

SB 5526 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Campos

Joint Committee On Ways and Means

Action Date: 06/13/25

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 8 - Anderson, Broadman, Campos, Frederick, Girod, Lieber, Manning Jr, Sollman

Nays: 2 - Bonham, McLane

Exc: 1 - Smith DB

House Vote

Yeas: 10 - Bowman, Breese-Iverson, Evans, Gomberg, Levy E, Owens, Ruiz, Sanchez, Smith G, Valderrama

Nays: 1 - Cate

Exc: 1 - Drazan

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Reviewed By: Gregory Jolivet, Legislative Fiscal Office

Department of Human Services

2025-27

Budget Summary*

| | 2023-25 Legislatively Approved Budget ⁽¹⁾ | 2025-27 Current Service Level | 2025-27 Committee Recommendation | Committee Change from 2023-25 Leg. Approved | |
|---------------------------|---|----------------------------------|-------------------------------------|--|----------|
| | | | | \$ Change | % Change |
| General Fund | \$ 6,096,411,475 | \$ 7,350,838,824 | \$ 7,428,473,585 | \$ 1,332,062,110 | 21.8% |
| General Fund Debt Service | \$ 10,860,670 | \$ 10,107,625 | \$ 10,107,625 | \$ (753,045) | (6.9%) |
| Other Funds Limited | \$ 1,182,329,085 | \$ 1,270,539,464 | \$ 1,303,738,011 | \$ 121,408,926 | 10.3% |
| Other Funds Debt Service | \$ 267,000 | \$ - | \$ - | \$ (267,000) | (100.0%) |
| Federal Funds Limited | \$ 8,878,935,477 | \$ 10,384,460,891 | \$ 10,850,785,264 | \$ 1,971,849,787 | 22.2% |
| Federal Funds Nonlimited | \$ 3,681,868,127 | \$ 3,381,868,127 | \$ 3,381,868,127 | \$ (300,000,000) | (8.1%) |
| Total | \$ 19,850,671,834 | \$ 22,397,814,931 | \$ 22,974,972,612 | \$ 3,124,300,778 | 15.7% |

Position Summary

| | | | | |
|--------------------------------------|-----------|-----------|-----------|--------|
| Authorized Positions | 11,282 | 11,240 | 11,351 | 69 |
| Full-time Equivalent (FTE) positions | 10,960.24 | 11,189.45 | 11,279.21 | 318.97 |

⁽¹⁾ Includes adjustments through January 2025

* 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 or to fulfill maintenance of effort requirements for some programs. DHS receives Nonlimited Federal Funds revenue for the Supplementary Nutrition Assistance Payments (SNAP) food assistance program. Other Funds revenue sources include long-term care facility provider taxes, pass-through funding from the Department of Early Learning and Care for the Employment Related Day Care program (ERDC), and overpayment recoveries, among others.

The federal government is an important partner in funding DHS programs. Over 60% 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 federal match for many programs, such as the FMAP for Medicaid, changes annually and is completely out of the control of state policy. For 2025-27, the average biennial base federal match rate is expected to decrease from 59.3% in 2023-25, to 57.8%. Additionally, DHS will no longer receive the enhanced public health emergency (PHE) FMAP rate in 2025-27, which phased out in the first six months of the 2023-25 biennium. The lower base FMAP and expired PHE FMAP results in the need for an additional \$225.0 million General Fund in 2025-27.

In addition, many grants for mandatory programs (Child Welfare, Aging and People with Disabilities (APD), and Intellectual/Developmental Disabilities (I/DD)) are capped, creating pressure on the General Fund to cover inflation costs to maintain service levels. Within APD, growth in caseload and costs per case is expected to increase provider tax collections \$21.1 million compared to the 2023-25 biennium. Finally, federal nutrition funding support is projected to decrease next biennium as pandemic-related supports have been discontinued. SNAP expenditures are projected to decrease next biennium, resulting in a decrease of \$300.0 million for SNAP program revenues.

Summary of Human Services Subcommittee Action

The mission of DHS is to help Oregonians achieve safety, well-being, and independence in their own communities 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, seniors, and people with disabilities. DHS serves 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 program 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 budgeted in the Oregon Eligibility Partnership (OEP), which performs eligibility processing for many programs, and Central Services, Shared Services, and State Assessments and Enterprise-wide Costs (SAEC), which pay for the administrative costs of the agency.

The Subcommittee recommended a 2025-27 DHS budget of \$23.0 billion total funds (\$7.4 billion General Fund) and 11,351 positions (11,279.21 FTE), a total increase of 15.7% and a from the 2023-25 LAB, which largely reflects growth in the current service level (CSL) budget related to higher caseloads, costs per case, and collectively bargained wages and rates, as well as a declining federal Medicaid match. The Subcommittee recommended budget also makes targeted investments to maintain quality of care and access to services, and to improve safety for workers and vulnerable Oregonians. The Subcommittee approved the Department's outstanding permanent finance plans, which were presented during the Spring 2025 reshoot to align the budget with the correct position, classification, and step.

Self Sufficiency Programs (SSP)

SSP assists low-income families by promoting family stability and helping them become self-supporting. The programs help clients meet basic needs, such as food and shelter, and provide job training, employment assistance, parenting supports and childcare. The Subcommittee recommended a budget of \$4.9 billion totals funds (\$338.5 million General Fund) and 1,033 positions (1,032.00 FTE), which is 4.7% below the 2023-25 LAB. The decrease reflects a projected drop in SNAP benefits associated with the expiration of COVID-era nutritional supports. The General Fund budget is \$37.6 million or 10.0% below the 2023-25 LAB; this is primarily due to a one-time shift of \$30.0 million in personal services costs from the General Fund to federal TANF resources.

The Subcommittee recommended budget includes the following packages:

Package 090, Analyst Adjustments. This package reduces General Fund by \$20.0 million for personal services costs in Self-Sufficiency and increases Federal Fund expenditure limitation by an equivalent amount. The additional Federal Funds rely on the TANF carryforward balance to offset General Fund costs. This adjustment is made on a one-time basis.

Package 095, DHS/OHA Reshoot. This package increases General Fund by \$6,477,533, Other Funds expenditure limitation by \$5,080,509, and Federal Funds expenditure limitation by \$5,808,811. The package adjusts for TANF caseload and cost per case changes, and TANF Jobs caseload, based on the Fall 2024 caseload forecast. It adds Federal Funds expenditure limitation for the Federal Emergency Management Shelter and Services Program grant. The package has several technical adjustments that net to zero on an agencywide basis, including the transfer of Summer EBT funding from SSP to other parts of the Department, the transfer of a position from Child Welfare to SSP, and the transfer of the Community Based Sexual Assault Victims Fund (CBSAVF) and the Community Based Domestic Violence Services from Child Welfare to SSP. In total, the package reduces SSP by 19 positions (18.50 FTE). This package also includes several position reclassifications approved by the Department of Administrative Services Chief Human Resources Office that net to zero.

Package 108, SNAP Elderly Simplified Application Process. Within SSP, this package increases General Fund by \$104,838 and total funds by \$209,676. This funding is for one permanent full-time Operations and Policy Analyst 3 position (0.75 FTE) to support the Elderly Simplified Application Project (ESAP), which is a federal option states can employ to streamline the SNAP application process for older adults and people with disabilities. This investment is intended to streamline the application process for both customers and eligibility workers. Staff will facilitate application simplification, reduce verification burdens and expand certification timelines for households that do not have earned income and in which all adult members are aged 60 or older and/or have a disability.

Package 502, Youth Experiencing Homelessness Program Core Service Maintenance (YEHP). This package increases General Fund by \$19,707,205 to continue the Youth Experiencing Homelessness Program (YEHP) expansion in the 2023-25 biennium that was largely funded with one-time dollars. The package makes the one-time investment in 2023-25 ongoing and includes funding for six permanent full-time positions (5.25 FTE). The positions include three Program Analyst 3s, one Operations and Policy Analyst 2, one Operations and Policy Analyst 3, and a Human Services Manager 2. The YEHP program funding will be used for services including:

- Prevention (street outreach and day drop-in supports),
- Emergency/Crisis (Overnight Shelter),
- Medium-Term Housing (Transitional Living Programming),
- Host Homes,
- Culturally Specific, Mental Health, and Substance Abuse supports,
- Direct cash transfers to prevent and end experiences of youth homelessness.

Package 801, LFO Analyst Adjustments. This package reduces General Fund by \$10.0 million for personal services costs in Self-Sufficiency and increases Federal Fund expenditure limitation by an equivalent amount. The additional Federal Funds rely on the TANF carryforward balance to offset General Fund costs. This adjustment is made on a one-time basis. This package also makes an ongoing General Fund reduction of \$3.9 million to the Tax Infrastructure Program.

Package 802, Long-Term Vacant Positions. This package reduces General Fund by \$92,677, Other Funds expenditure limitation by \$49, and Federal Funds expenditure limitation by \$72,501, and eliminates one vacant position (1.00 FTE) that has remained vacant for more than 12 months.

Package 809, Spring 2025 Reshoot. This package includes a number of caseload and other adjustments including:

- **Caseload/Cost Per Case.** This adjustment increases General Fund by \$2,169,260, Other Funds expenditure limitation by \$29,005 and Federal Funds expenditure limitation by \$4,142,901 to adjust for caseload changes in the Spring 2025 caseload forecast, as well as higher than budgeted costs per case in the TANF program. The overall TANF caseload is projected to increase 0.3% in 2025-27, resulting in an additional \$342,616 General Fund, \$546,038 total funds. Within the TANF caseload, the cost per case increased \$13 per month for TANF Basic and \$2 per month in TANF UN (two-parent household). The increase can be attributable to several factors including household size and benefit utilization such as child care assistance. This resulted in a \$1,368,190 General Fund increase, \$5,711,023 total funds. With the passage of Senate Bill 5701 (2024), the Legislature provided funding to increase the Temporary Assistance for Domestic Violence Survivors (TA-DVS) benefit from maximum 90-day benefit from \$1,200 to \$3,200. Previously, the costs of non-citizen TA-DVS benefits were able to be covered within available General Fund as the benefit amount was smaller. The added benefit amount resulted in a General Fund increase of \$458,454 and a corresponding decrease of Federal Funds expenditure limitation to cover the cost of client benefits that must be supported only by General Fund.
- **Position transfers between SSP and OEP.** This adjustment increases General Fund by \$4,978,483 and Federal Funds expenditure limitation by \$3,378,776. It also increases net positions in SSP by 35 (35.00 FTE). This is a net-zero adjustment agencywide. OEP is transferring 121 positions to SSP and receiving 86 positions from SSP, resulting in a net increase of 35 positions in SSP. The transfers are to better support Oregon families and individuals in achieving economic stability and self-sufficiency. This realignment ensures alignment between responsibilities and program goals.
- **Position reclassifications.** This package includes three position reclassifications that result in a net-zero adjustment. Department of Administrative Services Chief Human Resources Office classification reviews were completed to change a Business Operation Supervisor 2 to a Business Operations Manager 1, an Operations and Policy Analyst 3 to a Program Analyst 3 and a Program Analyst 3 was reclassified from a represented position to management supervisory.

