

**HB 5026 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

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**Department of Human Services**

**2023-25**

PRELIMINARY

**Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 4,819,848,172	\$ 5,421,278,293	\$ 5,624,118,823	\$ 804,270,651	16.7%
General Fund Debt Service	\$ 23,452,205	\$ 13,718,450	\$ 13,718,450	\$ (9,733,755)	(41.5%)
Other Funds Limited	\$ 960,448,187	\$ 657,050,606	\$ 1,031,808,441	\$ 71,360,254	7.4%
Other Funds Debt Service Limited	\$ 2,056,766	\$ -	\$ -	\$ (2,056,766)	(100.0%)
Federal Funds Limited	\$ 7,692,771,219	\$ 7,680,566,236	\$ 8,115,736,365	\$ 422,965,146	5.5%
Federal Funds Nonlimited	\$ 4,881,868,127	\$ 3,681,868,127	\$ 3,681,868,127	\$ (1,200,000,000)	(24.6%)
Total	\$ 18,380,444,676	\$ 17,454,481,712	\$ 18,467,250,206	\$ 86,805,530	0.5%

**Position Summary**

Authorized Positions	10,456	10,336	10,999	543
Full-time Equivalent (FTE) positions	10,275.10	10,280.58	10,751.37	476.27

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

The Department of Human Services (DHS) is funded with a mix of General Fund, Other Funds, and Federal Funds revenues. General Fund is required to receive Federal Funds matching revenue for some programs, such as revenue from the Federal Medical Assistance Percentage (FMAP) for Medicaid services, or to fulfill maintenance of effort requirements for some programs, such as the Temporary Assistance to Needy Families (TANF) program. DHS receives a large amount of Nonlimited Federal Funds revenue for the Supplementary Nutrition Assistance Payments (SNAP) program, which provides food assistance to eligible households. Other Funds revenue sources include long-term care facility provider taxes, childcare development grants that benefit the Employment Related Daycare program (ERDC), and overpayment recoveries, among others.

The federal government is an important partner in funding DHS programs. About two-thirds of the Department’s budget, including SNAP, is federally funded. As a result, the state’s ability to provide program services is greatly influenced by Federal Funds availability and by the rules guiding the use of those funds. In addition, the rate of federal revenue matching for many programs, such as the FMAP rate, changes annually and is completely out of the control of state policy. This greatly impacts the amount of General Fund needed to maintain programs. For 2023-25, the regular FMAP adjustment decreased Federal Funds revenue, creating a shortfall that drives up the need for General Fund. The average biennial base federal matching rate will decrease from 60.34 percent in 2021-23, to 59.24 percent in the 2023-25 biennium. However, for 2023-

25, there are two other primary changes to the FMAP adjustment, including the expiration of the enhanced public health emergency FMAP rate and the expiration of the enhanced Home and Community Based Services FMAP rate approved for part of the 2021-23 biennium through the American Rescue Plan Act (ARPA). The combined impact from these changes results in a need for approximately \$377 million General Fund in 2023-25. This assumes the wind down of the enhanced public health emergency FMAP rate in the first six months of 2023-25, as approved through the 2023 federal omnibus bill.

In addition, many grants for mandatory programs (Child Welfare, Adults and People with Disabilities (APD), and Individuals with Intellectual and/or Developmental Disabilities (I/DD)) are capped and do not earn inflation, so the General Fund is expected to make up the difference in order to maintain service levels. Within APD, Provider Tax collections are projected to increase, and the Subcommittee recommends utilizing one-time carryover Provider Tax funds to help offset General Fund costs. APD has budgeted \$179.3 million from this revenue source next biennium, an increase of \$44.4 million compared to the 2021-23 biennium.

Finally, Federal nutrition funding support related to the pandemic is projected to decrease next biennium resulting in a decrease of \$1.2 billion for SNAP program revenues.

### **Summary of Human Services Subcommittee Action**

The mission of DHS is to help Oregonians in their own communities achieve safety, well-being, and independence through services that protect, empower, respect choice, and preserve dignity. The Department is responsible for the care of some of Oregon's most vulnerable citizens – children, families, people with intellectual and developmental disabilities, and older adults. DHS is also responsible for serving Oregonians at times when they are most in need – when they have experienced abuse, when they are hungry, or when they are homeless.

The DHS budget can be categorized into five distinct programs areas: Child Welfare, Self Sufficiency Programs (SSP), Vocational Rehabilitation (VR), Aging and People with Disabilities (APD), and Intellectual and Developmental Disabilities (I/DD). These program areas are supported by services and functions budgeted in Central Services, Shared Services, and State Assessments and Enterprise-wide Costs (SAEC), which pays for the administrative costs of the agency.

In addition, a new division is recommended by the Subcommittee for the 2023-25 biennium, the Oregon Eligibility Partnership (OEP). With the implementation of the new Oregon Eligibility (ONE) System, eligibility work is no longer siloed within DHS programs. The OEP team performs eligibility processing for many Oregon Health Authority (OHA), Department of Early Learning and Care and DHS programs including the Oregon Health Plan, SNAP, TANF, APD programs, ERDC and other programs. This OEP division is recommended to consolidate the budget for administration of the ONE system, along with program eligibility workers and supporting staff.

The Subcommittee recommended a 2023-25 DHS budget of \$18.5 billion total funds (\$5.6 billion General Fund) and 10,999 positions (10,751.37 FTE). The General Fund recommended budget is an increase of 16.4 percent compared to the legislatively approved budget, as of January 2023. The total funds recommended budget is an increase of 0.5 percent from the 2021-23 Legislatively Approved Budget (LAB). Significant General Fund investments were made to backfill lost Federal Funds, due to the expiration of the public health emergency enhanced FMAP and Home and Community Based Services (HCBS) enhanced FMAP. Specifically, General Fund investments were made in the APD program to continue one-time provider rates to bolster wages for workers who provide care services, nursing facilities rates, I/DD providers rate increases to boost direct service professional wages, investments Child Welfare rates and safety staffing, and staffing investments for DHS and OHA program eligibility redeterminations, and the ONE system. The Subcommittee's recommended budget approved the Department's outstanding Permanent Finance Plans, which were presented during the Spring 2023 reshoot to align the budget with the correct position, classification, and step. These changes are typically approved administratively throughout the biennium but were approved as part of the Subcommittee's recommended budget, due to administrative delays towards the end of the biennium. These adjustments were financed within the department's existing available resources.

### **Self Sufficiency Programs**

SSP is designed to provide low-income Oregonians with services to create stability and prepare participants for employment, so they are equipped to work their way out of poverty. Programs included in this division include TANF, ERDC, and SNAP, among others.

The Subcommittee recommended a budget of \$298,966,873 General Fund (\$4,728,926,458 total funds) for SSP and 987 positions (986.13 FTE). The General Fund budget is \$271,012,619, or 47.6 percent, below the 2021-23 LAB. The decrease in General Fund and total funds is primarily due to the transfer of 1,801 positions and related costs from SSP to the new OEP Division. This adjustment nets to zero agencywide. Excluding this transfer, adjustments were made for increased TANF caseload and costs per case, local food purchasing infrastructure, and to cover the cost of a federal penalty from 2007.

