

SUBCOMMITTEE RECOMMENDATION

SB 5526

Department of Human Services

To: Ways and Means Full Committee

From: Human Services Subcommittee

Carrier: Representative Valderrama

SB 5526 is the budget bill for Department of Human Services. DHS delivers a range of supports and services for vulnerable children, families, seniors, and people with disabilities through a system of field offices and community partners.

The Human Service Subcommittee approved a budget of \$23 billion total funds, which includes \$7.4 billion General Fund), and 11,351 positions; the total funds budget is 15.7% above the legislatively approved budget; the General Fund budget is a 1.3 billion, or 21.8% increase, which largely reflects growth in the current service level budget related to caseload growth, bargained wages and rates, and a declining federal Medicaid match.

The recommended budget makes targeted investments to maintain quality of care, access to services, and improve safety for workers and vulnerable Oregonians, including:

- \$144 million total funds to increase Medicaid provider rates, with a focus on supporting higher wages for direct care staff.
- \$102 million total funds to launch Agency with Choice, a new in-home care option for seniors and people with disabilities.

- \$19.7 million to sustain recent legislative investments in youth homelessness prevention and intervention services.
- And \$5.7 million total funds and 33 positions to improve state oversight of residential care facilities and homes.

In order to fund these priorities in the current budget environment the Subcommittee identified \$130 million in General Fund savings from the current service level budget through program efficiencies, utilization adjustments, and reduced spending for training and services and supplies.

The budget report for this bill contains four budget notes with a focus on

- Wage transparency for direct care workers in the home and community based services sector.
- Implementation of new --and more transparent-- rate payment methodologies in the Aging and People with Disabilities program.
- And safety and regulatory oversight of residential facilities and homes.

The agency's request for performance measure changes was approved.

The Human Services Subcommittee recommends SB 5526 be amended by the –2 amendment and be reported out do pass, as amended.