Child Welfare

Child Welfare provides prevention, protection, and regulatory programs for Oregon's vulnerable children. The Subcommittee recommended a budget of \$1.8 billion total funds (\$1.1 billion General Fund) and 3,590 positions (3,555.41 FTE), which is 7.4% above the 2023-25 LAB. Investments were made in temporary lodging prevention, Family First Prevention Services, and Independent Living Program provider rate increases. The budget was reduced to reflect low utilization of respite services, declines in caseload, and one-time savings in services and supplies. Compared to 2025-27 CSL, the General Fund budget decreased 4.9%.

The Subcommittee recommended budget includes the following packages:

Package 090, Analyst Adjustments. This package makes several adjustments resulting in a net decrease to General Fund of \$11,341,837, total funds \$14,960,668. The adjustments include a one-time reduction of \$16,209,261 General Fund, \$19,828,092 total funds to services and supplies. This continues the services and supplies reduction that was made in 2023-25. The package includes a 50% reduction to employee training funds on a one-time basis in the amount of \$5,132,576 General Fund. The package also provides \$10,000,000 General Fund on an ongoing basis to support efforts to reduce agency reliance on hotel lodging when foster youth are temporarily displaced.

Package 095, DHS/OHA Reshoot. This package decreases General Fund by \$1,020,220, decreases Other Funds expenditure limitation by \$4,898,555, and decreases Federal Funds expenditure limitation by \$2,731,408 for various fall 2024 rebalance/reshoot adjustments. This includes the establishment of seven limited duration positions (4.41 FTE) for the Foster Care Certainty grant, one limited duration position (1.00 FTE) funded through a grant from the Abt Associates for reunification analysis, the transfer of one position within the Domestic Violence Survivor Program to Self Sufficiency. This package also includes the transfer of the Community Based Sexual Assault Victims Fund (CBSAVF) and the Community Based Domestic Violence Services from Child Welfare to SSP.

Package 112, Family First Prevention Services. This package provides \$7,041,752 General Fund, \$14,083,504 total funds to continue work currently underway as part of the Federal Family First Prevention Services Act (FFPSA) beyond 2026 when Title IV-E federal grant funding ends. From 2019 to 2026, the federal government gave states temporary, 100% funded transition grants to set up new prevention systems and prepare for the shift to the new funding model of 50% federal matching for state investments beginning next biennium. FFPSA services include functional family therapy, parents as teachers, parent-child interaction therapy, kinship navigators, and program evaluation. This package also includes funding for two permanent full-time positions (1.50 FTE), an Operations and Policy Analyst 4 and a Project Manager 3.

Package 501, Foster Care Youth Path to Housing Stability. This package provides \$2,391,403 General Fund, \$2,467,176 total funds to increase provider payments for the Independent Living Program (ILP). Effective July 1, 2026, increases the monthly Basic ILP payment to \$435 per youth, and the monthly Peer Group payment to \$150 per youth. The package also includes funding for two permanent full-time positions (1.00 FTE) to allow individuals involved in the Child Welfare System to maximize Supplemental Security Income benefits.

Package 801, LFO Analyst Adjustments. This package decreases General Fund by \$25,710,604, total funds by \$38,062,172. This adjustment is comprised of three changes. The first makes an ongoing reduction of \$15,000,000 General Fund to the Respite budget due to underutilization of the funds. The second reduces General Fund by \$4,899,166, total funds by \$12,820,550, to correct a calculation error in the proposed increase to Foster Care rates. Finally, a \$5,811,438 General Fund reduction, \$10,241,622 total funds was made to remove the Foster Care rate increase included in the CSL budget.

Package 802, Long-Term Vacant Positions. This package reduces General Fund by \$604,246 and Federal Funds expenditure limitation by \$102,210 and eliminates four vacant positions (4.00 FTE) that have remained vacant for more than 12 months.

Package 809, Spring 2025 Reshoot. Change in the spring 2025 reshoot resulted in a reduction of \$29,350,125 General Fund, an increase of \$266,115 Other Funds expenditure limitation, and a decrease of \$23,928,010 Federal Funds expenditure limitation. The following adjustments were included in the package:

- Caseload/Cost Per Case. This adjustment reduces General Fund by \$17,897,765 and decreases Federal Funds expenditure limitation by \$8,551,582 to adjust for caseload changes and cost per case changes in the spring 2025 caseload forecast. Child Welfare caseloads are declining in all areas except Personal Care and Guardianship Assistance. The largest program areas, Regular Foster Care and Adoption Assistance are projected to decline by 4.0% and 3.4% respectively, compared to the fall 2024 caseload forecast. These two areas also have the largest cost per case decreases, as well as Residential Treatment. In Foster Care, costs declined due to decreased use of contracted supervision providers. In Residential Treatment, costs declined due to lower utilization of higher levels of care.
- Correction to Behavioral Rehabilitation Services (BRS) CSL budget. This adjustment aligns the BRS budget based on the number of contracted BRS beds, as opposed to bed utilization. An analysis on the number of contracted BRS beds, resulted in an additional reduction of 98 beds compared to CSL, resulting in a \$17,937,762 General Fund, \$33,025,213 total funds reduction.
- FMAP adjustment. This adjustment increases General Fund by \$1,641,486 and decreases Federal Funds expenditure limitation by an equivalent amount due to the change in FMAP. The 2025-27 FMAP projection in spring 2025 was 57.80%, a decline of 0.25% compared to 58.05%, which was projected in fall 2024.
- Eligibility changes. This adjustment reflects projected changes to IV-E and XIX eligibility rates based on children being served in various programs. There are 12 program budgets in Child Welfare that are funded by IV-E Foster Care, IV-E Guardianship Assistance, XIX Medicaid funding, or a combination of these. The eligibility of each child served in child welfare is determined upon foster care entry and then with annual redeterminations for IV-E. The eligibility rates changes are from the rates from the 2023-25 biennium to the projected rates for the 2025-27 biennium. The adjustment results in an additional \$542,648 General Fund and corresponding decrease to Federal Funds expenditure limitation.

- **Classification change.** This adjustment provides 2025-27 funding to cover the salary and other payroll expenses associated with raising the Social Services Assistant classification from a Salary Range 17 to a Salary Range 19 effective September 1, 2024, based on an analysis by the Department of Administrative Services Chief Human Resources Office Classification and Compensation Unit. The change was funded with Senate Bill 5550 (2025) for 2023-25 and this adjustment funds the cost of the change in 2025-27. The impact is \$4,301,268 General Fund, \$6,196,425 total funds. This change impacts 345 positions within Child Welfare.
- **Position reclassifications.** This package includes position reclassifications that result in a net-zero adjustment. Department of Administrative Services Chief Human Resources Office classification reviews were completed for a variety of positions. Classification changes were both upward and downward. Child Welfare abolished one position (1.00 FTE) to finance a Project Manager 3 reclassification.
- **Adoption Savings Program position.** An increase of \$266,115 Other Funds expenditure limitation was made to fund one permanent full-time Program Analyst 3 position to support the Adoption Savings Program. The work revolves around creating spending plans for Adoption Savings and Adoption Incentive funds, based on the needs of Oregon families and children post permanency (through adoption or guardianship). This position is funded with resources from the Applicable Child Savings Fund.

Vocational Rehabilitation (VR)

VR works with businesses, schools, and community programs to assist youth and adults with disabilities, other than blindness, to obtain, maintain, or advance in employment. The Subcommittee recommended a VR budget of \$152.7 million total funds (\$44.9 million General Fund), which includes support for 286 positions (284.04 FTE). The total funds budget is less than one percent below the 2023-25 LAB, and General Fund is 9.3% above the LAB. Compared to CSL, the General Fund budget is 1.7% higher and total funds is 4.5% lower, due to the phase-out of Other Funds expenditure limitation that was utilized on a one-time basis to address caseload growth in 2023-25.

The Subcommittee recommended budget includes the following packages:

Package 105, Contract and Fiscal Compliance. This package increases General Fund by \$745,663 and establishes four positions (3.00 FTE) related to Contract and Fiscal Compliance. Vocational Rehabilitation received a monitoring report from the federal Rehabilitation Services Administration (RSA) that had specific corrective actions to address insufficient fiscal oversight and monitoring of contracts administered with VR's federal award. Currently VR does not have adequate staff to effectively address RSA's corrective actions and the long-term solutions that are mandated by federal rules and regulations. This package funds four permanent full-time positions, one Program Analyst 3, one Learning & Development Specialist 2, one Procurement & Contract Specialist 2, and one Operations and Policy Analyst 1 to meet the expectations of RSA and its Corrective Action Plan as well as improve and expand employment services throughout the state.

Package 809, Spring 2025 Reshoot. This package reduces Other Funds expenditure limitation by \$7,855,888, representing that VR is no longer receiving school source revenues related to the Youth Transition Program (YTP). VR has exhausted YTP account balances as a solution to cover

rising caseloads above available funds in 2023-25. There is no longer revenue to back this expenditure limitation, so it is being removed. VR is in the process of receiving approval to obtain an order of selection (waitlist) due to rising caseloads.