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package increases General Fund by \$6,211,589, Other Funds expenditure limitation by \$15,646, and Federal Funds expenditure limitation by \$19,620,553. The package adjusts for TANF caseload and cost per case changes based on the December 2022 caseload forecast. It also makes permanent seven full-time limited duration positions and provides Federal Funds expenditure limitation needed in part to allow the Department to spend child abuse prevention grant funds.

Package 801, LFO Analyst Adjustments. This package decreases General Fund by \$185,449,252 and reduces 1,799 positions (1,797.09 FTE) due to the following adjustments:

- Caseload/Cost Per Case. This adjustment increases General Fund by \$17,704,709 and decreases Other Funds expenditure limitation by \$16,644 to adjust for caseload changes in the Spring 2023 caseload forecast, as well as higher than budgeted costs per case in the TANF program.
- Vacancy Savings. This adjustment reduces the General Fund budget for SSP salaries and wages by \$4,098,362 on a one-time basis. The reduction was made based on Personal Services expenditure trends in recent years.
- Transfer to OEP. This adjustment reduces General Fund by \$218,334,144, Other Funds expenditure limitation by \$266,345 and Federal Funds expenditure limitation by \$229,018,610. It also reduces SSP staff by 1,801 positions (1,799.09 FTE) to reflect the transfer of funding and positions to OEP. This is a net zero adjustment agencywide.
- Transfer to Self-Sufficiency/Independent Residence Facilities. This provides \$1,381,525 General Fund 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).
- House Bill 4117 (2022) Position. This adjustment provides \$317,973 General Fund and establishes one, permanent Program Analyst 3 (1.00 FTE) due to a clerical error that occurred in House Bill 4117 (2022). The position was authorized with the passage of House Bill 4117 in the 2022 Legislative Session.
- Department of Early Learning and Care (DELIC) Pass Through. Provides Other Funds expenditure limitation of \$338,035,033 to allow the agency to pay ERDC providers on behalf DELIC.
- TANF Penalty. Provides \$7,679,047 General Fund on a one-time basis to pay a penalty from federal fiscal year 2002 related to work participation rules. A corresponding decrease to Federal Funds expenditure limitation is also made with this adjustment.
- Local Food Purchasing Infrastructure. A one-time \$10,000,000 General Fund increase is made to fill the gap in food supplies resulting from reduced post-pandemic food donations.

Package 802, Long-Term Vacant Positions. This package reduces General Fund by \$553,663, Other Funds expenditure limitation by \$175, and Federal Funds expenditure limitation by \$323,115, and eliminates five vacant positions (5.00 FTE) that have remained vacant for more than 12 months.

## **Child Welfare**

The mission of DHS Child Welfare is to ensure every child and family is empowered to live a safe, stable, and healthy life. The Child Welfare program is organized into the following programs Safety, Wellbeing and Permanency. In previous biennia, the Child Welfare budget was split into four budget structures; however, in the 2021-23 biennium, all child welfare programs, including program design and delivery costs, were budgeted in one statutory appropriation for each fund type. This structure is continued in the 2023-25 biennium.

The Subcommittee recommended a budget of \$963,286,351 General Fund (\$1,580,476,353 total funds) and 3,594 positions (3,407.98 FTE) for Child Welfare. Investments were made in a variety of areas including foster care reimbursement rates, child safety positions, legal supports, and Behavior Rehabilitation Services rates. The budget was also reduced significantly due to vacancy savings and Services and Supplies reductions. The General Fund budget increased 4.7 percent and total funds increased 3.2 percent compared to the 2021-23 LAB.

The Subcommittee recommended budget includes the following packages:

Package 082, September 2022 Emergency Board. This package adds \$254,063 General Fund to support one newly established permanent full-time Operations and Policy Analyst 3 positions (1.00 FTE) and related Services and Supplies costs, as well as \$854,721 General Fund for program payments related to an expansion of the Family Treatment Court Program.

Package 095, DHS/OHA Reshoot. This package provides \$2,044,091 General Fund and \$6,508,165 Other Funds expenditure limitation and decreases Federal Funds expenditure limitation by \$507,688 for various December 2022 rebalance/reshoot adjustments. This includes a reduction of \$1,321,161 General Fund for the transfer of positions to SAEC and Central Services, as well as an increase of \$3,365,252 General Fund for the Child and Family Service Review Penalty.

Package 118, Child Protective Services Staff. This package appropriates \$6,907,091 General Fund (\$9,209,453 total funds) and 202 full-time permanent positions (50.50 FTE) to increase the number of Child Protective Services caseworkers, as well as support staff. The additional caseworkers are intended to provide enough staff to allow caseworkers to effectively engage with families to assess immediate and impending safety risks.

Package 123, Foster Care Reimbursement Rates. This package provides \$16,824,055 General Fund (\$27,097,338 total funds) to increase monthly foster care payments an average of \$241 per month for resource families.

Package 801, LFO Analyst Adjustments. This package decreases General Fund by \$42,495,089 (net decrease of \$42,201,253 total funds) and reduces one position and increases FTE by 1.00 due to the following adjustments:

- Behavior Rehabilitation Rate Adjustment. Provides \$2,870,669 General Fund (\$3,328,215 total funds) to continue one-time adjustments approved in the 2021-23 biennium. Specifically, this maintains the five percent vacant bed factor plus a COVID differential of \$13.70 per day of bed use.
- Department of Justice Child Advocacy Program. This adjustment appropriates \$3,967,708 General Fund and increases Federal Funds expenditure limitation by \$2,645,139 to pay the Oregon Department of Justice for legal services through its new Child Advocacy Program.
- Caseload/Cost Per Case. This adjustment reduces General Fund by \$3,646,390, decreases Other Funds expenditure limitation by \$264,181 and decreases Federal Funds expenditure limitation by \$2,382,283 to adjust for caseload changes in the Spring 2023 caseload forecast. The budget is also adjusted for 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.
- FMAP Adjustment. This adjustment reduces General Fund by \$1,722,620 and increases Federal Funds expenditure limitation by \$1,722,620 due to the change in FMAP. 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. The package makes a one-time reduction of \$23,680,942 General Fund to Child Welfare salaries and wages based on Personal Services expenditures in recent years.
- Services and Supplies Reduction. This adjustment includes a one-time General Fund reduction to Services and Supplies in the amount of \$15,436,737, Other Funds expenditure limitation is reduced \$237,330 and Federal Funds expenditure limitation is reduced \$3,192,964. The reductions are based on Services and Supplies expenditure trends in recent years.
- Community Engagement Transfer to Central Services. This adjustment reduces the General Fund by \$100,000 to reflect the transfer of this amount to Central Services for community engagement activities. SSP, Child Welfare and APD 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 and program funding for the 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 an \$87,008 General Fund transfer to SSP to support an existing Administrative Assistant 2 position (0.50 FTE).

