

**76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5550-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Kotek  
Carrier – Senate: Sen. Winters**

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**Action:** Do Pass as Amended and as Printed A-Engrossed

**Vote:** 22 – 2 – 1

House – Yeas: Beyer, Buckley, Cowan, Garrard, Komp, Kotek, McLane, Nathanson, Richardson, G. Smith, Thatcher, Whisnant  
– Nays: Freeman  
– Exc: Nolan

Senate – Yeas: Bates, Devlin, Edwards, Girod, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters  
– Nays: Johnson  
– Exc:

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** Sheila Baker, Legislative Fiscal Office

**Meeting Date:** June 8, 2011

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**Agency**

State Commission on Children and Families

**Budget Page**

B-9

**LFO Analysis Page**

23

**Biennium**

2011-13

<b><u>Budget Summary*</u></b>	<b>2009-11</b>	<b>2011-13</b>	<b>2011-13</b>	<b>2011-13</b>	<b>Committee Change from</b>	
	<b>Legislatively</b>	<b>Current Service</b>	<b>Governor's</b>	<b>Committee</b>	<b>2009-11 Leg Approved</b>	
	<b>Approved Budget</b>	<b>Level</b>	<b>Budget**</b>	<b>Recommendation</b>	<b>\$ Change</b>	<b>% Change</b>
General Funds	\$ 46,235,047	\$ 51,534,046	\$ 0	\$ 40,514,650	\$ (5,720,397)	-12.4%
Other Funds	18,767,467	24,316,383	0	18,822,473	55,006	+0.3%
Federal Funds	4,836,294	4,447,748	0	4,273,051	(563,243)	-11.6%
	<u>\$ 69,838,808</u>	<u>80,298,177</u>	<u>0</u>	<u>63,610,174</u>	<u>(6,228,634)</u>	

### **Position Summary**

Authorized Positions	28	28	0	16	(12)
Full-time Equivalent (FTE) Positions	25.67	25.99	0.00	14.00	(11.67)

(1) Includes adjustments through March 2011.

\* Excludes Capital Construction expenditures

\*\*Governor's budget moved programs to Early Learning Council

### **Summary of Revenue Changes**

The primary source of revenue for the Commission is General Fund, which makes up 64 percent of the overall budget.

Other Funds revenue makes up 29 percent of the budget. Most of the Other Funds revenue is received from the Department of Human Services (DHS). The funds are federal funds to DHS, but are received and spent as Other Funds in the Commission's budget. The DHS pass-through revenue consists of funding from the Social Services Block Grant (Title XX), Promoting Safe and Stable Families Grant (Title IV-B2), and Grants to States for Medical Assistance Programs (Title XIX). Title IV-B2 funds require a 25 percent cash match by the Commission and Title XIX funds require a 50 percent cash match by the Commission. There is no match required for Title XX funds.

Direct federal revenue streams make up about 7 percent of the budget. These include grants related to Juvenile Crime Prevention, which are the Title V Community Prevention Grant (requires 10 percent cash or in-kind match), the Title IIB Formula Grants (Juvenile Justice and Delinquency Prevention Allocation to States, requires 10 percent cash or in-kind from Juvenile Crime Prevention General Fund), and the Juvenile Accountability Block Grant (requires 10 percent cash or in-kind match.).

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

The Commission's mission is to provide public and private leadership working collaboratively to support and strengthen communities to improve the lives of children, youth and families. The Commission facilitates and supports local Commissions on Children and Families in each county as they develop plans to enable families and communities to help children reach their full potential. The Commission system in the state has three

components: the policy-setting state commission, the local commissions in each of the 36 counties, and state staff who provide professional-level support at the state and local levels.

The Governor proposed moving the Commission to a newly created Early Learning Council. At the time of the Commission's budget hearing, decisions regarding the formation of the Early Learning Council, or the programs and services that would be part of that Council, were not final. As a result, the SB5550 budget approved by the Human Services Subcommittee reflects the Commission as a continuing stand-alone entity.

The Subcommittee approved a budget of \$40,514,650 General Fund (\$63,610,174 total funds) and 16 positions (14.00 full-time equivalent) for the Commission. This is 12.4 percent General Fund (8.9 percent total funds) less than the Commission's 2009-11 Legislatively Approved Budget.

