

HB 2468 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Mike Streepey, Department of Administrative Services

Reviewed By: Tim Walker, Legislative Fiscal Office

Department of Human Services

2023-25

PRELIMINARY

Budget Summary

	2021-23 Legislatively Approved Budget	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
Department of Human Services					
General Fund	\$ -	\$ -	\$ 304,611	\$ 304,611	100.0%
Other Funds Limited	\$ -	\$ -	\$ 389,847	\$ 389,847	100.0%
Federal Funds Limited	\$ -	\$ -	\$ 59,293	\$ 59,293	100.0%
Total	\$ -	\$ -	\$ 753,751	\$ 753,751	100.0%

Position Summary

Department of Human Services

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	0.75	0.75

Summary of Revenue Changes

House Bill 2468 appropriates \$304,611 General Fund and \$389,847 Other Funds to the Department of Human Services (DHS) to make changes to the Provider Pay system to determine business days since payment to Employment Related Day Care providers, calculate the penalty payment, create audit records, and support accounting changes and standard data interface maintenance. Federal Funds revenue is increased by \$59,293 for DHS staffing costs to implement the measure. Associated Other Funds expenditure limitation is also included to allow the agency to expend funds.

Summary of Human Services Subcommittee Action

House Bill 2468 authorizes the Early Learning Council (ELC) to adopt rules for reasonable requirements for landlords of tenants who operate a certified family child care home. The measure also requires ELC to adopt rules establishing a timeline to issue payments to Employment Related Day Care (ERDC) providers and establishes a nine percent penalty on the amount due for late payments. In order to implement the late payment penalty provision of the bill, DHS will need to make changes to the Provider Pay (PP) system, the payment system used by the state to pay ERDC providers. The penalty provision will require new functionality for the PP system to determine the business days since payment, calculate the penalty payment, create audit records, and support table changes for the accounting. Additionally, the accounting interface would also require standard interface maintenance to account for the new penalty payment.

The PP system is managed within Shared Services, which provides several support functions to both Oregon Health Authority and DHS, including information technology, financial services, budget, facilities, and procurement. A General Fund appropriation increase of \$203,550 is made to Services and Supplies within DHS Self-Sufficiency Programs (SSP) to support the changes.

Payments to ERDC providers is budgeted as Other Funds within SSP. An increase of \$233,280 Other Funds expenditure limitation is provided to SSP, which is the estimated amount of penalty payments that will be made by the program. The funding will be passed through from the Department of Early Learning and Care. For staffing support within DHS, \$101,061 General Fund is appropriated for one permanent part-time Operations and Policy Analyst 3 (0.25 FTE) to facilitate the IT system changes and support reporting, as well as one permanent full-time Accountant 1 (0.50 FTE) for testing review and configuration to facilitate reconciliation of general ledger accounts. The remaining General Fund is budgeted within the State Assessments and Enterprise-wide Costs unit (SAEC), along with \$4,703 Other Funds expenditure limitation, and \$59,293 Federal Funds expenditure limitation. Remaining Other Funds expenditure limitation is passed through to Shared Services within the DHS to cover the staffing costs and related Services and Supplies. The pass-through results in a “double budgeting” for the positions. Additionally, DHS uses a cost-allocation model for these positions, consisting of General Fund, Other Funds, and Federal Funds, which are budgeted within SAEC.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Health Authority and Department of Human Services
 Mike Streepey -- 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Department of Human Services									
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 10-45 - Shared Services									
Personal Services	\$ -	\$ -	\$ 140,787	\$ -	\$ -	\$ -	\$ 140,787	2	0.75
Services and Supplies	\$ -	\$ -	\$ 11,077	\$ -	\$ -	\$ -	\$ 11,077		
SCR 10-50 - State Assessments and Enterprise-Wide Costs									
Services and Supplies	\$ 8,267	\$ -	\$ 362	\$ -	\$ 4,564	\$ -	\$ 13,193		
Special Payments	\$ 92,794	\$ -	\$ 4,341	\$ -	\$ 54,729	\$ -	\$ 151,864		
SCR 060-01 - Self-Sufficiency Programs									
Services and Supplies	\$ 203,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,550		
Special Payments	\$ -	\$ -	\$ 233,280	\$ -	\$ -	\$ -	\$ 233,280		
TOTAL ADJUSTMENTS	\$ 304,611	\$ -	\$ 389,847	\$ -	\$ 59,293	\$ -	\$ 753,751	2	0.75
SUBCOMMITTEE RECOMMENDATION	\$ 304,611	\$ -	\$ 389,847	\$ -	\$ 59,293	\$ -	\$ 753,751	2	0.75

PRELIMINARY