- Cleanup for Reclassifications. This adjustment results in an additional 1.50 FTE through Permanent Financing position reclassification actions.
- Child and Family Service Review Penalty Reversal. An ongoing reduction of \$3,365,252 General Fund is made to align the budget with expected penalties from the federal Children’s Bureau. 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.
- Various Limitation Adjustments Other/Federal. This technical adjustment increases Federal Funds expenditure limitation by \$1,175,289 to expend funds for Child Abuse and Neglect Prevention Grants, from supplemental ARPA funding and \$370,000 Other Funds expenditure limitation ARPA State Fiscal Recovery funds for Child Welfare training.

Package 802, Long-Term Vacant Positions. This package 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**

VR’s mission is to assist Oregonians with disabilities to achieve, maintain, and advance in employment and independence. This includes helping youth with disabilities transition to jobs as they become adults, providing individualized counseling and supports to job seekers with disabilities to overcome barriers to employment, helping employers realize the benefit of employing people with disabilities, and partnering with other state and local organizations that coordinate employment and workforce programs.

The Subcommittee recommended a budget of \$39,915,930 General Fund (\$148,120,033 total funds) for VR, which includes support for 275 positions (274.04 FTE). Although the total funds budget is slightly below the legislatively approved budget, the General Fund budget is increased by 10.0 percent compared to the legislatively approved budget in 2021-23.

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package 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 Central Services and SAEC. The package nets to zero on an agencywide basis.

Package 148, Rehabilitation Services Audit Report. This package establishes five, permanent 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 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.

Package 801, LFO Analyst Adjustments. This package makes a one-time General Fund reduction of \$735,400 to account for additional vacancy savings based on Personal Services expenditure trends in recent years. Additionally, this package creates a Program Analyst 2 position (1.00 FTE) using existing savings within the Personal Services budget.

### **Aging and People with Disabilities**

The APD program assists seniors and people with disabilities of all ages to achieve well-being through opportunities for community living, employment, family support, and services promoting independence, choice, and dignity. APD's budget consists of three areas: Program Services, Program Design, and Program Development. Program Services focus on supporting fundamental Activities of Daily Living such as bathing, dressing, mobility, cognition, eating, and personal hygiene. These services are provided in nursing facilities or community-based settings, such as residential care, assisted living, memory care, foster homes, or in the person's own home. Program Design consists of staff and services to support the administration of APD programs. Program Delivery consists of staff providing direct services to Oregonians, including but not limited to case management, disability determination services, provider payments, Adult Protective Services investigations, and other services. APD administers Oregon's Medicaid long-term care program primarily under the Community First Choice Option under Section 1915(k) of the Social Security Act. Federal Older American Act services, also administered by APD, include help with abuse prevention, caregiver supports, medication management, nutrition services, legal issues, and other services.

The Subcommittee recommended a budget of \$1,699,377,390 General Fund (\$5,171,169,768 total funds) for APD, which includes support for 1,504 positions (1,496.05 FTE). Under the Subcommittee recommended budget, General Fund is increased 15.8 percent compared to the 2021-23 LAB. The increase is largely due to increased costs in nursing facilities and backfilling ongoing investments for provider rates with General Fund, due to the expiration of additional Federal Funds in 2021-23. The expiration of enhanced FMAP, also results in an increased need for General Fund in APD. The recommended budget transfers the funding for 325 positions from APD to OEP for those staff dedicated to eligibility determination work.

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package 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 for Central Human Resources costs from APD to Central Services, the transfer of position-related SAEC costs from APD to SAEC, the transfer of an Operations and Policy Analyst 3 position (1.00 FTE) from APD to Central, and an increase to APD program budget for the employer share of the new statewide paid family leave insurance program for Home Care Workers.

Package 105, Healthier Oregon Program. This package provides \$17,495,346 General Fund for the projected Healthier Oregon Program (HOP) caseload, which 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. HOP provides health care, as well as long-term services and supports for the aging population, and supports to people with physical or developmental disabilities, irrespective of their immigration status.

Package 801, LFO Analyst Adjustments. This package reduces General Fund by \$58,556,227, increases total funds by \$59,006,602, transfers 325 permanent positions (324.50 FTE) to OEP, and creates 10 permanent full-time positions (10.00 FTE):

- Community Based Care (CBC) Provider Rate Increase. This adjustment provides \$30,714,439 General Fund and \$37,483,256 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 percent wage add-on and a five percent COVID enhancement; and (2) provide a new five percent 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, the Department 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 APD to cover the balance of costs for these provider rate increases.
- Caseload Adjustment. This adjustment accounts for changes in projected APD caseload based on the Spring 2023 caseload forecast. General Fund is reduced by \$23,561,700 and Federal Funds expenditure limitation is decreased by \$33,164,642 to adjust for caseload changes. This includes a reduction of \$6,084,962 General Fund for lower HOP caseload.
- Nursing Facility Rate Update. This adjustment provides \$40,912,834 General Fund and increases Federal Funds expenditure limitation by \$63,786,889 for the cost of nursing facility care.
- FMAP Adjustment. This adjustment decreases 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. A one-time General Fund reduction of \$7,500,697, Other Funds expenditure limitation of \$338,968 and Federal Funds expenditure limitation of \$2,849,760 is made to recognize savings in salaries and wages based on historical spending.
- Services and Supplies Reductions. A one-time General Fund reduction of \$1,075,883 is made to the APD Services and Supplies budget.

- Transfer to OEP. This adjustment 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 OEP program. This adjustment nets to zero agencywide.
- Oregon Project Independence/Family Caregiver Assistance Program. This adjustment provides \$2,376,068 General Fund and reduces Federal Funds expenditure limitation by \$6,738,494. This is the net impact of 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 expenditure limitation; and 2) an increase of \$6,877,517 General Fund and \$9,146,616 Federal Funds expenditure limitation to cover Area Agency on Aging (AAA) costs to administer the new waiver program.
- ARPA HCBS Carryforward. This adjustment provides \$31,407,143 General Fund and increases Federal Funds expenditure limitation by \$46,603,644 to allow APD to continue to execute the HCBS spending plan approved by the U.S. Department of Health and Human Services. ARPA provided a temporary 10% enhanced FMAP rate for state spending on HCBS for the period April 1, 2021, through March 31, 2022. States are required to spend an equivalent amount of state monies as earned through the enhanced FMAP over the 12-month period from April 1, 2021, through March 31, 2022. Those state funds must be spent by March 31, 2025, to enhance, expand or strengthen Medicaid home and community-based services.
- General Assistance Cost. This adjustment provides \$81,107 General Fund and increases Other Funds expenditure limitation by \$84,128 to fund inflationary costs for General Assistance, which 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. The current monthly caseload is 130 individuals.
- Provider Tax Carryforward/Adjustment. This is a net-zero fund shift. General Fund is reduced by \$33,965,615 and Other Funds expenditure limitation is increased by the same amount to reflect the use of available facility provider tax revenues. Of this amount, \$27 million is a one-time adjustment for carryforward funds and \$6,965,615 is an ongoing adjustment that reflects an updated Provider Tax revenue estimate made during the Spring 2023 reshoot.
- Workload Model Adjustments. This adjustment provides \$1,306,524 General Fund, increases Federal Funds expenditure limitation by \$1,306,524 and provides eight positions (8.00 FTE) for workload model adjustments associated with Spring 2023 caseload forecast update. This includes \$457,937 General Fund and \$457,937 Federal Funds expenditure limitation for DHS positions, and \$848,587 General Fund and \$848,587 Federal Funds expenditure limitation for AAA contracted staff.