Aging and People with Disabilities (APD)

APD provides long term care and other services to seniors and people with disabilities in their homes, community-based care settings, and nursing facilities. The Subcommittee recommended a budget of \$7.0 billion total funds (\$2.4 billion General Fund), a 26.9% increase compared to the 2023-25 LAB. The increase is largely due to CSL growth related to rising caseloads and costs per case, declining FMAP, roll-up costs for Medicaid rate increases and collectively bargained wage increases provided in 2023-25, and the phase-in of Agency with Choice. The Subcommittee prioritized investments to increase provider rates for community based care facilities and homes and to implement acuity-based rate methodologies. The APD budget includes support for 1,618 positions (1,599.80 FTE).

The Subcommittee recommended budget includes the following packages:

Package 090, Analyst Adjustments. This package eliminates services and supplies phase-ins and funding for mental health contracts. It further adjusts the Quality Care Fund, and accounts for changes to the Adult Foster Home methodology. These changes reduce General Fund by a net of \$11,528, increases Other Funds expenditure limitation by \$18,000,000, and increases Federal Funds expenditure limitation by \$38,076,068.

- Reduction of services and supplies. This adjustment reduces General Fund by \$1,131,700 on a one-time basis. This continues the services and supplies reduction made to APD in 2023-25.
- Utilize Quality Care Fund balance. This adjustment accounts for a one-time fund shift to utilize a balance in the Quality Care Fund, to cover staff costs in the areas of safety and regulation and oversight. This adjustment decreases General Fund by \$18,000,000 and increases Other Funds expenditure limitation by \$18,000,000.
- Eliminate mental health funding. This adjustment makes an ongoing General Fund reduction of \$3,263,533, eliminating funding for mental health contracts. Very few individuals were being served under the contracts.
- Adult Foster Home Rate Methodology Change. This adjustment increases the base rates for adult foster homes and provides funding to transition to a new acuity-based methodology. AFH rates are set to increase by 21% and makes changes to the methodology of the program to limit the number of rate exceptions that persistently resulted in higher cost per case adjustments and administrative burden for providers. This increases General Fund by \$22,383,705 and Federal Funds expenditure limitation by 38,076,068. The recommendation includes the following related budget note:

Budget Note: APD Adult Foster Home Rate Methodology.

On January 1, 2026, the Department of Human Services will implement a restructured rate methodology for payments to APD adult foster home providers, following consultation with impacted providers. This new methodology must include adoption of an acuity-based payment model designed to reduce reliance on exceptional payments. The model and associated rates must also require adult foster home providers to meet minimum thresholds for additional staff hours and be within the appropriated funding.

Package 095, DHS/OHA Reshoot. This package increases General Fund by \$535,047, increases Other Funds expenditure limitation by \$17,731,448 and increases Federal Funds expenditure limitation by \$197,128 for various Fall 2024 rebalance/reshoot adjustments. The package results in a net increase of three positions (3.00 FTE). Six positions are transferred to OEP, and nine positions are transferred from OEP due to ongoing restructuring. The package includes an Other Funds expenditure limitation increase due to waived case management which is budgeted as an Other Funds expenditure to draw down Federal Medicaid matching funds for case management services. The package also includes a position reclass with a net-zero budget impact.

Package 101, Strength Safety and Regulatory Oversight. Within APD, this package increases General Fund by \$1,283,611, total funds by \$2,567,222, and establishes 19 permanent full-time positions (8.75 FTE). This investment will strengthen DHS's regulatory oversight of newly licensed APD Residential Care Facilities, APD Adult Foster Homes, ODDS Residential Training Facilities, ODDS Residential Training Homes, and ODDS Adult Foster Homes. The funding is designed to allow DHS to review community-based care facilities and homes within 120 days after being newly licensed or after a change in ownership, helping DHS identify licensing compliance concerns earlier, provide opportunities for proactive technical assistance and support to help facilities and homes correct identified compliance issues, and most importantly, help ensure the safety and well-being of residents, including those receiving Medicaid-funded Home and Community Based Services (HCBS). The recommendation includes the following related budget note.

Budget Note: Safety and Regulatory Oversight – APD and I/DD

The Department of Human Services is directed to use the funds associated with Policy Option Package 101 to support the following efforts: (a) Ensure that applications for residential facilities and adult foster homes include proposed policies that demonstrate the prospective provider is prepared to respond to emergencies and support residents with person-centered service delivery; (b) Ensure all providers are inspected within 120 days after their initial licenses are issued or after a change of ownership, and collaborate with providers to address any systemic non-compliance issues identified during those inspections; and, (c) Strengthen memory care facility endorsement requirements to ensure providers meet the specialized needs of residents receiving memory care services, including staff and administrator training, plans for elopement notification and resident transfer, and procedures for emergency evacuation and facility closures.

Package 801, LFO Analyst Adjustments. This package includes an increase of General Fund by \$19,448,304, and an increase of Federal Funds expenditure limitation of \$33,538,020 due to an increase to the Community Based Care provider rates. The proposed rate adjustments and dates of the rate increases are shown in the following table.

| Package 801: LFO Analyst Adjustment | | | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|---------------------|----------|-------|
| Community Based Care Provider Rates | | | | | | |
| Programs | General Fund | Federal Funds | Total | Proposed Adjustment | | Total |
| | | | | 1-Jul-25 | 1-Jul-26 | 25-27 |
| APD Services | \$ 19,448,304 | \$ 33,538,020 | \$ 52,986,324 | | | |
| In-Home Supports - Agency | 7,113,128 | 12,535,039 | 19,648,167 | 3.5% | 2.5% | 6.1% |
| Assisted Living | 4,873,047 | 8,587,479 | 13,460,526 | 3.0% | 3.0% | 6.1% |
| Residential Care -Standard | 4,046,308 | 7,130,567 | 11,176,875 | 19.6% | 21.6% | 45.4% |
| Memory Care | 1,442,486 | 2,542,006 | 3,984,492 | 1.1% | 2.1% | 3.2% |
| Adult Day Services | 102,854 | 181,253 | 284,107 | 5.0% | 6.0% | 11.3% |
| PACE Services | 1,870,481 | 2,561,676 | 4,432,157 | 0.5% | 1.5% | 2.0% |

During the 2023 legislative session, the Legislature directed DHS to conduct a comprehensive wage and rate study across home and community-based services delivery systems administered by the Aging and People with Disabilities (APD) and Intellectual/Developmental Disabilities (I/DD) programs. The study identified several key needs, including: (1) increasing wages and benefits for direct care workers; and (2) developing standardized rate models for APD services to ensure consistency across programs. While the funding appropriated in Senate Bill 5526 does not fully implement all the study's recommendations, the budget notes in the APD section of this report are intended to advance the report's goals and lay the groundwork for continued progress. The Subcommittee also recommended the following budget notes.

Budget Note: Wage Transparency. The Department of Human Services is directed to collect data from assisted living facilities, residential care facilities, memory care communities, adult foster homes, and In-Home Care agencies that hold Medicaid contracts with the State of Oregon and serve a material number of Medicaid beneficiaries. The specific information to be collected is the average hourly base pay of direct caregivers as of June 30, 2025, and August 30, 2026. DHS shall compile and summarize this data by care setting and by the state's minimum wage regions in a report to be submitted to the Joint Committee on Ways and Means Subcommittee on Human Services by March 1, 2027. All data provided by community-based care providers and included in the report must be deidentified.

Budget Note: Residential Care Facility Rate Methodology. On January 1, 2026, the Department of Human Services will implement a restructured rate methodology for payments to standard licensed residential care facility providers, following consultation with impacted providers. The restructured Medicaid rates must be (a) based on individual assessments, (b) reflective of the continuum of need that translates into varying intensity of supports for an individual receiving care, and (c) within the appropriated funding.

Package 809, Spring 2025 Reshoot. This package adjustment accounts for changes in cost per case, FMAP, ACA updates, and workload model. This accounts for a net decrease in General Fund of \$4,736,153, an increase in Other Funds expenditure limitation of \$6,023,154 and an increase in Federal Funds expenditure limitation of \$6,100,104, also a net increase of 37 positions (37.00 FTE).

- **Caseload/Cost Per Case.** This adjustment reduces General Fund by a net of \$1,117,947 and Federal Funds expenditure limitation by a net of \$13,250,506 to adjust for changes to caseload and cost per case. There is significant savings within Community Based Care caseloads, specifically relating to the Contract Residential Care Facilities where expected growth has gone down by 8.5 percent, representing a decrease in 365 cases from what was previously projected in the fall 2024 forecast. The savings is not greater, due to other significant increases in cost per case by 10% and 4% for PACE and Contract Residential Care Facilities respectively.
- **Federal Medical Assistance Percentage (FMAP) Adjustment.** This adjustment increases General Fund by \$14,304,278 and reduces Federal Funds expenditure limitation by \$14,304,278 across Nursing Facilities, Community Based Care and In-Home Care due to changes regarding FMAP. Oregon's Spring 2025 forecast for FMAP decreased by 0.25% (from 58.05% to 57.80%) when compared to the fall 2024 biennial average.
- **Affordable Care Act (ACA) Participation Update.** This adjustment reduces General Fund by \$23,138,240 and increases Federal Funds expenditure limitation by \$23,138,240. This is primarily because more of APD's caseload relating to Nursing Facilities and Community Based Care is projected to be eligible for services under ACA. Services provided to individuals eligible for Medicaid under ACA receive a higher federal match rate, reducing the need for General Fund.
- **Centralized Abuse Management (CAM) System operations and maintenance contract-CALMS/ERM Support.** This adjustment increases General Fund by \$666,780 and increases Federal Funds expenditure limitation by \$666,780 for Corrective Action & Licensing Management System (CALMS) / Enterprise Risk Management (ERM) operations and maintenance. The CAM unit has ceased CALMS refinement due to an increase in other work. Funding will be used for a dedicated configuration consultant and customer code development to address critical issues.
- **Position transfers between APD and OEP.** Continued analysis on position realignment with OEP and other divisions including APD resulted in 13 positions being transferred to APD and 11 from APD to OEP. The net result is an increase of two positions (2.00 FTE) in APD, along with a General Fund increase of \$371,359, total funds of \$627,125. This adjustments nets to zero agency wide.

