3 2023-25 Current Service Level Estimate</b>	478,758,199	2,507,797	625,216,365	3,681,868,127	4,788,350,488	2,791	2,788.22	
<b>4</b>								
<b>5 LFO Recommendations for Existing Packages</b>								
6 Pkg 095: Dec-22 Rebalance/Non-CSL Reshoot	6,211,589	15,646	19,620,553	-	25,847,788	-	-	
<b>7</b>								
<b>8 Other Recommended Adjustments</b>								
<b>9 Pkg 801: LFO Analyst Adjustments</b>								
10 Caseload/Cost Per Case - Spring Reshoot	17,704,709	(16,644)	-	-	17,688,065	-	-	
11 Vacancy Rate Savings	(4,098,362)	-	-	-	(4,098,362)	-	-	Sets vacancy savings at 9.6% of Salaries and Wages
12 Transfer to Oregon Eligibility Partnership	(218,334,144)	(266,345)	(229,018,610)	-	(447,619,099)	(1,801)	(1,799.09)	Eligibility workers/supporting staff transferred to newly created Oregon Eligibility Partnership
13 Transfer Community Engagement Funds	(100,000)	-	-	-	(100,000)	-	-	Transfers community engagement funds to Central Services
14 Transfer in Independent Residence Facilities	1,381,525	-	-	-	1,381,525	1	1.00	Moves HB 4013 (2022) investment from CW to SSP Youth Experiencing Homelessness program
15 HB 4117 (2022) Position	317,973	-	-	-	317,973	1	1.00	Due to clerical error, the authorized position was not recorded in the position information system
16 Dept of Early Learning and Care Pass Through	-	338,035,033	-	-	338,035,033	-	-	Transfer from DELC to DHS for payments to Employment-Related Day Care providers
17 Temporary Assist to Needy Families Penalty	7,679,059	-	(7,679,059)	-	-	-	-	Penalty from FFY 2007 related to work participation rules
18 Local Food Purchasing Infrastructure	10,000,000	-	-	-	10,000,000	-	-	One-time
<b>19 Pkg. 802: Long-term Vacancy Reductions</b>								
20 Eliminate Long-term Vacancies	(553,663)	(175)	(323,115)	-	(876,953)	(5)	(5.00)	
<b>21 Total adjustments LFO Rec from CSL</b>	<b>(179,791,314)</b>	<b>337,767,515</b>	<b>(217,400,231)</b>	<b>-</b>	<b>(59,424,030)</b>	<b>(1,804)</b>	<b>(1,802.09)</b>	
<b>22</b>								
<b>23 TOTAL 2023-25 LFO Recommended Budget</b>	<b>298,966,885</b>	<b>340,275,312</b>	<b>407,816,134</b>	<b>3,681,868,127</b>	<b>4,728,926,458</b>	<b>987</b>	<b>986.13</b>	
<b>24</b>								
25 \$ Change from 2021-23 Approved	(271,012,619)	103,460,589	(184,325,414)	(1,200,000,000)	(1,551,877,444)	(1,801)	(1,779.22)	
26 % Change from 2021-23 Approved	-47.55%	43.69%	-31.13%	-24.58%	-24.71%	-64.60%	-64.34%	
27 \$ Change from 2023-25 CSL Estimate	(179,791,314)	337,767,515	(217,400,231)	-	(59,424,030)	(1,804)	(1,802.09)	
28 % Change from 2023-25 CSL Estimate	-37.55%	13468.69%	-34.77%	0.00%	-1.24%	-64.64%	-64.63%	
29 \$ Change from 2023-25 Governor's Budget	36,478,932	(247,286)	(4,259,024)	-	31,972,622	30	30.45	
30 % Change from 2023-25 Governor's Budget	13.90%	-0.07%	-1.03%	0.00%	0.68%	3.13%	3.19%	

DEPARTMENT OF HUMAN SERVICES: CHILD WELFARE  
HB 5026 WORK SESSION

	GEN FUND	OTHER	FEDERAL	TOTAL FUNDS	POS	FTE	Comments
<b>2021-23 Legislatively Approved Budget (As of Dec 2022)</b>	920,094,060	35,013,136	576,552,198	1,531,659,394	3,403	3,348.10	
<b>2023-25 Current Service Level</b>	979,705,501	34,443,622	564,194,608	1,578,343,731	3,398	3,361.48	
<b>2023-25 Governor's Budget</b>	975,824,025	41,084,457	575,861,073	1,592,769,555	3,609	3,418.98	
<b>2023-25 LFO RECOMMENDED BUDGET</b>	963,286,351	40,820,276	576,369,726	1,580,476,353	3,594	3,407.98	