- Community Engagement Transfer to Central Services. This adjustment reduces the General Fund by \$100,000 to reflect the transfer of this amount to Central Services for community engagement activities. This is a net-zero adjustment agencywide. SS, Child Welfare and APD 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 Shifts with APD Design/Delivery. This is a net zero adjustment that reduces two positions in Program Delivery and increases four positions in Program Design. The actions are financed through Permanent Financing actions, for a net increase of two positions (2.00 FTE). Additionally, 11 positions are reclassified as approved by the Department of Administrative Services Chief Human Resources Office.
- Access for Deaf and Hard of Hearing Individuals. This adjustment provides \$1,000,000 General Fund on a one-time basis to increase access to services for individuals who are deaf or hard of hearing through grants to community-based organizations.
- Other Adjustments. These changes include a reduction of \$12,000,000 General Fund on an ongoing basis to capture excess General Fund budgeted for Waivered Case Management. This adjustment aligns the service with the appropriate FMAP received by the state. General Fund is reduced by \$8,000,000 and Other Funds expenditure limitation is increased by \$8,000,000 to reflect the availability of Federal Emergency Management Agency (FEMA) monies to reimburse APD for reimbursable COVID-related costs. Finally, an increase of \$15,100,000 Other Funds expenditure limitation on a one-time basis is made to spend carryforward ARPA State Fiscal Recovery monies for long-term care workforce development and emergency preparedness.

The Subcommittee also recommended the following budget notes requiring DHS to report to the Human Services Subcommittee of the Joint Committee on Ways and Means on direct care wages in long-term care settings and the status of the HCBS spending plan.

**Budget Note: 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.

**Budget Note: 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.

Package 802, Long-Term Vacant Positions. This package reduces the General Fund by \$696,922, Other Funds expenditure limitation by \$2,299 and Federal Funds expenditure limitation by \$845,457 and eliminates nine vacant positions (9.00 FTE) that have remained vacant for more than 12 months.

**Intellectual and Developmental Disabilities**

The I/DD Services program provides support across the lifespan to Oregonians. The Office of Developmental Disabilities Services (ODDS), counties, brokerages, providers, families, self-advocates, and the developmental disabilities community come together to provide services, supports and advocacy to empower Oregonians with intellectual and developmental disabilities to live full lives in their communities. All clients are served in the community and most of these services are administered under Medicaid waivers. General Fund comprises about one-third of the I/DD budget, with most of the General Fund used to match federal Title XIX Medicaid dollars.

The Subcommittee recommended a total funds budget of \$4,989,320,739 (\$1,811,688,005 General Fund) for I/DD, which includes support for 948 positions (947.17 FTE). General Fund increases 43.0 percent compared to the 2021-23 LAB. The increase is due to backfilling ongoing investments for provider rates with General Fund, due to the expiration of additional Federal Funds in 2021-23. The expiration of enhanced FMAP, also results in an increased need for General Fund in I/DD. The 2023-25 budget also funds the new rate model at 100 percent of the projected need for a full 24 months, which resulted in additional General Fund spending. The I/DD caseload also continues to increase post-COVID as more individuals utilize services. Cost per case increases due to consumer preferences and the new rate model also continue to increase General Fund need. The total funds budget is increased 17.4 percent compared to the 2021-23 LAB.

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA 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 for Central Human Resources costs from I/DD to Central Services, the transfer of position-related SAEC costs from I/DD to SAEC, and an increase to the I/DD program budget for the employer share of the new statewide paid family leave insurance program for Home Care Workers.

Package 105, Healthier Oregon Program. This package provides \$12,865,521 General Fund for the projected HOP caseload, which 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. HOP provides health care, as well as long-term services and supports for the aging population, and supports to people with physical or developmental disabilities, irrespective of their immigration status.

Package 801, LFO Analyst Adjustments. This package increases General Fund by \$116,051,670, increases total funds by \$347,861,190 and adds three permanent positions (3.00 FTE) for the following adjustments:

- I/DD Provider Rate Increase. This adjustment provides \$11,961,102 General Fund and \$31,433,142 Federal Funds expenditure limitation to continue a five percent rate increase that is set to expire at the end of 2021-23. This continuation of the COVID-related rate increase of 5% will incorporate the funding made available in the 2023-25 budget into the new rate model, and will therefore apply that funding to all service types with a direct support professional (DSP) wage assumption. This includes providers of attendant care and supportive living, who were not beneficiaries of the temporary COVID-related increase. This approach prioritizes parity across the system and ensures the same DSP wage assumption across all rate models, for fairness and consistency. In addition to the funds added by this package, the Department 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 I/DD to cover the balance of costs for this rate increase.
- ARPA HCBS Carryforward. This adjustment provides \$63,177,737 General Fund and increases Federal Funds expenditure limitation by \$41,334,723 to allow I/DD to continue to execute the HCBS spending plan approved by the U.S. Department of Health and Human Services. ARPA provided temporary enhanced federal funds for state Medicaid spending on home and community-based services. ARPA provided a temporary 10 percent enhanced FMAP for state spending on HCBS for the period April 1, 2021, through March 31, 2022. States are required to spend an equivalent amount of state monies as earned through the enhanced FMAP over the 12-month period from April 1, 2021, through March 31, 2022. Those state funds must be spent by March 31, 2025, to enhance, expand or strengthen HCBS.
- Caseload/Cost Per Case. This adjustment provides \$70,318,310 General Fund and increases Federal Funds expenditure limitation by \$114,264,088 to adjust for caseload changes in the Spring 2023 forecast, as well as higher than budgeted costs per case in the I/DD program. Of the total adjustment, caseload costs account for \$53,617,839 General Fund and cost per case increases account for \$16,700,471 General Fund. This adjustment includes caseload adjustments for the Healthier Oregon Program and Community Developmental Disability Programs and Brokerages.
- FMAP Adjustment. This adjustment decreases General Fund by \$16,858,315 and Other Funds expenditure limitation by \$116,931 and increases Federal Funds expenditure limitation by \$16,975,246 for FMAP adjustments changes. The net General Fund decrease is due to \$6,184,267 impact 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.** This adjustment reduces General Fund by \$4,652,174, Other Funds expenditure limitation by \$112,753 and Federal Funds expenditure limitation by \$1,008,660 for increased vacancy savings based on historical spending.
- **Services and Supplies Reductions.** A one-time General Fund reduction is made for Services and Supplies in the amount of \$1,500,000 based on historical spending.
- **Current Service Level Budget Correction.** This adjustment 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 during current service level budget development.
- **Position Reclassification.** This adjustment increases General Fund by \$12,406, Federal Funds expenditure limitation by \$12,406 and establishes a net increase of three permanent full-time positions (3.00 FTE). The adjustment accounts for the difference in classification and associated salary and other personnel expenses of various position reclasses, based on the class and compensation review outcome. The permanent positions established include two Administrative Specialist 1 and one Procurement and Contract Specialist 2.
- **I/DD Council Fund Shift.** Other Funds expenditure limitation is decreased by \$564,843 and Federal Funds expenditure limitation is increased by a corresponding amount. The Council is funded entirely by federal grants.
- **Participation Update.** This adjustment decreases 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**

With the implementation of the new ONE System, eligibility work is no longer siloed within DHS programs. The OEP team performs eligibility processing for many OHA and DHS programs including OHP, SNAP, TANF, APD programs, and ERDC programs, among others. This Division is new for the 2023-25 biennium and is recommended to consolidate the budget for administration of the ONE system, along with program eligibility workers and supporting staff. This reorganization is due to ongoing consolidation efforts regarding system maintenance, workforce planning and training, communications with staff and providers, and to ensure greater transparency and fiscal control of eligibility work throughout the Department.