The recommended budget for this agency includes a reduction of \$1,469,443 General Fund for a supplemental statewide ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and not to affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Ways and Means Committee expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

More detail on the recommended budget for each of the Commission's two budget units is provided below.

#### Community Development/Program

Commission programs and initiatives are delivered locally, through the Community Development program unit. This unit includes the funding for local staff and local programs and services, as well as state staff who provide technical assistance for the local programs. The programs and initiatives include:

- Great Start – A community grant that helps implement research-based, best practice programs and stimulates local investments to ensure that Oregon's youngest children reach the first grade with good physical, social, intellectual, and emotional development.
- Children, Youth and Families – A community grant that helps implement and stimulate local investments in research-based systems, programs or initiatives identified as priorities in local comprehensive plans to ensure that all Oregon's children (ages 0-18) have access to opportunities that support their development to productive, active adults.
- Local Basic Capacity – A community grant that funds local Commissions on Children and Families' staff and operations along with resources to assist in the development and implementation of the local comprehensive plan.
- Healthy Start – A voluntary home visitation/family support program offering services to families of first children during the prenatal period through age three. Programs are operational in all of Oregon's 36 counties.

- Relief Nurseries – A program in which centers provide equal access to services for low-income families. Relief nurseries provide a variety of parenting education options, mental health services, substance abuse assessment and counseling, family strengthening and preservation programs, crisis response, home visiting, respite from parenting and therapeutic early childhood programs.
- Community Schools – A community grant that helps fund five community schools in five different counties.
- Safe and Stable Families (Family Preservation and Support, Title IV-B2 Other Funds) – A community grant that promotes the expansion of family support and family preservation services and stimulates systemic reform (ages prenatal to 18).
- Court Appointed Special Advocates (CASA) – A program operational statewide in which volunteers represent the best interests of a child in the foster care system in court.
- Juvenile Crime Prevention – A community grant that prevents delinquency by high-risk youth and provides staff to the Juvenile Crime Prevention Advisory Committee (JCPAC), which is the group overseeing the grant.
- Youth Investment (Title XX Other Funds) – A community grant for prevention and intervention services for at-risk, non-delinquent youth (ages 11 to 18).
- Homeless and Runaway Youth – A community grant that funds demonstration sites in eight counties to serve homeless or runaway youth.

The Governor's budget funded these programs and staff in the proposed Early Learning Council. Programs which were defined as early learning programs – Great Start; Children, Youth and Families; Local Basic Capacity; Healthy Start; Relief Nurseries, Community Schools; and Family Preservation and Support – were funded at their 2011-13 current service level. Other programs – CASA; Juvenile Crime Prevention; Youth Investment; and Homeless and Runaway Youth – were funded at lower levels to reflect no inflation adjustment and continuation of the General Fund allotment reductions taken in the second year of the 2009-11 biennium.

The Governor's budget for Community Development/Program did not include Child Care and Development Fund (CCDF) moneys that had been transferred from the Commission to the Department of Human Services on a one-time basis for the 2009-11 biennium, and which had been expected to return to the Commission for 2011-13. It used all available CCDF funding in the Early Learning Council budget to support other child care programs and activities, including the Employment Related Day Care program.

The Subcommittee reversed the Governor's budget package 501 which moved the Community Development/Program funding to the Early Learning Council, and made further reductions in this budget as shown below. Overall, the budget is 11 percent General Fund less than the 2009-11 legislatively approved level.

- Package 801: Targeted Statewide Adjustments reduces General Fund by \$66,941 to reflect the Ways and Means Co-Chairs' plan to reduce Services and Supplies 6.5 percent from the Governor's budget level.
- Package 810: LFO Analyst Adjustments reduces the Community Development/Program budget by \$7,008,494 General Fund, \$121,825 Federal Funds and five positions (4.49 full-time equivalent). This package reflects General Fund reductions for inflation adjustments not already taken in the Governor's budget and rolls up the 2009-11 General Fund allotment reductions not already taken in the Governor's

budget (with the exception of Relief Nurseries, for which no allotment reductions are applied). This effectively takes the second year funding reduction in 2009-11 and doubles it for the 2011-13 biennium, carrying forward the current spending level. The package also eliminates four vacant positions and one other position in Community Development/Programs, reducing the program and technical assistance staff from 16 positions to 11 positions.