2023-25 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1							
2	<b>2023-25 Current Service Level Estimate</b>	979,705,501	34,443,622	564,194,608	1,578,343,731	3,398	3,361.48
3							
4	<b>LFO Recommendations for Existing Packages</b>						
5	Pkg 082: September 2022 E Board	1,108,784	-	-	1,108,784	1	1.00
6	Pkg 095: Dec-22 Rebalance/Non-CSL Reshoot	2,044,091	6,508,165	(507,688)	8,044,568	-	-
7	Pkg 118: Child Safety Positions	6,907,091	-	2,302,362	9,209,453	202	50.50
8	Pkg 123: Foster Care Reimbursement Rates	16,824,055	-	10,273,283	27,097,338	-	-
9							
10	<b>Other Recommended Adjustments</b>						
11	<b>Pkg 801: LFO Analyst Adjustments</b>						
12	Caseload/Cost Per Case	(3,646,390)	(264,181)	(2,382,283)	(6,292,854)	-	-
13	Federal Medical Assistance Percentage	(1,722,620)	-	1,722,620	-	-	-
14	Vacancy Savings	(23,680,942)	-	-	(23,680,942)	-	-
15	Services and Supplies Reductions	(15,436,737)	(237,330)	(3,192,964)	(18,867,031)	-	-
16	Transfer to CS/Community Engagement	(100,000)	-	-	(100,000)	-	-
17	Transfer to SSP/Independent Residence Facilities	(1,381,525)	-	-	(1,381,525)	(1)	(0.50)
18	CFSR Penalty	(3,365,252)	-	-	(3,365,252)	-	-
19	Various Limitation Adjustments Other/Federal	-	370,000	1,175,289	1,545,289	-	-
20	Cleanup for reclasses	-	-	-	-	-	1.50
21	DOJ Child Advocacy Program/Legal Support for CW	3,967,708	-	2,645,139	6,612,847	-	-
22	BRS Rate Increase	2,870,669	-	457,546	3,328,215	-	- Maintains 5% and \$13/70 per bed per day
23	<b>Pkg 802: Long-term Vacancy Reductions</b>						
24	Eliminate Long-Term Vacant Positions	(808,082)	-	(318,186)	(1,126,268)	(6)	(6.00)
25	<b>Total adjustments LFO Rec from CSL</b>	<b>(16,419,150)</b>	<b>6,376,654</b>	<b>12,175,118</b>	<b>2,132,622</b>	<b>196</b>	<b>46.50</b>
26							
27	<b>TOTAL 2023-25 LFO Recommended Budget</b>	<b>963,286,351</b>	<b>40,820,276</b>	<b>576,369,726</b>	<b>1,580,476,353</b>	<b>3,594</b>	<b>3,407.98</b>
28							
29	\$ Change from 2021-23 Approved	43,192,291	5,807,140	(182,472)	48,816,959	191	59.88
30	% Change from 2021-23 Approved	4.69%	16.59%	-0.03%	3.19%	5.61%	1.79%
31	\$ Change from 2023-25 CSL Estimate	(16,419,150)	6,376,654	12,175,118	2,132,622	196	46.50
32	% Change from 2023-25 CSL Estimate	-1.68%	18.51%	2.16%	0.14%	5.77%	1.38%
33	\$ Change from 2023-25 Governor's Budget	(12,537,674)	(264,181)	508,653	(12,293,202)	(15)	(11.00)
34	% Change from 2023-25 Governor's Budget	-1.28%	-0.64%	0.09%	-0.77%	-0.42%	-0.32%