The Subcommittee recommended the following budget note related to the addressing the redeterminations backlog:

#### **Budget Note: 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

The Subcommittee recommended budget is \$368,741,172 General Fund, \$798,923,262 total funds, and 2,642 positions (2,597.88 FTE). Although the Subcommittee recommended a number of investments in OEP, a number of reductions were also made, resulting in a General Fund decrease of 0.6 percent compared to the 2023-25 Current Service Level budget. This is primarily due to a one-time vacancy savings reduction and a one-time reduction to Services and Supplies.

Package 105, Healthier Oregon Program. This package provides \$7,871,628 General Fund and increases Federal Funds expenditure limitation by \$4,042,868 to support additional eligibility work associated with HOP. This package was reduced in the Spring 2023 reshoot to reflect slower growth than originally anticipated. The package also establishes 48 permanent positions (36.50 FTE) within OEP to perform HOP-related eligibility work.

Package 142, Combined Eligibility Worker. This package increases General Fund by \$30,000,000, increases Federal Funds expenditure limitation by \$21,728,451 and establishes 300 permanent full-time positions (300.00 FTE) to perform eligibility work within the OEP program. OEP recently was tasked with performing eligibility redetermination for OHP recipients and other programs due to the end of the public health emergency declaration. The Department had to create non-budgeted positions to begin this work. The intent of the funding in this package is to assist the Department in clearing some of its nonbudgeted eligibility-related positions and prevent a backlog of redeterminations.

Package 143, ONE Ongoing Maintenance. This package increases General Fund by \$16,200,175, increases Other Funds expenditure limitation by \$840,000, increases Federal Funds expenditure limitation by \$22,148,479, and establishes 34 permanent full-time positions (26.00 FTE) for ONE system operations and maintenance staffing and contractor costs.

Package 201, Medicaid Waiver Placeholder. This package increases General Fund by \$4,479,037, increases Federal Funds expenditure limitation by \$6,810,361, and establishes 55 permanent full-time positions (34.65 FTE) to provide training, customer service support and compliance duties associated with OHP's new 1115 waiver for the 2022-2057 demonstration period. It is joint package with OHA.

Package 203, Mainframe Migration. This package adds \$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 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 10 positions (7.14 FTE) for mainframe migration. The remaining funding and positions are in Shared Services and SAEC.

Package 301, ERDC Expansion. This package increases Other Funds expenditure limitation by \$3,000,000 to allow the Department to spend funds transferred from DELC for ERDC-related administrative costs and other work related to interagency agreements.

Package 801, LFO Analyst Adjustments. This package increases General Fund by \$309,815,090, increases total funds by \$680,864,162 and adds 2,199 positions (2,196.59 FTE) for the following adjustments:

- **Funding and Position Transfers from Other Programs.** This adjustment reflects the transfer of the ONE system and OEP program budget and position authority to its own budget division. OEP supports eligibility determinations for multiple state programs including OHP, SNAP, TANF and ERDC, among others. Eligibility workers are not program specific and handle eligibility for all programs. The transfer of the ONE system and OEP to a new budget division nets to zero on an agencywide basis. The adjustment transfers \$334,719,130 General Fund, \$3,779,368 Other Funds expenditure limitation, and \$370,726,796 Federal Funds expenditure limitation and 2,211 positions (2,208.59 FTE) from other programs within DHS to create the new budget structure.
- **FMAP Adjustment.** This adjustment provides \$20,428 General Fund and reduces Federal Funds expenditure limitation 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.** This adjustment reduces the General Fund salaries and wages budget on a one-time basis by \$13,685,048 based on vacancy savings trends in recent years.
- **Services and Supplies Reductions.** A one-time, \$10,236,650 General Fund reduction is made for OEP Services and Supplies based on recent expenditure trends.
- **Records Management Positions Transfer.** This adjustment transfers \$1,002,770 General Fund and \$726,131 Federal Funds expenditure limitation along with 12 positions (12.00 FTE) from OEP to Shared Services to handle redeterminations-related workload in Information and Records Management Services. This adjustment nets to zero agencywide.

### **Central Services**

DHS Central Services consists of the Office of the Director and Policy including the Chief of Staff, Tribal Affairs, the Deputy Director, the Office of the Chief Financial Officer, and the Office of the Chief Administrative Officer. Central Services also includes the Office of Equity and Multicultural Services, the Office of Human Resources, the Central DHS Budget, Planning and Analysis Office, the Public Affairs office, which includes

Legislative Relations and Communications, the Office of Program Integrity, the Office of Reporting Research, Analytics and Implementation, the Office of Business Information Services, the Office of Information Support Services, the Office of Resiliency and Emergency Management, and the Office of Immigrant and Refugee Advancement. These offices provide essential business supports to programs in achieving the mission, vision, and outcomes of the Department's programs.

The Subcommittee's recommended budget for Central Services is \$61,062,495 General Fund (\$123,940,667 total funds) and 296 positions (294.37 FTE).

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package reduces General Fund by \$200,865, reduces Other Funds expenditure limitation by \$14,114, increases Federal Funds expenditure limitation by \$77,745 and reflects a net transfer-in of one permanent full-time position (1.00 FTE). This package includes the 2023-25 biennial costs associated with recommended actions that were included in the Department's December 2022 rebalance/reshoot request. The substantive budget actions include increasing the Federal Funds expenditure limitation by \$400,000 to expend grant funds from the Repatriation Grant and increasing General Fund by \$250,000 to reflect ongoing costs for the Employee Resource Group expansion. The total impact to General Fund and Federal Funds in the Central Services division is lessened by technical adjustments, such as transferring positions from Central Services to other agency divisions and moving administrative costs between divisions. These technical adjustments net to zero on an agencywide basis.

Package 801, LFO Analyst Adjustments. This package decreases General Fund by \$52,342,878, decreases total funds by \$161,377,788 and reduces permanent positions by 84 (84.00 FTE) due to the following adjustments:

- **Vacancy Savings.** This adjustment reduces the General Fund salaries and wages budget on a one-time basis by \$2,356,496 to recognize additional vacancy savings based on expenditure trends in recent years.
- **Services and Supplies Reductions.** A one-time General Fund reduction of \$1,157,370, Other Funds expenditure limitation decrease of \$84,547 and Federal Funds expenditure limitation decrease of \$1,527,273 is made to the Services and Supplies budget.
- **Reduce FEMA Spending Limitation.** Other Funds expenditure limitation is reduced by \$25,000,000 to align the budget with the expiration of FEMA related revenues in 2021-23 biennium.
- **Transfer to OEP.** This adjustment 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 OEP program. This adjustment nets to zero agencywide.