- **Position Reclassification.** This package includes position reclassifications for 103 positions across three programs within APD that result in a net-zero adjustment. Department of Administrative Services Chief Human Resources Office classification reviews were completed for a variety of positions. Classification changes were both upward and downward.
- **ARPA SLFRF Workforce Fund Carryover.** This adjustment accounts for a one-time increase in Other Funds expenditure limitation of \$606,669 due to carryover from the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF) which is anticipated to be spent early 2025-27 to fund and support workforce contracts.
- **Estate Recoveries.** This adjustment reduces General Fund by \$5,416,485 and increases Other Funds expenditure limitation by \$5,416,485 to account for additional revenue from estate recoveries.
- **Workload Model Increase for AAA.** This adjustment increases General Fund by \$6,023,779 and Federal Funds expenditure limitation by \$6,023,779 due to the impact of increased caseloads on workload model projections for the Area Agencies on Aging.
- **Workload Model Increase for state staff.** This adjustment increases General Fund by \$3,570,323, Federal Funds limitation by \$3,570,323 and establishes 35 permanent full-time positions (35.00 FTE) to account for the impact of caseload growth on APD staff workload.

Intellectual and Developmental Disabilities (I/DD)

I/DD serves children, adults, and families affected by intellectual and developmental disabilities through in-home supports and out-of-home, 24-hour services delivered by various providers. The Subcommittee recommended a budget of \$6.9 billion total funds (\$2.5 billion General Fund). The General Fund increases 27.3% compared to the 2023-25 LAB. The increase is largely due to rising caseloads and costs per case, bargaining agreements for non-state employees, and a declining federal Medicaid match. The General Fund budget is 5.4% above CSL and the total funds budget is 7.5% higher than CSL. The I/DD budget includes support for 1,030 positions (1,019.33 FTE).

The Subcommittee recommended budget includes the following packages:

Package 090, Analyst Adjustments. This package eliminates services and supplies phase-ins and adjusts contract funding and licensing and certification. It reduces General Fund by a net of \$5,402,165, decreases Federal Funds expenditure limitation by a net of \$3,504,757, and adds 20 permanent full-time positions (15.00 FTE).

- **Reduction of services and supplies.** This adjustment reduces General Fund by \$1,572,226 on a one-time basis to continue the services and supplies reduction made to I/DD in 2023-25.
- **Reduce contract funding.** This adjustment makes an ongoing reduction to contracts in the amount of \$1,500,000 General Fund, \$3,000,000 total funds.

- **Licensing and certification realignment.** This adjustment reduces General Fund by \$2,329,939, reduces Federal Funds expenditure limitation by \$2,004,757 and authorizes 20 permanent full-time positions (15.00 FTE) to bring licensing and certification of adult foster homes to the state level.

Package 101, Strength Safety and Regulatory Oversight. This package increases General Fund by \$1,550,862, increases Federal Funds expenditure limitation by \$1,550,862 and adds 14 permanent full-time positions (12.52 FTE) to allow DHS to review community-based care facilities and homes within 120 days after being newly licensed or after a change in ownership, identify licensing compliance concerns earlier, provide opportunities for proactive technical assistance to help facilities and homes correct identified compliance issues, and most importantly, help ensure the safety and well-being of residents. The recommendation includes a related budget note, which is included in the APD section of this report.

Package 801, LFO Analyst Adjustments. This package increases General Fund by \$33,167,991 (\$90,890,788 total funds) for provider rate increases as shown below.

| Package 801: LFO Analyst Adjustment | | | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|------------------------------|----------|-------------|
| Community Based Care Provider Rates | | | | | | |
| Programs | General Fund | Federal Funds | Total | Proposed Adjustment 1-Jul-25 | 1-Jul-26 | Total 25-27 |
| ODDS Services | \$ 33,167,991 | \$ 57,722,797 | \$ 90,890,788 | | | |
| Children Foster Home | 1,041,626 | 1,835,595 | 2,877,221 | 5.0% | 6.0% | 11.3% |
| Adult 24 Hour Group Homes | 25,311,566 | 44,605,058 | 69,916,624 | 2.4% | 3.4% | 5.8% |
| Children 24 Hour Group Home | 2,052,878 | 3,617,664 | 5,670,542 | 2.3% | 3.3% | 5.6% |
| Children Host Homes | 24,620 | 43,387 | 68,007 | 2.3% | 3.3% | 5.7% |
| Adult Supported Living | 1,644,492 | 2,897,990 | 4,542,482 | 0.0% | 5.0% | 5.0% |
| Day Support Activities | 932,928 | 1,644,043 | 2,576,971 | 1.1% | 2.1% | 3.3% |
| Employment Services | 1,851,660 | 2,535,900 | 4,387,560 | 1.8% | 2.8% | 4.6% |
| Transportation Services | 308,221 | 543,160 | 851,381 | 1.0% | 2.0% | 3.0% |

Package 802, Long-Term Vacant Positions. This package reduces General Fund by \$122,931, reduces Federal Funds expenditure limitation by \$325,944, and eliminates two positions (2.00 FTE) that have been vacant for more than 12 months.

Package 809, Spring 2025 Reshoot. This package adjusts for changes in caseload, FMAP, Medicaid updates, workload models and position reclassifications. This accounts for a net increase in General Fund of \$97,329,072, a net increase in Federal Funds expenditure limitation of \$299,434,073, also adding a net of two positions (1.75 FTE).

- Caseload increases. This adjustment increases General Fund by \$129,331,314 and Federal Funds expenditure limitation by \$239,175,966 to reflect changes to caseload, primarily within the Adult 24 Hour Group Homes, and agency in-home supports.
- Federal Medical Assistance Percentage (FMAP) adjustment. This package increases General Fund by \$15,532,553 and reduces Federal Funds expenditure limitation by \$15,532,553 across Nursing Facilities, Community Based Care, and In-Home Care due to changes regarding FMAP. Oregon's Spring 2025 forecast for FMAP decreased by 0.25% (from 58.05% to 57.80%) when compared to the Fall 2024 biennial average.
- Medicaid participation update. This adjustment reduces General Fund by \$59,999,080 and increases Federal Funds expenditure limitation by \$59,993,457 due to updates made to the Medicaid participation. This action updates the Medicaid participation rate, based on a review of actuals. The review of actuals indicates more claims are eligible for Medicaid match, reducing the estimate of General Fund need in 2025-27.
- CDDP/Brokerage workload model update. This adjustment increases General Fund by \$12,527,528 and Federal Fund expenditure limitation by \$15,203,501 to fund Community Development Disabilities Program (CDDP) and brokerage workload growth based on the spring 2025 caseload forecast.
- CIIS workload model update. This adjustment increases General Fund by \$93,283, Federal Funds expenditure limitation by \$93,283 and adds one permanent full-time position (0.75 FTE) for Children's Intensive In-Home services (CIIS) workload growth based on the spring 2025 caseload forecast. This position (Program Analyst 2) will design, coordinate, and monitor home and community-based services for eligible children, with a focus on those residing in their family homes.
- Position reclassification. This adjustment decreases General Fund by \$156,526 and increases Federal Funds expenditure limitation by \$500,419 to establish one permanent full-time position (1.00 FTE) as a Program Analyst 3. This action also reclassifies various positions across programs within I/DD that result in a net-zero adjustment. Department of Administrative Services Chief Human Resources Office classification reviews were completed for these positions.

Oregon Eligibility Partnership (OEP)

OEP supports state staff who assist Oregonians applying for and receiving medical, food, cash, and childcare benefits, as well as manages the ONE eligibility system. The Subcommittee recommended budget is \$975.1 million total funds (\$438.2 million General Fund), and 2,616

positions (2,612.89 FTE). This represents a General Fund decrease of 1.4% percent compared to the 2025-27 CSL budget, and a 4.0% total funds budget increase. The total funds increase is primarily due to enhanced Federal matching rate for information technology investments.

Package 070, Revenue Shortfall. OEP has been utilizing leftover bond proceeds from the ONE system implementation to fund ONE system changes. This package recognizes the expiration of those one-time dollars by reducing Other Funds expenditure limitation by \$3,740,083. In Spring 2025 reshoot, DHS identified sufficient bond proceeds to cover the shortfall. The additional funding to cover the shortfall is reflected in Package 809.

Package 090, Analyst Adjustments. This package makes a one-time reduction of \$10,932,742 General Fund and \$13,827,592 total funds to services and supplies. This continues the services and supplies reduction that was made in 2023-25. The package also includes an ongoing reduction \$750,000 General Fund for unused funding for training that was included as part of the CSL budget.

Package 095, DHS/OHA Reshoot. This package increases General Fund by \$5,496,191 and Federal Funds expenditure limitation by \$4,540,098. The package also results in an additional 13 positions (12.98 FTE) within OEP due to the transfer of positions across the Department. The Department continues to align staffing within SSP and OEP, resulting in a net increase of positions in OEP due to the transfer of Summer EBT positions and other SSP staff. Nine positions were transferred from OEP to APD as part of a similar alignment related to OEP's creation in 2023-25. This package also transfers IT system funding for Summer EBT and resulted in a \$3.2 million General Fund savings as one-time vendor costs were phased out. This package also includes several position reclassifications approved by the Department of Administrative Services Chief Human Resources Office that net to zero but do result in an increase of 0.48 FTE.

Package 104, Federal Data Service Hub. This package provides \$4,461,370 General Fund and \$13,471,166 Federal Funds expenditure limitation to cover the cost of new federal fees for utilizing a federal services data hub. OEP staff regularly access the federal data hub for eligibility work.

Package 108, SNAP Elderly Simplified Application Process. This package appropriates \$476,087 General Fund and increases Federal Funds expenditure limitation by the same amount for one Operations and Policy Analyst 3 position (0.75 FTE) to define technical system requirements inherent to developing the shortened SNAP application and to make mainframe and ONE changes in the applicant portal, worker portal and interface systems. Within this investment, \$371,250 General Fund, \$742,500 total funds are one-time expenses for ONE system contractor costs.

Package 201, Mainframe Modernization. This package adds \$384,446 General Fund (\$768,892 total funds) and four permanent full-time positions (3.00 FTE) to continue transitioning pay and benefit systems off a mainframe platform to a cloud-based environment. The programming code on the mainframe system dates to the 1970s and is increasingly unsupported. This is an ongoing effort that has received prior investments. The funding with this phase will support two Operations and Policy Analyst 3 (OPA) positions, an OPA 2, and an OPA 1. Staff will support the planning, contracting and modernization of systems off mainframe.