DEPARTMENT OF HUMAN SERVICES: VOCATIONAL REHABILITATION  
 HB 5026 WORK SESSION

	GEN FUND	OTHER	FEDERAL	TOTAL FUNDS	POS	FTE	Comments
<b>2021-23 Legislatively Approved Budget (As of Dec 2022)</b>	36,303,474	8,584,466	103,496,208	148,384,148	269	265.89	
<b>2023-25 Current Service Level</b>	40,697,516	10,853,531	97,395,803	148,946,850	269	268.04	
<b>2023-25 Governor's Budget</b>	39,911,893	10,853,394	97,335,233	148,100,520	274	273.04	
<b>2023-25 LFO RECOMMENDED BUDGET</b>	39,915,930	10,853,531	97,350,572	148,120,033	275	274.04	
<b>1 2023-25 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL</b>							
<b>2</b>							
<b>3 2023-25 Current Service Level Estimate</b>	40,697,516	10,853,531	97,395,803	148,946,850	269	268.04	
<b>4</b>							
<b>5 LFO Recommendations for Existing Packages</b>							
6 Pkg 095: Dec-22 Rebalance/Non-CSL Reshoot	(46,186)	-	(45,231)	(91,417)	-	-	
7 Pkg 148: RSA Audit Report	-	-	-	-	5	5.00	
<b>8 Other Recommended Adjustments</b>							
<b>9 Pkg 801: LFO Analyst Adjustments</b>							
10 Vacancy Savings	(735,400)	-	-	(735,400)	-	-	
11 Position Reclass	-	-	-	-	1	1.00	
<b>12 Total adjustments LFO Rec from CSL</b>	<b>(781,586)</b>	<b>-</b>	<b>(45,231)</b>	<b>(826,817)</b>	<b>6</b>	<b>6.00</b>	
<b>13</b>							
<b>14 TOTAL 2023-25 LFO Recommended Budget</b>	<b>39,915,930</b>	<b>10,853,531</b>	<b>97,350,572</b>	<b>148,120,033</b>	<b>275</b>	<b>274.04</b>	
<b>15</b>							
16 \$ Change from 2021-23 Approved	3,612,456	2,269,065	(6,145,636)	(264,115)	6	8.15	
17 % Change from 2021-23 Approved	9.95%	26.43%	-5.94%	-0.18%	2.23%	3.07%	
18 \$ Change from 2023-25 CSL Estimate	(781,586)	-	(45,231)	(826,817)	6	6.00	
19 % Change from 2023-25 CSL Estimate	-1.92%	0.00%	-0.05%	-0.56%	2.23%	2.24%	
20 \$ Change from 2023-25 Governor's Budget	4,037	137	15,339	19,513	1	1.00	
21 % Change from 2023-25 Governor's Budget	0.01%	0.00%	0.02%	0.01%	0.36%	0.37%	