- Establish Fiscal Analyst 2 Position. This adjustment increases General Fund by \$136,970, Other Funds Expenditure limitation by \$91,313 and Federal Funds expenditure limitation by \$228,283 for one permanent Fiscal Analyst 2 position (1.00 FTE).
- Community Engagement Transfer to Central Services. This adjustment increases General Fund by \$300,000 to reflect the transfer of this amount to Central Services for community engagement activities. This is a net-zero adjustment agencywide. SS, Child Welfare and APD 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.
- Water Delivery. One-time General Fund of \$4,000,000 is provided for water delivery to residents with limited access to safe drinking water because of groundwater contamination or other water issues.

### **Shared Services**

DHS Shared Services supports both DHS and OHA by providing business services to ensure accountability, data driven decisions, and stewardship of resources. Shared Services are completely Other Funded and provide services to both DHS and OHA. Funding for Shared Services is included in the Shared Services Funding portion of the Statewide and Enterprise-wide Costs (SAEC) budget. The Subcommittee recommended budget for Shared Services is \$184,616,037 Other Funds and 753 positions (747.75 FTE).

The Subcommittee recommended budget includes the following packages:

Package 203, Mainframe Migration. This package increases Other Funds expenditure limitation by \$747,465 and adds four positions (3.00 FTE) for costs and workload related to mainframe migration. This will allow DHS/OHA to migrate all current mainframe functions to more modern, cloud-based solutions to reduce the risk of major disruptions in services.

Package 801, LFO Analyst Adjustments. This package decreases Other Funds expenditure limitation by \$5,242,314 and adds 24 permanent positions (24.00 FTE) for the following adjustments:

- Vacancy Savings. This adjustment reduces Other Funds expenditure limitation for salaries and wages on a one-time basis by \$9,220,083 to recognize additional vacancy savings based on expenditure trends in recent years.
- Services and Supplies Reductions. A one-time Other Funds expenditure limitation decrease of \$376,257 is made to the Services and Supplies budget.

- Records Management Positions Transfer. This adjustment increases Other Funds expenditure limitation by \$4,181,355 and budgets 23 positions (23.00 FTE) to handle redeterminations-related workload in Information and Records Management Services. Twelve positions were transferred from OEP. The remaining General Fund, Other Funds, and Federal Funds expenditure limitation is budgeted within SAEC to account for the Other Funds expenditure limitation budgeted in Shared Services.
- Position Transfer from OHA Public Health to Shared. The adjustment increases Other Funds expenditure limitation by \$172,671 and adds one position (1.00 FTE) for background check unit capacity support to conduct background checks on psilocybin services license applicants and renewals.

### **State Assessments and Enterprise-Wide Costs**

The SAEC budget includes statewide and other enterprise assessments costs such as State Government Service Charges, the enterprise technology services, rent, computer replacement costs and the cost of DHS/OHA shared services. The SAEC budget includes debt service expenses due to bonding activity.

The Subcommittee recommended a budget for SAEC of \$394,799,057 General Fund (\$741,756,889 total funds), there are no positions funded in SAEC.

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package increases General Fund by \$2,450,211, Other Funds expenditure limitation by \$14,114 and Federal Funds expenditure limitation by \$2,024,398 to reflect technical adjustments between DHS divisions for statewide administrative costs. The technical adjustments net to zero on an agencywide basis.

Package 203, Mainframe Migration. This package increases General Fund by \$2,583,446, Other Funds expenditure limitation by \$133,009, and Federal Funds expenditure limitation by \$1,428,474 for related to mainframe migration. This will allow DHS/OHA to migrate all current mainframe functions to more modern, cloud-based solutions to reduce the risk of major disruptions in services.

Package 801: LFO Analyst Adjustments. This package decreases General Fund by \$9,984,991 and decreases total funds by \$11,031,441 due to the following adjustments:

- Records Management Positions Transfer. This adjustment increases General Fund by \$1,792,919, Other Funds expenditure limitation by \$36,102 and Federal Funds expenditure limitation by \$1,885,390 for workload in Information and Records Management Services.

- This adjustment reduces General Fund by \$11,777,910, Other Funds expenditure limitation by \$71,556 and Federal Funds expenditure limitation by \$2,896,386 to reflect the following administrative reductions: Increasing vacancy savings in the Shared Services Division; reduction to the Services and Supplies budget by \$5.0 million General Fund due to projected savings in price list expenses (facilities, computer replacement, etc.); reduction to the Special Payments budget due to projected underspending of \$0.1 million General Fund (\$0.3 million total funds) and a \$3.0 million reduction due to increasing vacancy savings in OHA's Shared Services division. These reductions are one-time.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