Package 809, Spring 2025 Reshoot. This package decreases General Fund by \$5,275,197, increases Other Funds expenditure limitation by \$6,584,047, increases Federal Funds expenditure limitation by \$24,998,893, and decreases positions by 39 (39.00 FTE). The package includes the following adjustments:

- Position transfers between SSP and OEP. This adjustment decreases General Fund by \$4,978,483 and decreases Federal Funds expenditure limitation by \$3,378,776. It also decreases net positions in OEP by 35 (35.00 FTE). This is a net-zero adjustment agencywide. OEP is transferring 121 positions to SSP and receiving 86 positions from SSP, resulting in a net decrease of 35 positions in OEP. The transfers are to better support Oregon families and individuals in achieving economic stability and self-sufficiency. This realignment ensures alignment between responsibilities and program goals.
- Position transfer between Shared Services and OEP. One Procurement Manager 1 is transferred from OEP to the Office of Contracts and Procurement in Shared Services. The position was added as part of Package 142, Combined Eligibility Worker, with the 2023-25 LAB. This position was intended to support the Office of Contracts and Procurement Services but was originally funded in OEP. This adjustment reduces General Fund in OEP by \$226,374 and Federal Funds expenditure limitation by \$163,927.
- Position transfers between APD and OEP. Continued analysis on position realignment within OEP and other divisions including APD resulted in 13 positions being transferred to APD and 11 from APD to OEP. The net result is a reduction of two positions (2.00 FTE) in OEP, along with a General Fund reduction of \$371,359, total funds reduction of \$627,125. This adjustments nets to zero agencywide.
- Position transfer from OEP to Central Services. One Administrative Specialist 1 position is transferred from OEP to Central Services, along with a reduction of \$102,099 General Fund, \$176,032 total funds. This adjustment nets to zero agencywide.
- Position reclassifications. The adjustment accounts for various position reclasses, based on the class and compensation review by the Department of Administrative Services Chief Human Resources Office. The adjustment nets to zero.
- Agencywide hosting charges assessed by the State Data Center (SDC) have been budgeted and paid from the SAEC budget. This funding was included in SAEC, which is used for accounting for statewide charges and assessments. Moving forward, data hosting will transition from SDC to cloud-based Microsoft Azure. Azure costs are paid directly by program. This adjustment transfers the original eligibility-related hosting costs from SAEC to OEP. This is a net-zero adjustment across the agency and increases General Fund within OEP by \$7,817,501, total funds by \$19,543,752.
- OEP phone costs were moved from OEP to SAEC, though no funding was moved from OEP to SAEC. OEP and SAEC division leadership agreed to centralize the phone service contracts and payments into SAEC for consistency and efficiency purposes. This adjustment transfers \$7,414,383 General Fund, \$11,466,551 total funds from OEP to SAEC for telecommunications costs. This is a net-zero adjustment across DHS. The Department received a one-time adjustment in 2023-25 budget to cover telecommunications costs in SAEC and this adjustment will help solve the telecommunications budget shortfall in 2025-27.

- DHS in conjunction with the Department of Administrative Services has determined there is remaining bond revenue from prior ONE system bond issuances to cover costs of system change requests. The funding is used for contractor costs associated with new development initiatives. The development activities will mainly cover required federal changes or new builds prioritized by programs to improve accuracy or timeliness. This adjustment increases Other Funds expenditure limitation by \$6,945,315 and Federal Funds expenditure limitation by \$20,835,944. This is a one-time adjustment that helps cover the revenue shortfall identified prior to the Spring 2025 reshoot.

Central Services

The Subcommittee's recommended budget for Central Services is \$92,233,035 General Fund, \$16,551,178 Other Funds expenditure limitation, \$62,336,860 Federal Funds expenditure limitation and 389 positions (387.74 FTE).

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package transfers \$258,673 General Fund, \$258,673 Federal Funds expenditure limitation and two positions (2.00 FTE), a Human Resource Analyst 2 and a Compliance Specialist 3, along with services and supplies costs from Self Sufficiency Programs to Central Services. These positions were added to Self Sufficiency with the Summer Electronic Benefits Transfer investment in the 2024 legislative session and are being transferred to the correct location within the Department's budget structure. This adjustment nets to zero on an agencywide basis. This package also includes several position reclassifications approved by the Department of Administrative Services Chief Human Resources Office that net to zero.

Package 809, Spring 2025 Reshoot. This package increases General Fund by \$1,602,099, decreases Other funds expenditure limitation by \$7,138,097, increases Federal Funds expenditure limitation by \$73,933 and adds one positions (1.17 FTE) due to the following adjustments:

- Reduce Federal Emergency Management Agency (FEMA) Spending Limitation. Other Funds expenditure limitation is reduced by \$7,138,097 to align the budget with the expiration of anticipated FEMA-related revenues.
- Position transfer from OEP to Central Services. One Administrative Specialist 1 position is transferred from OEP to Central Services, along with an increase of \$102,099 General Fund, \$176,032 total funds. This adjustment nets to zero agencywide.
- Position reclassifications. The adjustment accounts for various position reclasses, based on the class and compensation review by the Department of Administrative Services Chief Human Resources Office. The adjustment nets to zero and results in a 0.17 FTE increase.
- Flood relief. One-time General Fund increase of \$1.5 million for the Office of Resilience and Emergency Management's (OREM) to provide flood relief assistance to an estimated 300 households affected by flooding within Coos, Douglas and Haney counties. The funds

will be used for contracted case management services for affected households and for flood-related costs such as debris removal, mold remediation, home repairs and furniture replacement.

Shared Services

The Subcommittee recommended budget for Shared Services is \$234.1 million Other Funds and 753 positions (747.75 FTE).

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package increases Other Funds expenditure limitation by \$498,072 and transfers two positions (2.00 FTE), an Accountant 2 and an Investigator 3, along with services and supplies costs from Self Sufficiency Programs to Shared Services. These positions were added to Self Sufficiency with the Summer Electronic Benefits Transfer investment in the 2024 legislative session and are being transferred to the correct location within the Department's budget structure. This adjustment nets to zero on an agencywide basis. This package also includes several position reclassifications approved by the Department of Administrative Services Chief Human Resources Office that net to zero.

Package 201, Mainframe Modernization. This package increases Other Funds expenditure limitation by \$363,042 and adds two permanent full-time positions (1.50 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. The positions include an Accountant 2 and Operations and Policy Analyst 2.

Package 501, Foster Care Youth Path to Housing Stability. Within Shared Services, this package provides \$96,169 Other Funds expenditure limitation for one permanent full-time accounting position (0.50 FTE) to reconcile ACH transfers being received from the Social Security Administration and insuring correct amounts are allocated to client accounts for child welfare involved clients.

Package 802, Long-Term Vacant Positions. This package reduces Other Funds expenditure limitation by \$529,647 and eliminates three vacant positions (3.00 FTE) that have remained vacant for more than 12 months.

Package 809, Spring 2025 Reshoot. This package increases Other Funds expenditure limitation by \$2,588,403 and adds one permanent position (4.43 FTE) for the following adjustments:

- Converting positions from permanent part-time to permanent full-time. The employees and work being performed on seven different positions is full-time. This includes two Administrative Specialist 2 positions, two Operations and Policy Analyst 3 positions and three

Accountant 2 positions. This adjustment adds \$879,996 Other Funds expenditure limitation and 3.43 FTE to align the budget for full-time employees.

- Position transfer between Shared Services and OEP. One Procurement Manager 1 is transferred from OEP to the Office of Contracts and Procurement in Shared Services. The position was added as part of Package 142, Combined Eligibility Worker, with the 2023-25 Legislatively Adopted Budget. This position was intended to support the Office of Contracts and Procurement Services but was originally funded in OEP. This adjustment increases Other Funds expenditure limitation by \$390,301 and adds one position (1.00 FTE).
- Attorney General costs. This adjustment increases Other Funds expenditure limitation by \$1,318,106 to cover Attorney General costs due to cost per hour increases and increased volume of work. The funding for 2023-25 was included in Senate Bill 5550 (2025) and this adjustment reflects the full biennium impact in 2025-27.
- Position reclassifications. The adjustment accounts for various position reclasses, based on the class and compensation review by the Department of Administrative Services Chief Human Resources Office.

State Assessments and Enterprise-Wide Costs (SAEC)

The Subcommittee recommended a budget for SAEC of \$849.5 million total funds (\$479.8 million General Fund). There are no positions funded in SAEC.

The Subcommittee recommended budget includes the following packages:

Package 090, Analyst Adjustments. This package makes several reductions totaling \$7,735,912 General Fund, \$296,711 Other Funds expenditure limitation and \$2,606,688 Federal Funds expenditure limitation. The adjustments include a reduction of \$3,905,464 General Fund, \$6,332,862 total funds to the IT hardware/software budget, a reduction of \$1,592,710 General Fund, \$2,058,500 total funds to postage and handling, a reduction of \$27,738 General Fund, \$37,949 total funds to Uplift Oregon and a one-time services and supplies reduction of \$2,210,000 General Fund. This continues a portion of the services and supplies reduction that was made in 2023-25.

Package 095, DHS/OHA Reshoot. This package transfers \$249,036 General Fund and \$249,036 Federal Funds expenditure limitation from Self-Sufficiency to support two positions in Shared Services, an Accountant 2 and an Investigator 3. These positions were added to Self Sufficiency with the Summer Electronic Benefits Transfer investment in the 2024 Legislative Session and are being transferred to the correct location within the Department's budget structure. This adjustment nets to zero on an agencywide basis. The SAEC budget includes the funding for DHS Shared Services, which are made through a Special Payment to Shared Services to provide the revenue to pay the internal DHS/OHA Shared Services costs, and includes General Fund, Other Funds, and Federal Funds.

Package 109, Office and Worker Safety. This package increases General Fund by \$1,748,000, Other Funds expenditure limitation by \$140,000, and Federal Funds expenditure limitation by \$2,112,000 for contract security to address customer service and staff safety in large field offices that are open to the public.