DEPARTMENT OF HUMAN SERVICES: AGING AND PEOPLE WITH DISABILITIES  
 HB 5026 WORK SESSION

	GEN FUND	OTHER	FEDERAL	TOTAL FUNDS	POS	FTE	Comments
<b>2021-23 Legislatively Approved Budget (As of Dec 2022)</b>	1,467,261,447	369,609,542	3,102,486,507	4,939,357,496	1,877	1,814.41	
<b>2023-25 Current Service Level</b>	1,740,473,941	288,890,647	3,064,592,480	5,093,957,068	1,829	1,820.55	
<b>2023-25 Governor's Budget</b>	1,590,645,349	338,648,561	2,931,358,047	4,860,651,957	1,505	1,496.55	
<b>2023-25 LFO RECOMMENDED BUDGET</b>	1,699,377,390	345,699,123	3,126,093,255	5,171,169,768	1,504	1,496.05	
<b>1 2023-25 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL</b>							
<b>2</b>							
<b>3 2023-25 Current Service Level Estimate</b>	1,740,473,941	288,890,647	3,064,592,480	5,093,957,068	1,829	1,820.55	
<b>4</b>							
<b>5 LFO Recommendations for Existing Packages</b>							
6 Pkg 095: Dec-22 Rebalance/Non-CSL Reshoot	661,252	-	1,594,178	2,255,430	(1)	(1.00)	
7 Pkg. 105: Healthier Oregon Program	17,495,346	-	-	17,495,346	-	-	
<b>8</b>							
<b>9 Other Recommended Adjustments</b>							
<b>10 Pkg 801: LFO Analyst Adjustments</b>							
11 Caseload	(23,561,700)	-	(33,164,642)	(56,726,342)	-	-	Includes HOP
12 Nursing Facility Rate Update	40,912,834	-	63,786,889	104,699,723	-	-	
13 FMAP Adjustment	(17,031,443)	-	17,031,443	-	-	-	
14 Vacancy savings	(7,500,697)	(338,968)	(2,849,760)	(10,689,425)	-	-	
15 Services and supplies reduction	(1,075,883)	-	-	(1,075,883)	-	-	
16 Transfer to Oregon Eligibility Partnership	(63,119,004)	-	(62,706,806)	(125,825,810)	(325)	(324.50)	
17 Transfer to CS/Community Engagement	(100,000)	-	-	(100,000)	-	-	
18 WCM Savings from RMSS	(12,000,000)	-	-	(12,000,000)	-	-	
19 FEMA Carryforward 19-21	(8,000,000)	8,000,000	-	-	-	-	
20 ARPA Carryforward 21-23	-	15,100,000	-	15,100,000	-	-	
21 ARPA HCBS Spending Plan Carryforward	31,407,143	-	46,603,644	78,010,787	-	-	
22 Provider Tax Carryforward/Adjustment	(33,965,615)	33,965,615	-	-	-	-	
23 Oregon Project Independence Delay	2,376,068	-	(6,738,494)	(4,362,426)	-	-	
24 Workload Model Adjustments	1,306,524	-	1,306,524	2,613,048	8	8	State staff and AAA costs for additional staff
25 Position Shifts with APD Design/Delivery	-	-	-	-	2	2.00	
26 General Assistance Cost	81,107	84,128	-	165,235	-	-	
27 CBC Rate Increase	30,714,439	-	37,483,256	68,197,695	-	-	With \$34.9M in CSL for inflation supports a 15% increase effective 7/1/23; and 5% increase effective 7/1/24
28 Access for Deaf and Hard of Hearing	1,000,000	-	-	1,000,000	-	-	One-time
<b>29 Pkg 802: LFO Long-term Vacancy Reductions</b>							
30 Eliminate Long-term Vacant Positions	(696,922)	(2,299)	(845,457)	(1,544,678)	(9)	(9.00)	
<b>31 Total adjustments LFO Rec from CSL</b>	<b>(41,096,551)</b>	<b>56,808,476</b>	<b>61,500,775</b>	<b>77,212,700</b>	<b>(325)</b>	<b>(324.50)</b>	
<b>32</b>							
<b>33 TOTAL 2023-25 LFO Recommended Budget</b>	<b>1,699,377,390</b>	<b>345,699,123</b>	<b>3,126,093,255</b>	<b>5,171,169,768</b>	<b>1,504</b>	<b>1,496.05</b>	
<b>34</b>							
35 \$ Change from 2021-23 Approved	232,115,943	(23,910,419)	23,606,748	231,812,272	(373)	(318.36)	
36 % Change from 2021-23 Approved	15.82%	-6.47%	0.76%	4.69%	-19.87%	-17.55%	
37 \$ Change from 2023-25 CSL Estimate	(41,096,551)	56,808,476	61,500,775	77,212,700	(325)	(324.50)	
38 % Change from 2023-25 CSL Estimate	-2.36%	19.66%	2.01%	1.52%	-17.77%	-17.82%	
39 \$ Change from 2023-25 Governor's Budget	108,732,041	7,050,562	194,735,208	310,517,811	(1)	(0.50)	
40 % Change from 2023-25 Governor's Budget	6.84%	2.08%	6.64%	6.39%	-0.07%	-0.03%	

DEPARTMENT OF HUMAN SERVICES: INTELLECTUAL AND DEVELOPMENTAL DISABILITIES  
 HB 5026 WORK SESSION

	GEN FUND	OTHER	FEDERAL	TOTAL FUNDS	POS	FTE	Comments
<b>2021-23 Legislatively Approved Budget (As of Dec 2022)</b>	1,267,294,981	32,800,863	2,950,372,125	4,250,467,969	1,007	990.73	
<b>2023-25 Current Service Level</b>	1,682,004,957	27,267,486	2,916,889,879	4,626,162,322	945	944.17	
<b>2023-25 Governor's Budget</b>	1,662,757,940	27,154,730	2,942,263,744	4,632,176,414	1,005	984.40	
<b>2023-25 LFO RECOMMENDED BUDGET</b>	1,811,688,005	26,472,959	3,151,159,775	4,989,320,739	948	947.17	