PRELIMINARY

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon 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			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 4,843,300,377	\$ -	\$ 962,504,953	\$ -	\$ 7,692,771,219	\$ 4,881,868,127	\$ 18,380,444,676	10,456	10,275.10
2023-25 Current Service Level (CSL)*	\$ 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>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 010-40 - Central Services</b>									
Package 95: DHS/OHA Reshoot	\$ (200,865)	\$ -	\$ (14,114)	\$ -	\$ 77,745	\$ -	\$ (137,234)	1	1.00
Package 801: LFO Analyst Adjustments									
Reduce FEMA OF Limitation	\$ -	\$ -	\$ (25,000,000)	\$ -	\$ -	\$ -	\$ (25,000,000)		
Vacancy Savings	\$ (2,356,496)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,356,496)		
Services and Supplies Reductions	\$ (1,157,370)	\$ -	\$ (84,547)	\$ -	\$ (1,527,273)	\$ -	\$ (2,769,190)		
Transfer to Oregon Eligibility Partnership	\$ (53,265,982)	\$ -	\$ (3,513,023)	\$ -	\$ (79,001,380)	\$ -	\$ (135,780,385)	(85)	(85.00)
Establish Fisacl Analyst 2 Position	\$ 136,970	\$ -	\$ -	\$ -	\$ 91,313	\$ -	\$ 228,283	1	1.00
Community Engagement (RPD Flex Funds)	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000		
Umatilla Water Delivery	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000		
<b>SCR 010-45 - Shared Services</b>									
Package 203: Mainframe Migration	\$ -	\$ -	\$ 747,465	\$ -	\$ -	\$ -	\$ 747,465	4	3.00
Package 801: LFO Analyst Adjustments									
Vacancy Savings	\$ -	\$ -	\$ (9,220,083)	\$ -	\$ -	\$ -	\$ (9,220,083)		
Services and Supplies Reductions	\$ -	\$ -	\$ (376,257)	\$ -	\$ -	\$ -	\$ (376,257)		
Records Management Positions Transfer	\$ -	\$ -	\$ 2,355,895	\$ -	\$ -	\$ -	\$ 2,355,895	11	11.00
Position from OHA Public Health to BCU	\$ -	\$ -	\$ 172,671	\$ -	\$ -	\$ -	\$ 172,671	1	1.00
OEP to Records Management	\$ -	\$ -	\$ 1,825,460	\$ -	\$ -	\$ -	\$ 1,825,460	12	12.00
<b>SCR 010-50 - State Assessments and Enterprise-wide Costs</b>									
Package 95: DHS/OHA Reshoot	\$ 2,450,211	\$ -	\$ 14,114	\$ -	\$ 2,024,398	\$ -	\$ 4,488,723		
Package 203: Mainframe Migration	\$ 2,583,446	\$ -	\$ 133,009	\$ -	\$ 1,428,474	\$ -	\$ 4,144,929		
Package 801: LFO Analyst Adjustments									
Technical Adjustments/transfers	\$ (11,777,910)	\$ -	\$ (71,556)	\$ -	\$ (2,896,386)	\$ -	\$ (14,745,852)		
Records Management Positions	\$ 678,644	\$ -	\$ 36,102	\$ -	\$ 1,078,512	\$ -	\$ 1,793,258		
Move to Records Management from OEP	\$ 1,114,275	\$ -	\$ -	\$ -	\$ 806,878	\$ -	\$ 1,921,153		
<b>SCR 060-01 - Self Sufficiency Programs</b>									
Package 95: DHS/OHA Reshoot	\$ 6,211,589	\$ -	\$ 15,646	\$ -	\$ 19,620,553	\$ -	\$ 25,847,788		
Package 801: LFO Analyst Adjustments									
Spring 2023 Reshoot: Caseload/Cost Per Case	\$ 17,704,709	\$ -	\$ (16,644)	\$ -	\$ -	\$ -	\$ 17,688,065		
Vacancy Savings	\$ (4,098,362)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,098,362)		
Transfer to Oregon Eligibility Partnership	\$ (218,334,144)	\$ -	\$ (266,345)	\$ -	\$ (229,018,610)	\$ -	\$ (447,619,099)	(1,801)	(1,799.09)
Transfer Community Engagement Funds	\$ (100,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)		
Transfer in Independent Residence Facilities	\$ 1,381,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,381,525	1	1.00
HB 4117 (2022) Position adjustment due to clerical error	\$ 317,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317,973	1	1.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Dept of Early Learning and Care Pass Through	\$ -	\$ -	\$ 338,035,033		\$ -	\$ -	\$ 338,035,033		
Temporary Assist to Needy Families Penalty	\$ 7,679,047	\$ -	\$ -		\$ (7,679,047)	\$ -	\$ -		
Local Food Purchasing Infrastructure	\$ 10,000,000	\$ -	\$ -		\$ -	\$ -	\$ 10,000,000		
Package 802: Long-Term Vacant Positions									
Eliminate Long-Term Vacant Positions	\$ (553,663)	\$ -	\$ (175)		\$ (323,115)	\$ -	\$ (876,953)	(5)	(5.00)
<b>SCR 060-07 - VR - Basic Rehabilitative Services</b>									
Package 95: DHS/OHA Reshoot	\$ (46,186)	\$ -	\$ -		\$ (45,231)	\$ -	\$ (91,417)		
Package 148: Rehabilitation Services Audit Report	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5	5.00
Package 801: LFO Analyst Adjustments									
Vacancy Savings	\$ (735,400)	\$ -	\$ -		\$ -	\$ -	\$ (735,400)		
Position Reclass	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	1	1.00
<b>SCR 060-08 - Aging and People with Disabilities</b>									
Package 95: DHS/OHA Reshoot	\$ 661,252	\$ -	\$ -		\$ 1,594,178	\$ -	\$ 2,255,430	(1)	(1.00)
Package 105: Healthier Oregon Program	\$ 17,495,346	\$ -	\$ -		\$ -	\$ -	\$ 17,495,346		
Package 801: LFO Analyst Adjustments									
Spring 2023 Reshoot: Caseload	\$ (23,561,700)	\$ -	\$ -		\$ (33,164,642)	\$ -	\$ (56,726,342)		
Spring 2023 Reshoot: Nursing Facility Rate Update	\$ 40,912,834	\$ -	\$ -		\$ 63,786,889	\$ -	\$ 104,699,723		
Spring 2023 Reshoot: FMAP Adjustment	\$ (17,031,443)	\$ -	\$ -		\$ 17,031,443	\$ -	\$ -		
Vacancy savings	\$ (7,500,697)	\$ -	\$ (338,968)		\$ (2,849,760)	\$ -	\$ (10,689,425)		
Services and supplies reduction	\$ (1,075,883)	\$ -	\$ -		\$ -	\$ -	\$ (1,075,883)		
Transfer to Oregon Eligibility Partnership	\$ (63,119,004)	\$ -	\$ -		\$ (62,706,806)	\$ -	\$ (125,825,810)	(325)	(324.50)
Transfer to CS/Community Engagement	\$ (100,000)	\$ -	\$ -		\$ -	\$ -	\$ (100,000)		
Waivered Case Management Savings	\$ (12,000,000)	\$ -	\$ -		\$ -	\$ -	\$ (12,000,000)		
FEMA Funds Carryforward 19-21	\$ (8,000,000)	\$ -	\$ 8,000,000		\$ -	\$ -	\$ -		
ARPA Carryforward 21-23	\$ -	\$ -	\$ 15,100,000		\$ -	\$ -	\$ 15,100,000		
ARPA/Home and Community Based Services Spend	\$ 31,407,143	\$ -	\$ -		\$ 46,603,644	\$ -	\$ 78,010,787		
Provider Tax Carryforward/Adjustment	\$ (33,965,615)	\$ -	\$ 33,965,615		\$ -	\$ -	\$ -		
Oregon Project Independence Delay	\$ 2,376,068	\$ -	\$ -		\$ (6,738,494)	\$ -	\$ (4,362,426)		
Workload Model Adjustments for state staff and AAA's	\$ 1,306,524	\$ -	\$ -		\$ 1,306,524	\$ -	\$ 2,613,048	8	8.00
Position Shifts with APD Design/Delivery	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	2	2.00
General Assistance Cost	\$ 81,107	\$ -	\$ 84,128		\$ -	\$ -	\$ 165,235		
Community Based Care Rate Increase	\$ 30,714,439	\$ -	\$ -		\$ 37,483,256	\$ -	\$ 68,197,695		
Access for Deaf and Hard of Hearing	\$ 1,000,000	\$ -	\$ -		\$ -	\$ -	\$ 1,000,000		
Package 802: Long-Term Vacant Positions									
Eliminate Long-Term Vacant Positions	\$ (696,922)	\$ -	\$ (2,299)		\$ (845,457)	\$ -	\$ (1,544,678)	(9)	(9.00)