Package 201, Mainframe Modernization. This package increases General Fund by \$1,822,997, Other Funds expenditure limitation by \$44,195, and Federal Funds expenditure limitation by \$3,233,556 for related to mainframe modernization costs. The SAEC component supports two permanent positions and related services and supplies costs within Shared Services, as well as additional project costs.

Package 501, Foster Care Youth Path to Housing Stability. Within SAEC, this package provides funding support for one accounting position in Shared Services to reconcile ACH transfers being received from the Social Security Administration and insuring correct amounts are allocated to client accounts for child welfare involved clients. The package increases General Fund by \$61,794, Other Funds expenditure limitation by \$2,890 and Federal Funds expenditure limitation by \$36,446.

Package 809, Spring 2025 Reshoot. This package increases General Fund by \$1,129,381, Other Funds expenditure limitation by 490,469 and decreases Federal Funds expenditure limitation by \$20,108,649 due to the following adjustments:

- Agency-wide hosting charges assessed by the State Data Center (SDC) have been budgeted and paid from the SAEC budget. This funding was included in SAEC, which is used for accounting for statewide charges and assessments. Moving forward, data hosting will transition from SDC to cloud-based Microsoft Azure. Azure costs are paid directly by program. This adjustment transfers the original eligibility-related hosting costs from SAEC to OEP. This is a net-zero adjustment across the agency and decreases General Fund within SAEC by \$7,817,501, total funds by \$19,543,752.
- OEP phone costs were moved from OEP to SAEC, though no funding was moved from OEP to SAEC. OEP and SAEC division leadership agreed to centralize the phone service contracts and payments into SAEC for consistency and efficiency purposes. This adjustment transfers \$7,414,383 General Fund, \$11,466,551 total funds from OEP to SAEC for telecommunications costs. This is a net-zero adjustment across DHS. The Department received a one-time adjustment in 2023-25 budget to cover telecommunications costs in SAEC and this adjustment will help solve the telecommunications budget shortfall in 2025-27.
- This adjustment removes excess Federal Funds expenditure limitation not utilized by Facilities over the past few biennia due to declining federal matching rates and programmatic changes in rent allocations. The reduction is \$13,000,000 Federal Funds expenditure limitation.
- Attorney General costs. This adjustment increases General Fund by \$778,436, total funds by \$1,318,106 to cover Attorney General costs due to cost per hour increases and increased volume of work. The funding for 2023-25 was included in Senate Bill 5550 (2025) and this adjustment reflects the full biennium impact in 2025-27.

- Position transfer between Shared Services and OEP. One Procurement Manager 1 is transferred from OEP to the Office of Contracts and Procurement in Shared Services. The position was added as part of Package 142, Combined Eligibility Worker, with the 2023-25 LAB. This position was intended to support the Office of Contracts and Procurement Services but was originally funded in OEP. This adjustment increases General Fund by \$203,668, Other Funds expenditure limitation by \$33,644 and Federal Funds expenditure limitation by \$152,989.
- Converting positions from permanent, part-time to permanent, full-time. The employees and work being performed on seven different positions is full-time. This includes two Administrative Specialist 2 positions, two Operations and Policy Analyst 3 positions and three Accountant 2 positions. This adjustment adds \$550,395 General Fund, \$52,250 Other Funds expenditure limitation and \$277,350 Federal Funds expenditure limitation.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services

Mike Streepey and Paul Johnson - 971-283-1198, 971-718-2445

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|------------------|------------------|--------------------|------------|---------------------|------------------|-----------------------|--------------|------------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| 2023-25 Legislatively Approved Budget at Jan 2025 * | \$ 6,107,272,145 | \$ | - \$ 1,182,596,085 | \$ | - \$ 8,878,935,477 | \$ 3,681,868,127 | \$ 19,850,671,834 | 11,282 | 10,960.24 |
| 2025-27 Current Service Level (CSL)* | \$ 7,360,946,449 | \$ | - \$ 1,270,539,464 | \$ | - \$ 10,384,460,891 | \$ 3,381,868,127 | \$ 22,397,814,931 | 11,240 | 11,189.45 |
| SUBCOMMITTEE ADJUSTMENTS (from CSL) | | | | | | | | | |
| SCR 010-40 - Central Services | | | | | | | | | |
| Package 95: DHS/OHA Reshoot | \$ 258,673 | \$ | - \$ | - \$ | - \$ | 258,673 | \$ - | 517,346 | 2 2.00 |
| Package 809: Spring 2025 Reshoot | | | | | | | | | |
| Flood Relief Funding in OREM | \$ 1,500,000 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ | 1,500,000 | |
| Remove empty limitation in OREM | \$ - | \$ | - \$ (7,138,097) | \$ | - \$ | - \$ | - \$ | (7,138,097) | |
| Position reclassifications | | | | | | | \$ - | - | 0 0.17 |
| Position transfer from OEP to Central Services | \$ 102,099 | \$ | - \$ | - \$ | - \$ | 73,933 | \$ - | 176,032 | 1 1.00 |
| SCR 010-45 - Shared Services | | | | | | | | | |
| Package 95: DHS/OHA Reshoot | \$ - | \$ | - \$ | 498,072 | \$ - | - \$ | - \$ | 498,072 | 2 2.00 |
| Package 201: Mainframe Modernization | \$ - | \$ | - \$ | 363,042 | \$ - | - \$ | - \$ | 363,042 | 2 1.50 |
| Stability | \$ - | \$ | - \$ | 96,169 | \$ - | - \$ | - \$ | 96,169 | 1 0.50 |
| Package 802: Long-Term Vacant Positions | \$ - | \$ | - \$ | (529,647) | \$ - | - \$ | - \$ | (529,647) | (3) (3.00) |
| Package 809: Spring 2025 Reshoot | | | | | | | \$ - | - | |
| Position transfer from OEP to Shared Services | \$ - | \$ | - \$ | 390,301 | \$ - | - \$ | - \$ | 390,301 | 1 1.00 |
| Change positions from part-time to full-time | \$ - | \$ | - \$ | 879,996 | \$ - | - \$ | - \$ | 879,996 | 0 3.43 |
| Increased Attorney General Costs | \$ - | \$ | - \$ | 1,318,106 | \$ - | - \$ | - \$ | 1,318,106 | |
| SCR 010-50 - State Assessments and Enterprise-wide Costs | | | | | | | | | |
| Package 90: Analyst Adjustments | | | | | | | | | |
| One-time Services and Supplies Reduction | \$ (2,210,000) | \$ | - \$ | - \$ | - \$ | - \$ | - \$ | (2,210,000) | |
| Remove Inflation for Uplift Oregon | \$ (27,738) | \$ | - \$ | (795) | \$ - | (9,416) | \$ - | (37,949) | |
| IT Direct Charge | \$ (3,905,464) | \$ | - \$ | (150,400) | \$ - | (2,276,998) | \$ - | (6,332,862) | |
| Postage and Handling Reduction | \$ (1,592,710) | \$ | - \$ | (145,516) | \$ - | (320,274) | \$ - | (2,058,500) | |
| Package 95: DHS/OHA Reshoot | \$ 249,036 | \$ | - | \$ | - \$ | 249,036 | \$ - | 498,072 | |
| Package 109: Office and Worker Safety | \$ 1,748,000 | \$ | - \$ | 140,000 | \$ - | 2,112,000 | \$ - | 4,000,000 | |
| Package 201: Mainframe Modernization | \$ 1,822,997 | \$ | - \$ | 44,195 | \$ - | 3,233,556 | \$ - | 5,100,748 | |
| Package 501: Foster Care Youth Path to Housing | \$ 61,794 | \$ | - \$ | 2,890 | \$ - | 36,446 | \$ - | 101,130 | |
| Package 809: Spring 2025 Reshoot | | | | | | | | | |
| Hosting Budget | \$ (7,817,501) | \$ | - \$ | - \$ | - \$ | (11,726,251) | \$ - | (19,543,752) | |
| Telecommunications Funding Transfer from OEP | \$ 7,414,383 | \$ | - \$ | 361,268 | \$ - | 3,690,900 | \$ - | 11,466,551 | |
| Removal of Excess Federal Funds Expenditure Limitation | | | | | | (13,000,000) | \$ | (13,000,000) | |
| Position transfer from OEP to Shared Services | \$ 203,668 | \$ | - \$ | 33,644 | \$ - | 152,989 | \$ - | 390,301 | |
| Change positions from part-time to full-time | \$ 550,395 | \$ | - \$ | 52,250 | \$ - | 277,350 | \$ - | 879,995 | |
| Increased Attorney General Costs | \$ 778,436 | \$ | - \$ | 43,307 | \$ - | 496,363 | \$ - | 1,318,106 | |