<b>1</b>	<b>2023-25 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL</b>						
<b>2</b>							
<b>3</b>	<b>2023-25 Current Service Level Estimate</b>	1,682,004,957	27,267,486	2,916,889,879	4,626,162,322	945	944.17
<b>4</b>							
<b>5</b>	<b>LFO Recommendations for Existing Packages</b>						
<b>6</b>	Pkg. 95: Fall Reshoot/Dec 22 Rebalance	765,857	-	1,665,849	2,431,706		
<b>7</b>	Pkg. 105: Healthier Oregon Program	12,865,521	-	-	12,865,521		
<b>8</b>							
<b>9</b>	<b>Other Recommended Adjustments</b>						
<b>10</b>	<b>Pkg 801: LFO Analyst Adjustments</b>						
<b>11</b>	Caseload/Cost Per Case	70,318,310	-	114,264,088	184,582,398	-	- Includes HOP, CDDP Brokerage Caseload
<b>12</b>	FMAP Adjustment	(16,858,315)	(116,931)	16,975,246	-	-	
<b>13</b>	Vacancy Savings	(4,652,174)	(112,753)	(1,008,660)	(5,773,587)	-	
<b>14</b>	Services and Supplies Reduction	(1,500,000)	-	-	(1,500,000)	-	
<b>15</b>	CSL Correction	7,732,693	-	14,888,170	22,620,863	-	
<b>16</b>	I/DD Council Fund Shift	-	(564,843)	564,843	-	-	
<b>17</b>	Participation Update	(14,140,089)	-	14,140,089	-	-	
<b>18</b>	ARPA/HCBS Spending Plan	63,177,737	-	41,334,723	104,512,460	-	
<b>19</b>	Position Reclass	12,406	-	12,406	24,812	3	3.00
<b>20</b>	I/DD Provider 5% Rate Increase	11,961,102	-	31,433,142	43,394,244	-	
<b>21</b>	<b>Total adjustments LFO Rec from CSL</b>	<b>129,683,048</b>	<b>(794,527)</b>	<b>234,269,896</b>	<b>363,158,417</b>	<b>3</b>	<b>3.00</b>
<b>22</b>							
<b>23</b>	<b>TOTAL 2023-25 LFO Recommended Budget</b>	<b>1,811,688,005</b>	<b>26,472,959</b>	<b>3,151,159,775</b>	<b>4,989,320,739</b>	<b>948</b>	<b>947.17</b>
<b>24</b>							
<b>25</b>	<b>\$ Change from 2021-23 Approved</b>	<b>544,393,024</b>	<b>(6,327,904)</b>	<b>200,787,650</b>	<b>738,852,770</b>	<b>(59)</b>	<b>(43.56)</b>
<b>26</b>	<b>% Change from 2021-23 Approved</b>	<b>42.96%</b>	<b>-19.29%</b>	<b>6.81%</b>	<b>17.38%</b>	<b>-5.86%</b>	<b>-4.40%</b>
<b>27</b>	<b>\$ Change from 2023-25 CSL Estimate</b>	<b>129,683,048</b>	<b>(794,527)</b>	<b>234,269,896</b>	<b>363,158,417</b>	<b>3</b>	<b>3.00</b>
<b>28</b>	<b>% Change from 2023-25 CSL Estimate</b>	<b>7.71%</b>	<b>-2.91%</b>	<b>8.03%</b>	<b>7.85%</b>	<b>0.32%</b>	<b>0.32%</b>
<b>29</b>	<b>\$ Change from 2023-25 Governor's Budget</b>	<b>148,930,065</b>	<b>(681,771)</b>	<b>208,896,031</b>	<b>357,144,325</b>	<b>(57)</b>	<b>(37.23)</b>
<b>30</b>	<b>% Change from 2023-25 Governor's Budget</b>	<b>8.96%</b>	<b>-2.51%</b>	<b>7.10%</b>	<b>7.71%</b>	<b>-5.67%</b>	<b>-3.78%</b>

DEPARTMENT OF HUMAN SERVICES: OREGON ELIGIBILITY PARTNERSHIP  
 HB 5026 WORK SESSION

	GENERAL	OTHER	FEDERAL	TOTAL FUNDS	POS	FTE	Comments
<b>2021-23 Legislatively Approved Budget (As of Dec 2022)</b>	-	-	-	-	-	-	
<b>2023-25 Current Service Level</b>	-	-	-	-	-	-	
<b>2023-25 Governor's Budget</b>	<b>368,971,173</b>	8,690,067	426,269,006	803,930,246	2,684	2,640.83	
<b>2023-25 LFO RECOMMENDED BUDGET</b>	<b>368,741,172</b>	7,594,581	422,587,509	798,923,262	2,642	2,597.88	