- Package 819: Supplemental Statewide Ending Balance reduces General Fund by \$1,417,411 per the Ways and Means Co-Chairs' budget plan for a supplemental statewide ending balance adjustment. This is a 3.5 percent across the board reduction to the Community Development/Program's biennial General Fund budget.

### Policy and Support Services - 002

Policy and Support Services Unit provides the administrative and management functions for operation of the State Commission. It includes the Executive Director's office and staff, planning and policy management, program monitoring and evaluation, fiscal control, and information systems management. This unit also assists counties with reporting into the Fiscal, Monitoring and Outcomes Reporting System.

The Governor's budget funded Policy and Support Services at the current service level, including increases for inflation and Personal Services, as part of the Early Learning Council. The budget approved by the Subcommittee moves funding for Policy and Support Services back to the Commission, and reduces General Fund support by more than half from the Governor's level and about 36 percent from the 2009-11 legislatively approved level. The approved adjustments include the following:

- Package 801: Targeted Statewide Adjustments reduces General Fund by \$38,389 to reflect the Ways and Means Co-Chairs' plan to reduce Services and Supplies by 6.5 percent from the Governor's budget level.
- Package 810: LFO Analyst Adjustments reduces the budget by \$1,317,200 General Fund and five positions (5.00 full-time equivalent). This package reflects General Fund reductions for inflation adjustments not already taken and rolls up the 2009-11 General Fund allotment reductions not already taken in the Governor's budget. It eliminates five of the 10 positions in Policy and Support Services.
- Package 819: Supplemental Statewide Ending Balance reduces General Fund by \$52,032 per the Co-Chairs' budget plan for a supplemental statewide ending balance adjustment. This is a 3.5 percent across the board reduction to Policy and Support Services' total biennial General Fund budget.

### Summary of Performance Measure Action

See attached Legislatively Approved 2011-13 Key Performance Measures form. The Subcommittee approved the measures and targets as shown. The Juvenile Crime Prevention and Relief Nurseries programs had suggested different measures to replace KPMs 4 and 6. Given the uncertainty over the programs' organizational placement and the reduced administrative capacity for implementing, collecting data, and reporting on new and additional KPMs, however, the Subcommittee agreed those suggestions should be considered during the 2011-13 KPM development cycle, for approval by the 2013 Legislature. Further, if the Commission's programs and responsibilities are moved to be part of a different entity, the Subcommittee approved that all of these KPMs be operative only through June 2012, pending development and establishment of KPMs as a part of the new entity beginning in the 2012-2013 fiscal year.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5550-A**

**State Commission on Children and Families  
Tamara Brickman -- (503) 378-4709**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$ 46,235,047	\$ 0	\$ 18,767,467	\$ 0	\$ 4,836,294	\$ 0	\$ 69,838,808	28	25.67
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 51,534,046	\$ 0	\$ 24,316,383	\$ 0	\$ 4,447,748	\$ 0	\$ 80,298,177	28	25.99
2011-13 Governor's Recommended Budget**	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00

*\*\* Governor's budget moved programs to Early Learning Council*

SUBCOMMITTEE ADJUSTMENTS (from GRB)