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE | |
|--|-----------------|------------------|----------------|------------|-----------------|------------|-----------------------|------|---------|--|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | | |
| SCR 060-01 - Self Sufficiency Programs | | | | | | | | | | |
| Package 90: Analyst Adjustments | \$ (20,000,000) | \$ - | \$ - | \$ - | \$ 20,000,000 | \$ - | - | | | |
| Package 95: DHS/OHA Reshoot | \$ 6,477,533 | \$ - | \$ 5,080,509 | \$ - | \$ 5,808,811 | \$ - | 17,366,853 | (19) | (18.50) | |
| Package 108: SNAP Elderly Simplified Application Process | \$ 104,838 | \$ - | | | \$ 104,838 | \$ - | 209,676 | 1 | 0.75 | |
| Package 502: YEHP Core Service Maintenance | \$ 19,707,205 | \$ - | | | | \$ - | 19,707,205 | 6 | 5.25 | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | | |
| Utilize TANF Carryover | \$ (10,000,000) | \$ - | \$ - | \$ - | \$ 10,000,000 | \$ - | - | | | |
| Tax Infrastructure Program | \$ (3,900,000) | \$ - | \$ - | \$ - | \$ - | \$ - | (3,900,000) | | | |
| Package 802: Long-Term Vacant Positions | \$ (92,677) | \$ - | \$ (49) | \$ - | \$ (72,501) | \$ - | (165,227) | (1) | (1.00) | |
| Package 809: Spring 2025 Reshoot | | | | | | | | | | |
| Spring 2025 Reshoot: Caseload/Cost Per Case | \$ 2,169,260 | \$ - | \$ 29,005 | \$ - | \$ 4,142,901 | \$ - | 6,341,166 | | | |
| Position Transfers from OEP to SSP | \$ 4,978,483 | \$ - | \$ - | \$ - | \$ 3,378,776 | \$ - | 8,357,259 | 35 | 35.00 | |
| SCR 060-07 - Vocational Rehabilitation Services | | | | | | | | | | |
| Package 105: Contract and Fiscal Compliance | \$ 745,663 | \$ - | \$ - | \$ - | \$ - | \$ - | 745,663 | 4 | 3.00 | |
| Package 809: Spring 2025 Reshoot | | | | | | | | | | |
| Limitation | \$ - | \$ - | \$ (7,855,888) | \$ - | \$ - | \$ - | (7,855,888) | | | |
| SCR 060-08 - Aging and People with Disabilities | | | | | | | | | | |
| Package 90: Analyst Adjustments | | | | | | | | | | |
| Eliminate Services and Supplies Phase In | \$ (1,131,700) | \$ - | \$ - | \$ - | \$ - | \$ - | (1,131,700) | | | |
| Utilize Quality Care Fund Balance | \$ (18,000,000) | \$ - | \$ 18,000,000 | \$ - | \$ - | \$ - | - | | | |
| Eliminate Mental Health Funding | \$ (3,263,533) | \$ - | \$ - | \$ - | \$ - | \$ - | (3,263,533) | | | |
| Adult Foster Home Rate Methodology Change | \$ 22,383,705 | \$ - | \$ - | \$ - | \$ 38,076,068 | \$ - | 60,459,773 | | | |
| Package 95: DHS/OHA Reshoot | \$ 535,047 | \$ - | \$ 17,731,448 | \$ - | \$ 197,128 | \$ - | 18,463,623 | 3 | 3.00 | |
| Package 101: Strengthen Safety and Regulatory Oversight | \$ 1,283,611 | \$ - | \$ - | \$ - | \$ 1,283,611 | \$ - | 2,567,222 | 19 | 8.75 | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | | |
| Community Based Care Rate Increase | \$ 19,448,304 | \$ - | \$ - | \$ - | \$ 33,538,020 | \$ - | 52,986,324 | | | |
| Package 809: Spring 2025 Reshoot | | | | | | | | | | |
| Spring 2025 Reshoot: Caseload/Cost Per Case | \$ (1,117,947) | \$ - | \$ - | \$ - | \$ (13,250,506) | \$ - | (14,368,453) | | | |
| Spring 2025 Reshoot: FMAP Adjustment | \$ 14,304,278 | \$ - | \$ - | \$ - | \$ (14,304,278) | \$ - | - | | | |
| Affordable Care Act Participation Update | \$ (23,138,240) | \$ - | \$ - | \$ - | \$ 23,138,240 | \$ - | - | | | |
| CAM System O&M Contract-CALMS/ERM Support | \$ 666,780 | \$ - | \$ - | \$ - | \$ 666,780 | \$ - | 1,333,560 | | | |
| Position Transfers to APD from OEP | \$ 371,359 | \$ - | \$ - | \$ - | \$ 255,766 | \$ - | 627,125 | 2 | 2.00 | |
| ARPA SFFRF Workforce Fund Carryover | \$ - | \$ - | \$ 606,669 | \$ - | \$ - | \$ - | 606,669 | | | |
| Estate Recoveries | \$ (5,416,485) | \$ - | \$ 5,416,485 | \$ - | \$ - | \$ - | - | | | |
| Workload Model Increase for Area Agencies on Aging | \$ 6,023,779 | \$ - | \$ - | \$ - | \$ 6,023,779 | \$ - | 12,047,558 | | | |
| Workload Model Increase for State Staff | \$ 3,570,323 | \$ - | \$ - | \$ - | \$ 3,570,323 | \$ - | 7,140,646 | 35 | 35.00 | |

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|--|-----------------|------------------|--------------|------------|---------------|-----------------|-----------------------|--------|-----|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| SCR 060-09 - Intellectual and Developmental Disabilities | | | | | | | | | |
| Package 90: Analyst Adjustments | | | | | | | | | |
| Eliminate Services and Supplies Phase In | \$ (1,572,226) | \$ - | \$ - | \$ - | | \$ (1,572,226) | | | |
| Reduce Contract Funding | \$ (1,500,000) | \$ - | \$ - | \$ - | (1,500,000) | \$ (3,000,000) | | | |
| Bring Licensing and Certification Function to State | \$ (2,329,939) | \$ - | \$ - | \$ - | (2,004,757) | \$ (4,334,696) | 20 | 15.00 | |
| Package 101: Strengthen Safety and Regulatory | \$ 1,550,862 | \$ - | \$ - | \$ - | 1,550,862 | \$ 3,101,724 | 14 | 12.52 | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| I/DD Provider Rate Increase | \$ 33,167,991 | \$ - | \$ - | \$ - | 57,722,797 | \$ 90,890,788 | | | |
| Package 802: Long-Term Vacant Positions | \$ (122,931) | \$ - | \$ - | \$ - | (325,944) | \$ (448,875) | (2) | (2.00) | |
| Package 809: Spring 2025 Reshoot | | | | | | | | | |
| Spring 2025 Reshoot: Caseload | \$ 129,331,314 | \$ - | \$ - | \$ - | 239,175,966 | \$ 368,507,280 | | | |
| Spring 2025 Reshoot: FMAP Adjustment | \$ 15,532,553 | \$ - | \$ - | \$ - | (15,532,553) | \$ - | | | |
| Medicaid Participation Update | \$ (59,999,080) | \$ - | \$ - | \$ - | 59,993,457 | \$ (5,623) | | | |
| CDDP/Brokerage Workload Model Update | \$ 12,527,528 | \$ - | \$ - | \$ - | 15,203,501 | \$ 27,731,029 | | | |
| CIIS Workload Model Update | \$ 93,283 | \$ - | \$ - | \$ - | 93,283 | \$ 186,566 | 1 | 0.75 | |
| Position Reclasses | \$ (156,526) | \$ - | \$ - | \$ - | 500,419 | \$ 343,893 | 1 | 1.00 | |
| SCR 060-10 - Child Welfare Programs | | | | | | | | | |
| Package 90: Analyst Adjustments | | | | | | | | | |
| Eliminate Services and Supplies Phase In | \$ (16,209,261) | \$ - | \$ (253,468) | \$ - | (3,365,363) | \$ (19,828,092) | | | |
| Reduction to Training Budget | \$ (5,132,576) | \$ - | \$ - | \$ - | \$ - | \$ (5,132,576) | | | |
| Temporary Lodging Prevention Innovative | \$ 10,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 10,000,000 | | | |
| Package 95: DHS/OHA Reshoot | \$ (1,020,220) | \$ - | (4,898,555) | \$ - | (2,731,408) | \$ (8,650,183) | 7 | 4.41 | |
| Package 112: Family First Prevention Services | \$ 7,041,752 | \$ - | \$ - | \$ - | 7,041,752 | \$ 14,083,504 | 2 | 1.50 | |
| Package 501: Foster Care Youth Path to Housing Stability | \$ 2,391,403 | \$ - | \$ - | \$ - | 75,773 | \$ 2,467,176 | 2 | 1.00 | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Respite Budget Utilization Adjustment | \$ (15,000,000) | \$ - | \$ - | \$ - | \$ - | \$ (15,000,000) | | | |
| Removal of Foster Care Rate Increase Made in CSL | \$ (5,811,438) | \$ - | \$ - | \$ - | (4,430,184) | \$ (10,241,622) | | | |
| Foster Care Rate Increase Calculation Error | \$ (4,899,166) | \$ - | \$ - | \$ - | (7,921,384) | \$ (12,820,550) | | | |
| Package 802: Long-Term Vacant Positions | \$ (604,246) | \$ - | \$ - | \$ - | (102,210) | \$ (706,456) | (4) | (4.00) | |
| Package 809: Spring 2025 Reshoot | | | | | | | | | |
| Spring 2025 Reshoot: Caseload/Cost Per Case | \$ (17,897,765) | \$ - | \$ - | \$ - | (8,551,582) | \$ (26,449,347) | | | |
| Spring 2025 Reshoot: FMAP Adjustment | \$ 1,641,486 | \$ - | \$ - | \$ - | (1,641,486) | \$ - | | | |
| Spring 2025 Reshoot: Correction to BRS Caseload | \$ (17,937,762) | \$ - | \$ - | \$ - | (15,087,451) | \$ (33,025,213) | | | |
| Spring 2025 Reshoot: Medicaid Eligibility Changes | \$ 542,648 | \$ - | \$ - | \$ - | (542,648) | \$ - | | | |
| Adoption Savings Program Position | \$ - | \$ - | \$ 266,115 | \$ - | \$ - | 266,115 | 1 | 1.00 | |
| Increase | \$ 4,301,268 | \$ - | \$ - | \$ - | 1,895,157 | \$ 6,196,425 | | | |
| Position Reclassifications | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | (1) | (1.00) | |