**2023-25 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL**

2023-25 Current Service Level Estimate	-	-	-	-	-	0.00	
<b>LFO Recommendations for Existing Packages</b>							
Pkg 105: Healthier Oregon Program	7,871,628	-	4,042,868	11,914,496	48	36.50	
Pkg 142: Eligibility/Redeterminations Staff	30,000,000	-	21,728,451	51,728,451	300	300.00	
Pkg 143: ONE Ongoing Maintenance	16,200,175	840,000	22,148,479	39,188,654	34	26.00	
Pkg 201: Medicaid Waiver Placeholder	4,479,037	-	6,810,361	11,289,398	55	34.65	
Pkg 203: Mainframe Migration	375,242	-	562,859	938,101	6	4.14	
Pkg 301: ERDC Expansion	-	3,000,000	-	3,000,000	-	0.00	
<b>Other Recommended Adjustments</b>							
<b>Pkg 801: LFO Analyst Adjustments</b>							
Vacancy Savings	(13,685,048)	-	-	(13,685,048)	-	0.00	
Services and Supplies Reductions	(10,236,650)	(24,787)	(2,685,746)	(12,947,183)	-	0.00	
FMAP	34,842	-	(34,842)	-	-	0.00	
Enhanced FMAP	(14,414)	-	14,414	-	-	0.00	
Positions from Other Programs	334,719,130	3,779,368	370,726,796	709,225,294	2,211	2,208.59	
Move Positions to Records Management	(1,002,770)	-	(726,131)	(1,728,901)	(12)	-12.00	
<b>Total adjustments LFO Rec from CSL</b>	<b>368,741,172</b>	<b>7,594,581</b>	<b>422,587,509</b>	<b>798,923,262</b>	<b>2,642</b>	<b>2,597.88</b>	
<b>TOTAL 2023-25 LFO Recommended Budget</b>	<b>368,741,172</b>	<b>7,594,581</b>	<b>422,587,509</b>	<b>798,923,262</b>	<b>2,642</b>	<b>2,597.88</b>	
<b>\$ Change from 2021-23 Approved</b>	<b>368,741,172</b>	<b>7,594,581</b>	<b>422,587,509</b>	<b>798,923,262</b>	<b>2,642</b>	<b>2,597.88</b>	
<b>% Change from 2021-23 Approved</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>\$ Change from 2023-25 CSL Estimate</b>	<b>368,741,172</b>	<b>7,594,581</b>	<b>422,587,509</b>	<b>798,923,262</b>	<b>2,642</b>	<b>2,598</b>	
<b>% Change from 2023-25 CSL Estimate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>\$ Change from 2023-25 Governor's Budget</b>	<b>(230,001)</b>	<b>(1,095,486)</b>	<b>(3,681,497)</b>	<b>(5,006,984)</b>	<b>(42)</b>	<b>-42.95</b>	
<b>% Change from 2023-25 Governor's Budget</b>	<b>-0.06%</b>	<b>-12.61%</b>	<b>-0.86%</b>	<b>-0.62%</b>	<b>-1.56%</b>	<b>-1.63%</b>	