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SCR 060-09 - Intellectual and Developmental Disabilities</b>									
Package 95: DHS/OHA Reshoot	\$ 765,857	\$ -	\$ -	\$ -	\$ 1,665,849	\$ -	\$ 2,431,706		
Package 105: Healthier Oregon Program	\$ 12,865,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,865,521		
Package 801: LFO Analyst Adjustments						\$ -	\$ -		
Spring 2023 Reshoot: Caseload/Cost Per Case	\$ 70,318,310	\$ -	\$ -	\$ -	\$ 114,264,088	\$ -	\$ 184,582,398		
Spring 2023 Reshoot: FMAP Adjustment	\$ (16,858,315)	\$ -	\$ (116,931)	\$ -	\$ 16,975,246	\$ -	\$ -		
Vacancy Savings	\$ (4,652,174)	\$ -	\$ (112,753)	\$ -	\$ (1,008,660)	\$ -	\$ (5,773,587)		
Services and Supplies Reduction	\$ (1,500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,500,000)		
CSL Correction for Personal Support Worker Costs	\$ 7,732,693	\$ -	\$ -	\$ -	\$ 14,888,170	\$ -	\$ 22,620,863		
I/DD Council Fund Shift	\$ -	\$ -	\$ (564,843)	\$ -	\$ 564,843	\$ -	\$ -		
Federal Participation Update	\$ (14,140,089)	\$ -	\$ -	\$ -	\$ 14,140,089	\$ -	\$ -		
ARPA/Home and Community Based Services Spend Plan	\$ 63,177,737	\$ -	\$ -	\$ -	\$ 41,334,723	\$ -	\$ 104,512,460		
Position Reclass	\$ 12,406	\$ -	\$ -	\$ -	\$ 12,406	\$ -	\$ 24,812	3	3.00
I/DD Provider 5% Rate Increase	\$ 11,961,102	\$ -	\$ -	\$ -	\$ 31,433,142	\$ -	\$ 43,394,244		
<b>SCR 060-10 - Child Welfare Programs</b>									
Package 082: September 2022 Emergency Board	\$ 1,108,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,108,784	1	1.00
Package 95: DHS/OHA Reshoot	\$ 2,044,091	\$ -	\$ 6,508,165	\$ -	\$ (507,688)	\$ -	\$ 8,044,568		
Package 118: Child Safety Positions	\$ 6,907,091	\$ -	\$ -	\$ -	\$ 2,302,362	\$ -	\$ 9,209,453	202	50.50
Package 123: Foster Care Reimbursement Rates	\$ 16,824,055	\$ -	\$ -	\$ -	\$ 10,273,283	\$ -	\$ 27,097,338		
Package 801: LFO Analyst Adjustments									
Spring 2023 Reshoot: Caseload/Cost Per Case	\$ (3,646,390)	\$ -	\$ (264,181)	\$ -	\$ (2,382,283)	\$ -	\$ (6,292,854)		
Spring 2023 Reshoot: FMAP Adjustment	\$ (1,722,620)	\$ -	\$ -	\$ -	\$ 1,722,620	\$ -	\$ -		
Vacancy Savings	\$ (23,680,942)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (23,680,942)		
Services and Supplies Reductions	\$ (15,436,737)	\$ -	\$ (237,330)	\$ -	\$ (3,192,964)	\$ -	\$ (18,867,031)		
Transfer to CS/Community Engagement	\$ (100,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)		
Transfer to SSP/Independent Residence Facilities	\$ (1,381,525)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,381,525)	(1)	(0.50)
Child and Family Services Review Penalty	\$ (3,365,252)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,365,252)		
Various Limitation Adjustments Other/Federal	\$ -	\$ -	\$ 370,000	\$ -	\$ 1,175,289	\$ -	\$ 1,545,289		
Cleanup for reclasses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	1.50
DOJ Child Advocacy Program/Legal Support for CW	\$ 3,967,708	\$ -	\$ -	\$ -	\$ 2,645,139	\$ -	\$ 6,612,847		
Behavior Rehabilitation Service Rate Increase	\$ 2,870,669	\$ -	\$ -	\$ -	\$ 457,546	\$ -	\$ 3,328,215		
Package 802: Long-Term Vacant Positions									
Eliminate Long-Term Vacant Positions	\$ (808,082)	\$ -	\$ -	\$ -	\$ (318,186)	\$ -	\$ (1,126,268)	(6)	(6.00)
<b>SCR 060-12 - Oregon Eligibility Partnership</b>									
Package 105: Healthier Oregon Program	\$ 7,871,628	\$ -	\$ -	\$ -	\$ 4,042,868	\$ -	\$ 11,914,496	48	36.50
Package 142: Eligibility/Redeterminations Staff	\$ 30,000,000	\$ -	\$ -	\$ -	\$ 21,728,451	\$ -	\$ 51,728,451	300	300.00
Package 143: ONE Ongoing Maintenance	\$ 16,200,175	\$ -	\$ 840,000	\$ -	\$ 22,148,479	\$ -	\$ 39,188,654	34	26.00
Package 201: Medicaid Waiver Placeholder	\$ 4,479,037	\$ -	\$ -	\$ -	\$ 6,810,361	\$ -	\$ 11,289,398	55	34.65
Package 203: Mainframe Migration	\$ 375,242	\$ -	\$ -	\$ -	\$ 562,859	\$ -	\$ 938,101	6	4.14
Package 301: ERDC Expansion	\$ -	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000		



DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 801: LFO Analyst Adjustments									
Vacancy Savings	\$ (13,685,048)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,685,048)		
Services and Supplies Reductions	\$ (10,236,650)	\$ -	\$ (24,787)	\$ -	\$ (2,685,746)	\$ -	\$ (12,947,183)		
Spring 2023 Reshoot: FMAP Adjustment	\$ 20,428	\$ -	\$ -	\$ -	\$ (20,428)	\$ -	\$ -		
Funding and Position Transfers from Other Programs.	\$ 334,719,130	\$ -	\$ 3,779,368	\$ -	\$ 370,726,796	\$ -	\$ 709,225,294	2,211	2,208.59
Records Management Positions Transfer	\$ (1,002,770)	\$ -	\$ -	\$ -	\$ (726,131)	\$ -	\$ (1,728,901)	(12)	(12.00)
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 202,840,530</b>	<b>\$ -</b>	<b>\$ 374,757,835</b>	<b>\$ -</b>	<b>\$ 435,170,129</b>	<b>\$ -</b>	<b>\$ 1,012,768,494</b>	<b>663</b>	<b>470.79</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 5,637,837,273</b>	<b>\$ -</b>	<b>\$ 1,031,808,441</b>	<b>\$ -</b>	<b>\$ 8,115,736,365</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 Leg Approved Budget	16.4%	0.0%	7.2%	0.0%	5.5%	-24.6%	0.5%	5.2%	4.6%
% Change from 2023-25 Current Service Level	3.7%	0.0%	57.0%	0.0%	5.7%	0.0%	5.8%	6.4%	4.6%

\*Excludes Capital Construction Expenditures

PRELIMINARY

# Legislatively Approved 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 Approved 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 Approved 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		Approved		1%	1%
11. SUPPORTED ODDS EMPLOYMENT SERVICES TO MAINTAIN COMPETITIVE INTEGRATED EMPLOYMENT - Number of individuals in competitive integrated employment or individual supported employment		Approved		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		Legislatively Deleted	66%	75%	

Legislatively Approved 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		Legislatively Deleted	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:**

The Human Services Subcommittee approved the Legislative Fiscal Office recommendation.

PRELIMINARY