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|--|------------------|------------------|------------------|------------|-------------------|------------------|-----------------------|--------|-----------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| SCR 060-12 - Oregon Eligibility Partnership | | | | | | | | | |
| Package 70: Revenue Shortfall | \$ - | \$ - | \$ (3,740,083) | \$ - | \$ - | \$ - | (3,740,083) | | |
| Package 90: Analyst Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | | |
| Eliminate Services and Supplies Phase In | \$ (10,932,742) | \$ - | \$ (26,473) | \$ - | \$ (2,868,377) | \$ - | (13,827,592) | | |
| Reduction to Training Budget | \$ (750,000) | \$ - | \$ - | \$ - | \$ - | \$ - | (750,000) | | |
| Package 95: DHS/OHA Reshoot | \$ 5,496,191 | \$ - | \$ - | \$ - | \$ 4,540,098 | \$ - | 10,036,289 | 13 | 12.98 |
| Package 104: Federal Data Services Hub | \$ 4,461,370 | \$ - | \$ - | \$ - | \$ 13,471,166 | \$ - | 17,932,536 | | |
| Package 108: SNAP Elderly Simplified Application Process | \$ 476,087 | \$ - | \$ - | \$ - | \$ 476,087 | \$ - | 952,174 | 1 | 0.75 |
| Package 201: Mainframe Modernization | \$ 384,446 | \$ - | \$ - | \$ - | \$ 384,446 | \$ - | 768,892 | 4 | 3.00 |
| Package 809: Spring 2025 Reshoot | | | | | | | | | |
| Position Transfers from OEP to Shared Services | \$ (226,374) | \$ - | \$ - | \$ - | \$ (163,927) | \$ - | (390,301) | (1) | (1.00) |
| Position Transfers from OEP to SSP | \$ (4,978,483) | \$ - | \$ - | \$ - | \$ (3,378,776) | \$ - | (8,357,259) | (35) | (35.00) |
| Position Transfers from OEP to APD | \$ (371,359) | \$ - | \$ - | \$ - | \$ (255,766) | \$ - | (627,125) | (2) | (2.00) |
| Position Transfer from OEP to Central Services | \$ (102,099) | \$ - | \$ - | \$ - | \$ (73,933) | \$ - | (176,032) | (1) | (1.00) |
| Hosting Budget | \$ 7,817,501 | \$ - | \$ - | \$ - | \$ 11,726,251 | \$ - | 19,543,752 | | |
| Telecommunications Funding Transfer from OEP | \$ (7,414,383) | \$ - | \$ (361,268) | \$ - | \$ (3,690,900) | \$ - | (11,466,551) | | |
| Bond Limitation for OEP Change Requests | \$ - | \$ - | \$ 6,945,315 | \$ - | \$ 20,835,944 | \$ - | 27,781,259 | | |
| TOTAL ADJUSTMENTS | \$ 77,634,761 | \$ - | \$ 33,198,547 | \$ - | \$ 466,324,373 | \$ - | 577,157,681 | 111 | 89.76 |
| SUBCOMMITTEE RECOMMENDATION * | \$ 7,438,581,210 | \$ - | \$ 1,303,738,011 | \$ - | \$ 10,850,785,264 | \$ 3,381,868,127 | \$ 22,974,972,612 | 11,351 | 11,279.21 |
| | | | | | | | | | |
| % Change from 2023-25 Leg Approved Budget | 21.8% | 0.0% | 10.2% | 0.0% | 22.2% | (8.1%) | 15.7% | 0.6% | 2.9% |
| % Change from 2025-27 Current Service Level | 1.1% | 0.0% | 2.6% | 0.0% | 4.5% | 0.0% | 2.6% | 1.0% | 0.8% |

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 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 2026 | Target 2027 |
|---|--|----------------|----------------------|-------------|-------------|
| 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 | 30.60 | 18 | 18 |
| | b) Non-Hispanic Asian/Pacific Islander | | 31.80 | 18 | 18 |
| | c) Non-Hispanic White | | 27.60 | 18 | 18 |
| | d) Non-Hispanic Native American/Alaskan Native | | 26.80 | 18 | 18 |
| | e) Hispanic (any race) | | 29.30 | 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 | 24.30% | 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 | 66% | 75% | 75% |
| 11. SUPPORTED ODDS EMPLOYMENT SERVICES TO MAINTAIN COMPETITIVE INTEGRATED EMPLOYMENT - Number of individuals in competitive integrated employment or individual supported employment | | Approved | 1,948 | 2,100 | 2,100 |
| 12. ABUSE/NEGLECT OF ADULTS WITH DEVELOPMENTAL DISABILITIES (ODDS) - The percentage of substantiated abuse/neglect of adults in licensed and endorsed programs | | Approved | 1.56% | 1.70% | 1.70% |
| 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 | 75.60% | 71% | 71% |
| 14. SSP PARTICIPANTS REPORTING HOUSING STABILITY - The percentage of Self Sufficiency participants who report their housing needs are fully met | | Approved | 17% | 25% | 25% |
| 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 | 17.40% | 20% | 20% |
| 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 | 55.70% | 75% | 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 | 54.63% | 65% | 65% |

| Legislatively Approved KPMs | Metrics | Agency Request | Last Reported Result | Target 2026 | Target 2027 |
|---|-----------------------------|----------------|----------------------|-------------|-------------|
| 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 | 58.08% | 55% | 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 | 55.80% | 55% | 55% |
| 20. OVRS MEDIAN QUARTERLY WAGE AT SECOND QUARTER FOLLOWING PROGRAM EXIT - Median quarterly wage at second quarter following OVRS program exit | | Approved | \$3,963.75 | \$3,500.00 | \$3,500.00 |
| 21. DHS CUSTOMER SATISFACTION - The percentage of customers rating their satisfaction with DHS above average, or excellent | Timeliness | Approved | 62% | 80% | 80% |
| | Accuracy | | 67.90% | 90% | 90% |
| | Overall | | 76.50% | 90% | 90% |
| | Helpfulness | | 83% | 86% | 86% |
| | Expertise | | 66.30% | 90% | 90% |
| | Availability of Information | | 90% | 92% | 92% |
| 0. SAFETY IN OREGON'S LICENSED LONGTERM CARE FACILITIES - Percentage of Long Term Care Facilities without Level 3,4 or Immediate Jeopardy (IJ) licensing violations | | Approved | | 90% | 90% |
| 0. TIMELY ELIGIBILITY DETERMINATIONS FOR APD LONG TERM SERVICES AND SUPPORTS - ALL - The percentage of older adults and people with disabilities who receive timely LTSS eligibility determinations (Timely is defined as within 45 days of the initial date of request for LTSS) | | Approved | | 0.90% | 0.90% |
| 0. ACCESSIBILITY OF APD LONG TERM SERVICES AND SUPPORTS - ALL - Percentage of eligible older adults and people with disabilities who receive assistance from paid caregivers | | Approved | | 0.90% | 0.90% |
| 0. APPLICATIONS PROCESSED TIMELY - The percentage of NEW eligibility determination requests for SNAP, Medical, LTSS and ERDC services completed timely in accordance with Federal requirements. | | Approved | | 0.95% | 0.95% |
| 0. RENEWALS PROCESSED TIMELY - The percentage of RENEWAL eligibility determination requests for SNAP, Medical, LTSS and ERDC services that are received timely are processed with no break in benefits. | | Approved | | 0.80% | 0.80% |
| 0. SNAP APPLICATIONS PROCESSED ACCURATELY - The percentage of eligibility determination requests for SNAP services completed ACCURATELY. | | Approved | | 0.95% | 0.95% |
| 0. CUSTOMER SATISFACTION WITH ELIGIBILITY SERVICES PROVIDED - The percentage CUSTOMERS receiving eligibility determination services for SNAP, Medical, LTSS and ERDC rating 'satisfactory' services and better. | | Approved | | 0.85% | 0.85% |
| 3. TIMELY APD ABUSE INVESTIGATIONS - The percentage of abuse investigations that are initiated timely | | Approved | | 0.95% | 0.95% |
| 4. RECURRENCE OF MALTREATMENT (CW) - Of all children who were victims of a substantiated or indicated report of maltreatment during a 12-month target period, what percent were victims of another substantiated or indicated maltreatment allegation within 12 months of their initial report? | | Approved | | 8% | 8% |
| 5. TIMELINESS TO PERMANENCY (CW) - Of all children who enter foster care in a target 12-month period, what percent discharged to permanency within 12 months of entering foster care | Timeliness to reunification | Approved | | 12% | 12% |
| | Timeliness to guardianship | | | 30% | 30% |

| Legislatively Approved KPMs | Metrics | Agency Request | Last Reported Result | Target 2026 | Target 2027 |
|---|---|-----------------------|----------------------|-------------|-------------|
| | Timeliness to adoption finalization. | | | 36% | 36% |
| 10. INTELLECTUAL/DEVELOPMENTAL DISABILITY DISPROPORTIONALITY (ODDS) - Percentage of IDD service recipients by race and ethnicity compared to the Oregon population race and ethnicity | INTELLECTUAL/DEVELOPMENTAL DISABILITY DISPROPORTIONALITY (ODDS) | Approved | | 1% | 1% |
| | a. American Indian/Alaska Native | | | 1% | 1% |
| | b. Asian | | | 1% | 1% |
| | c. Black | | | 1% | 1% |
| | d. Native Hawaiian and Pacific Islander | | | 1% | 1% |
| | e. White | | | 1% | 1% |
| | f. Hispanic or Latina/o/x/e | | | 1% | 1% |
| | g. More than One Race | | | 1% | 1% |
| 1. OLDER ADULTS NEEDING LONG TERM CARE SERVICES (APD) - The percentage of older adults (65+) needing publicly-funded long term care services | | Legislatively Deleted | 2.90% | | |
| 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 | | Legislatively Deleted | 88.70% | | |
| 3. TIMELY APD ABUSE INVESTIGATIONS - The percentage of abuse reports assigned for field contact that meet policy timelines | | Legislatively Deleted | 97.46% | | |
| 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 | | Legislatively Deleted | 93.40% | | |
| 5. TIMELY REUNIFICATION OF FOSTER CHILDREN (CW) - The percentage of foster children exiting to reunification within 12 months of foster care entry | | Legislatively Deleted | 76.30% | | |
| 6. TIMELY ADOPTION ONCE CHILDREN ARE LEGALLY FREE (CW) - The percentage of legally free children adopted in less than 12 months | | Legislatively Deleted | 68.50% | | |
| 10. INTELLECTUAL/DEVELOPMENTAL DISABILITY DISPROPORTIONALITY (ODDS) - Percentage of IDD service recipients by race and ethnicity compared to the Oregon population race and ethnicity | | Legislatively Deleted | | | |
| 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 | Legislatively Deleted | 2.82 | | |
| | b) Black/African American | | 1.33 | | |
| | c) Asian/Pacific Islander | | 0.34 | | |
| | d) Hispanic | | 0.94 | | |
| | e) White | | 0.99 | | |

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed 2025-27 Key Performance Measures and targets. This includes approval of 11 new KPMs and deletion of eight existing KPMs. The new KPMs improve on existing KPMs that are proposed for deletion by focusing on factors within the agency's control and add new metrics for the Oregon Eligibility Partnership programs which was newly established in 2023. In addition LFO recommends modifications to several KPM targets, including KPMs 11, 15, and 19.

SubCommittee Action:

The Human Services Subcommittee approved the Legislative Fiscal Office recommendation.

SB 5526 A