DEPARTMENT OF HUMAN SERVICES: CENTRAL · SHARED · STATE ASSESSMENTS AND ENTERPRISE-WIDE COSTS  
 HB 5026 WORK SESSION

	GEN FUND	OTHER	FEDERAL	TOTAL FUNDS	POS	FTE	Comments
<b>2021-23 Legislatively Approved Budget (As of Dec 2022)</b>	582,366,911	279,682,223	367,722,633	1,229,771,767	1,112	1,090.62	
<b>2023-25 Current Service Level</b>	513,356,629	293,087,523	412,277,101	1,218,721,253	1,104	1,098.12	
<b>2023-25 Governor's Budget</b>	443,219,049	255,708,360	325,371,840	1,024,299,249	1,077	1,033.49	
<b>2023-25 LFO RECOMMENDED BUDGET</b>	455,861,552	260,092,659	334,359,382	1,050,313,593	1,049	1,042.12	
<b>1 2023-25 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL</b>							
<b>2</b>							
<b>3 2023-25 Current Service Level Estimate</b>	513,356,629	293,087,523	412,277,101	1,218,721,253	1,104	1,098.12	
<b>4</b>							
<b>5 LFO Recommendations for Existing Packages</b>							
6 Pkg 095: Dec-18 Rebalance/Non-CSL Reshoot	2,249,346	-	2,102,143	4,351,489	1	1	
7 Pkg 203: Mainframe Migration	2,583,446	880,474	1,428,474	4,892,394	4	3	
8	-	-	-	-	-	-	
<b>9 Other LFO Recommended Adjustments</b>							
<b>10 Pkg 801: LFO Analyst Adjustments</b>							
11 Reduce FEMA OF Limitation	-	(25,000,000)	-	(25,000,000)	-	-	
12 Vacancy Savings	(2,356,496)	(9,220,083)	-	(11,576,579)	-	-	
13 Services and Supplies Reductions	(1,157,370)	(460,804)	(1,527,273)	(3,145,447)	-	-	
14 Create Oregon Eligibility Partnerships SCR	(53,265,982)	(3,513,023)	(79,001,380)	(135,780,385)	(85)	(85)	
15 Establish FA 2 in Central	136,970	-	91,313	228,283	1	1	
16 Community Engagement Initiative	300,000	-	-	300,000	-	-	
17 Records Management Positions	1,792,919	4,217,457	1,885,390	7,895,766	23	23	
18 Pos from OHA Public Health	-	172,671	-	172,671	1	1	
19 Tech Adjustments/Transfers/Reclasses	(11,777,910)	(71,556)	(2,896,386)	(14,745,852)	-	-	
Water Delivery	4,000,000	-	-	1,793,258	-	-	
<b>20 Total adjustments LFO Rec from CSL</b>	<b>(61,495,077)</b>	<b>(32,994,864)</b>	<b>(77,917,719)</b>	<b>(172,407,660)</b>	<b>(55)</b>	<b>(56.00)</b>	
<b>21</b>							
<b>22 TOTAL 2023-25 LFO Recommended Budget</b>	<b>451,861,552</b>	<b>260,092,659</b>	<b>334,359,382</b>	<b>1,046,313,593</b>	<b>1,049</b>	<b>1,042.12</b>	
<b>23</b>							
24 \$ Change from 2021-23 Approved	(130,505,359)	(19,589,564)	(33,363,251)	(183,458,174)	(63)	(48.50)	
25 % Change from 2021-23 Approved	-22.41%	-7.00%	-9.07%	-14.92%	-5.67%	-4.45%	
26 \$ Change from 2023-25 CSL Estimate	(61,495,077)	(32,994,864)	(77,917,719)	(172,407,660)	(55)	(56.00)	
27 % Change from 2023-25 CSL Estimate	-11.98%	-11.26%	-18.90%	-14.15%	-4.98%	-5.10%	
28 \$ Change from 2023-25 Governor's Budget	8,642,503	4,384,299	8,987,542	22,014,344	(28)	8.63	
29 % Change from 2023-25 Governor's Budget	1.95%	1.71%	2.76%	2.15%	-2.60%	0.84%	



# Legislatively Proposed 2023 - 2025 Key Performance Measures

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**Agency:** Department of Human Services

**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 Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
1. OLDER ADULTS NEEDING LONG TERM CARE SERVICES (APD) - The percentage of older adults (65+) needing publicly-funded long term care services		Approved	2.71%	3.06%	3.06%
2. LONG TERM CARE RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES (APD) - The percentage of Oregonians accessing publicly-funded long-term care services who are living outside of nursing facilities		Approved	88.70%	90%	90%
3. TIMELY APD ABUSE INVESTIGATIONS - The percentage of abuse reports assigned for field contact that meet policy timelines		Approved	90%	95%	95%
4. ABSENCE OF REPEAT MALTREATMENT OF ABUSED/NEGLECTED CHILDREN (CW) - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization		Approved	93%	97%	97%
5. TIMELY REUNIFICATION OF FOSTER CHILDREN (CW) - The percentage of foster children exiting to reunification within 12 months of foster care entry		Approved	72.50%	76%	76%
6. TIMELY ADOPTION ONCE CHILDREN ARE LEGALLY FREE (CW) - The percentage of legally free children adopted in less than 12 months		Approved	68.50%	60%	60%
7. REDUCTION OF RACE/ETHNICITY DISPARITIES IN LENGTH OF STAY (CW) - Outcome disparity in length of stay (reported in months) for children in substitute care by race/ethnicity	a) Non-Hispanic African American	Approved	32.17	18	18
	b) Non-Hispanic Asian/Pacific Islander		29.54	18	18
	c) Non-Hispanic White		27.89	18	18
	d) Non-Hispanic Native American/Alaskan Native		31.24	18	18
	e) Hispanic (any race)		28.04	18	18
8. CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME - The percentage 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	22.50%	33%	33%
9. TIMELY ELIGIBILITY DETERMINATION FOR ODDS SERVICES - The percentage of individuals who apply for ODDS services who are determined eligible within 90 days from application		Approved	55%	75%	75%
12. ABUSE/NEGLECT OF ADULTS WITH DEVELOPMENTAL DISABILITIES (ODDS) - The percentage of substantiated abuse/neglect of adults in licensed and endorsed programs		Approved	1.34%	0%	0%
13. HOUSEHOLDS AT, OR ABOVE, LIVING WAGE FOUR QUARTERS AFTER LEAVING SSP PROGRAM - The median percentage of households leaving Self Sufficiency who are at, or above, a living wage four quarters out		Approved	44.80%	71%	71%
14. SSP PARTICIPANTS REPORTING HOUSING STABILITY - The percentage of Self Sufficiency participants who report their housing needs are fully met		Approved	41.60%	25%	25%