Community Development/Program - 001

Package 501: Early Childhood	\$								
Personal Services	1,539,819	\$ 0	\$ 250,666	\$ 0	\$ 533,768	\$ 0	\$ 2,324,253	16	13.49
Services and Supplies	1,029,869	\$ 0	1,901,706	0	337,623	0	3,269,198		
Special Payments	45,003,206	0	16,655,028	0	3,523,485	0	65,181,719		
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(66,941)	0	0	0	0	0	(66,941)		
Package 810: LFO Analyst Adjustments									
Personal Services	(613,308)	0	0	0	(121,825)	0	(735,133)	(5)	(4.49)
Services and Supplies	174,773	0	0	0	0	0	174,773		
Special Payments	(6,569,959)	0	0	0	0	0	(6,569,959)		
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(45,878)	0	0	0	0	0	(45,878)	-	-
Services & Supplies	(30,684)	0	0	0	0	0	(30,684)		
Special Payments	(1,340,849)	0	0	0	0	0	(1,340,849)		
<u>Policy and Support Service - 002</u>									
Package 501: Early Childhood									
Personal Services	2,251,630	0	0	0	0	0	2,251,630	10	10.00
Services and Supplies	590,593	0	15,073	0	0	0	605,666		
Special Payments	0	0	0	0	0	0	0		
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(38,389)	0	0	0	0	0	(38,389)		
Package 810: LFO Analyst Adjustments									
Personal Services	(1,145,988)	0	0	0	0	0	(1,145,988)	(5)	(5.00)
Services and Supplies	(171,212)	0	0	0	0	0	(171,212)		
Special Payments	0	0	0	0	0	0	0		

\*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(41,220)	0	0	0	0	0	(41,220)	-	-
Services & Supplies	(10,812)	0	0	0	0	0	(10,812)		
Special Payments									
	\$								
TOTAL ADJUSTMENTS	<u>40,514,650</u>	<u>\$ 0</u>	<u>\$ 18,822,473</u>	<u>\$ 0</u>	<u>\$ 4,273,051</u>	<u>\$ 0</u>	<u>\$ 63,610,174</u>	<u>16</u>	<u>14.00</u>
	\$								
SUBCOMMITTEE RECOMMENDATION *	<u>40,514,650</u>	<u>\$ 0</u>	<u>\$ 18,822,473</u>	<u>\$ 0</u>	<u>\$ 4,273,051</u>	<u>\$ 0</u>	<u>\$ 63,610,174</u>	<u>16</u>	<u>14.00</u>
% Change from 2009-11 Leg Approved Budget	-12.4%	0.0%	0.3%	0.0%	-11.6%	0.0%	-8.9%	-42.9%	-45.5%
% Change from 2011-13 Current Service Level	-21.4%	0.0%	-22.6%	0.0%	-3.9%	0.0%	-20.8%	-42.9%	-46.1%
% Change from 2011-13 Gov's Recommended Budget**	-	-	-	-	-	-	-	-	-

\*\* Governor's budget moved programs to Early Learning Council

## Legislatively Approved 2011-2013 Key Performance Measures

**Agency: CHILDREN and FAMILIES COMMISSION, OREGON**

Mission: <p>Oregon's Commission on Children and Families provides progressive public and private leadership that works collaboratively to support and strengthen communities to improve the lives of children, youth and families.&nbsp; We are committed to locally-driven, results-oriented change through:&nbsp; informed and effective public policy; passionate voice and strong advocacy on behalf of children and families; engagement of diverse communities to plan and develop shared action on children's issues; and wise investment of resources with a preventative focus on healthy families.</p>

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - LOCALLY INVESTED FUNDS: Percentage of counties making progress in identified focus areas with the locally invested funds.		Approved KPM	76.00	75.00	75.00
2 - LEVERAGED FUNDS - Amount of leveraged funds reported in the Fiscal, Monitoring & Outcomes Reporting System database.		Approved KPM	50,600,000	--	42,000,000
3 - HEALTHY START PARTICIPANTS - The incidence rate of child maltreatment for children, aged 0-2 years, participating in Healthy Start.		Approved KPM	0.70	1.00	1.00
4 - JUVENILE CRIME PREVENTION - Percentage of at-risk youth served in juvenile crime prevention grant programs whose risk factors decrease.		Approved KPM	52.00	0.00	60.00
5 - COURT APPOINTED SPECIAL ADVOCATES - Percentage of children with a CASA when case is closed who have a permanent placement of reunification, adoption, or permanent guardianship.		Approved KPM	79.00	90.00	90.00
6 - RELIEF NURSERIES - Percentage of children in therapeutic childhood classrooms who experience frequent positive parent-child interactions.		Approved KPM	80.00	82.00	82.00
7 - CUSTOMER SATISFACTION - Percentage of customers rating their satisfaction with agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	85.00	85.00	85.00
7 - CUSTOMER SATISFACTION - Percentage of customers rating their satisfaction with agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	63.00	85.00	85.00