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
15. SSP PARTICIPANTS REPORTING FOOD SECURITY - The percentage of Self Sufficiency participants who report they did not worry about having enough food, or actually run out of food, in the past 12 months		Approved	33.50%	15%	15%
16. SSP PARTICIPANTS REPORTING GREATER SELF-EFFICACY - The percentage of Self Sufficiency participants who report they feel more confident in their ability to improve their current circumstances because of SSP and other services they were connected to		Approved	74.20%	70%	75%
17. OVRS CONSUMERS WHO ARE SUCCESSFULLY EMPLOYED AT PROGRAM EXIT - The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed at program exit		Approved	52.10%	65%	65%
18. OVRS CONSUMERS EMPLOYED IN SECOND QUARTER FOLLOWING PROGRAM EXIT - The percentage of OVRS clients closed from plan who are employed during second quarter following program exit		Approved	52.90%	52%	55%
19. OVRS CONSUMERS EMPLOYED IN FOURTH QUARTER FOLLOWING PROGRAM EXIT - The percentage of OVRS clients closed from plan who are employed during fourth quarter following program exit		Approved	51.10%	52%	52%
20. OVRS MEDIAN QUARTERLY WAGE AT SECOND QUARTER FOLLOWING PROGRAM EXIT - Median quarterly wage at second quarter following OVRS program exit		Approved	\$3,552.00	\$3,300.00	\$3,500.00
21. DHS CUSTOMER SATISFACTION - The percentage of customers rating their satisfaction with DHS above average, or excellent	Timeliness	Approved	62%	81%	81%
	Accuracy		67.90%	91%	91%
	Overall		89.50%	90%	90%
	Helpfulness		83%	86%	86%
	Expertise		66.30%	90%	90%
	Availability of Information		90%	92%	92%
22. REDUCTION IN DISPROPORTIONALITY OF CHILDREN AT ENTRY INTO SUBSTITUTE CARE (CW) - Measure of the average disproportionality index across race/ethnicity for children at entry into substitute care	a) American Indian/Alaskan Native	Approved	3.30	1	1
	b) Black/African American		1.90	1	1
	c) Asian/Pacific Islander		0.30	1	1
	d) Hispanic		0.80	1	1
	e) White		1	1	1
10. INTELLECTUAL/DEVELOPMENTAL DISABILITY DISPROPORTIONALITY (ODDS) - Percentage of IDD service recipients by race and ethnicity compared to the Oregon population race and ethnicity		Proposed New		1%	1%
11. SUPPORTED ODDS EMPLOYMENT SERVICES TO MAINTAIN COMPETITIVE INTEGRATED EMPLOYMENT - Number of individuals in competitive integrated employment or individual supported employment		Proposed New		1,760	1,840
10. ADULTS ENROLLED IN ODDS PROGRAM RECEIVING 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		Proposed Delete	66%	75%	

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
11. SUPPORTED EMPLOYMENT SERVICES TO OBTAIN COMPETITIVE INTEGRATED EMPLOYMENT - Number of individuals in sheltered workshop target population receiving supported and/or related employment services from ODDS and VR who obtain competitive integrated employment		Proposed Delete	1,138	1,115	

**LFO Recommendation:**

The Legislative Fiscal Office recommends approval of the proposed 2023-25 Key Performance Measures and targets. This includes approval of two new KPMs. Specifically, KPM 10 is being changed from "Adults Enrolled in ODDS Program Receiving In-home Services" to "Intellectual/Developmental Disability Disproportionality"; and, KPM 11 is being changed from "Supported Employment Services to Obtain Competitive Integrated Employment" to "Supported ODDS Employment Services to Maintain Competitive Integrated Employment."

**SubCommittee Action:**