

FISCAL IMPACT OF PROPOSED LEGISLATION

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

Measure: **SB 964 - A**
REVISED

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Reviewed by: Sheila Baker, Michelle Deister
Date: 6/1/2011

Measure Description:

Requires Department of Human Services and county partners to implement Strengthening, Preserving and Reunifying Families programs to provide family preservation and reunification child welfare services.

Government Unit(s) Affected:

Department of Human Services (DHS), Housing and Community Services Department

Summary of Fiscal Impact:

See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: <REVISED to reflect available funding and adjusted implementation plan.>

Senate Bill 964 directs the Department of Human Services (DHS) and county partners to implement Strengthening, Preserving and Reunifying Families programs to provide services that allow children to remain with their families and in their homes when appropriate and safe. The bill contains an emergency clause and is effective on passage.

By October 1, 2012 and to the extent practicable using available resources, the bill requires DHS to form collaborations and/or enter into contracts with the Oregon Health Authority (OHA), the Housing and Community Services Department (OHCS), county and community entities to design, oversee and provide culturally competent, evidence-informed services, including the following services:

1. Front end intervention services including mental health, and alcohol and drug treatment providers accompanying department caseworkers on initial calls and visits in response to allegations or reports of abuse or neglect.
2. Residential treatment whereby a member of a child's family enters a treatment facility accompanied by the child with 24-hour supervision while the child and family members engage in family strengthening activities and receive mental health and addiction treatment.
3. Supervised housing whereby a child and family remain together in program housing while participating in family strengthening activities and receive mental health and addiction treatment.
4. Family centered day and outpatient treatment services specifically designed for substance-abusing parents, either after completion of residential treatment or in lieu of residential treatment.
5. Intensive in-home services while the child and family engage in family strengthening activities.
6. Facilitation of regular contact between a child and the child's family, if separation has occurred.
7. Case managers who provide child and family supervision, and assistance with life skills development.
8. Immediate access to supervised drug-free emergency and short-term housing.
9. Access to permanent, drug-free housing with onsite case managers and access to supportive services.
10. Family finding services to identify extended family members who can provide support, resources and alternative placement options.
11. Services of a court appointed special advocate.
12. Other services and interventions as programs evolve, research develops and funding becomes available.

In addition, DHS is required to:

13. Document its active and reasonable efforts to prevent or eliminated the need for removal of a child from a child's home
14. Establish by rule client-focused functional outcome measures for Strengthening, Preserving and Reunifying Families programs. These outcomes measures may be used as a basis for funding programs and negotiating contracts.
15. Develop and implement training and continuing education curricula for programs.
16. Report annually to the Governor and appropriate interim committees of the Legislative Assembly on the progress toward and projected costs of full implementation of Strengthening, Preserving and Reunifying Families programs.
17. Seek federal approval or renewal of waiver of federal requirements to access federal savings as a result of a reduction in the cost of foster and substitute care for children in the legal custody of the department.
18. Create a plan for reinvesting federal savings into the Strengthening, Preserving and Reunifying Families programs.
19. Combine state, federal and private resources to support implementation of a statewide system of Strengthening, Preserving and Reunifying Families programs.

To fully implement the provisions of this bill, in addition to using existing staff and resources, DHS anticipates establishing 6 new permanent positions (one Principal Executive Manager F, four Operations Policy Analyst 3, and one Administrative Specialist 1) to carry out the reorganization, as well as to support the ongoing work of the Strengthening, Preserving and Reunifying Families programs. DHS estimates the fiscal impact of this measure at \$13,621,744 Total Funds for nine months of 2011-13 biennium (\$3,206,517 General Fund; \$10,415,227 Federal Funds; 2.25 FTE), and \$20.6 million for the full 24 months of the 2013-15 biennium (\$10.7 million General Fund; \$9.9 million Federal Funds; 6.00 FTE). The estimated costs and anticipated savings of Personal Services, Services & Supplies and Special Payments contracts for the 2011-13 biennium are listed by bill provision as follows:

	General Fund	Federal Funds	Total Funds
1. Front End Intervention Services	\$447,454	\$699,863	\$1,147,317
2. Residential Treatment	\$250,000	\$391,026	\$641,026
3. Supervised Housing	\$380,250	\$594,750	\$975,000
4. Family Centered Day and Outpatient Treatment	\$2,437,505	\$3,812,509	\$6,250,014
5. Intensive In-Home Services		\$2,880,360	\$2,880,360
6. Facilitation of Regular Contact	\$400,543	\$188,486	\$589,029
7. Case Managers			*
8. Immediate Access to Short-Term Housing	\$113,459	\$177,462	\$290,921
9. Access to Permanent Housing			#
10. Extended Family Finding Services			#
11. Services of a Court Appointed Special Advocate			#
12. Future Services/Program			
13. Reasonable Efforts Reporting	\$6,242	\$851	\$7,093
14. Client-Focused Outcome Measures			#
15. Training and Continuing Education	\$1,000,000	\$2,564,103	\$3,564,103
Start-up Costs	\$300,000	\$469,231	\$769,231
<i>Foster Care Savings</i>	<i>(\$2,074,067)</i>	<i>(\$1,328,274)</i>	<i>(\$3,402,341)</i>
<i>Length of Stay/Caseload Savings</i>	<i>(\$54,869)</i>	<i>(\$35,140)</i>	<i>(\$90,009)</i>
TOTAL	\$3,206,517	\$10,415,227	\$13,621,744

The cost for this initiative is included in the cost of item #5 Intensive In-Home Services.

These initiatives are either in current practice or will be absorbed with existing resources.

The Ways and Means Co-Chairs allocated \$1.6 million General Fund for this bill, so the Department of Human Services has revised its implementation plan to fit within the available funds. The changes from the costs shown above are as follows:

	General Fund	Federal Funds	Total Funds
1. Front End Intervention Services	\$447,454	\$699,863	\$1,147,317
2. Residential Treatment	\$250,000	\$391,026	\$641,026
3. Supervised Housing	\$0	\$0	\$0
4. Family Centered Day and Outpatient Treatment	\$1,083,336	\$1,694,448	\$2,777,784
5. Intensive In-Home Services		\$2,880,360	\$2,880,360
6. Facilitation of Regular Contact	\$0	\$0	\$0
7. Case Managers			
8. Immediate Access to Short-Term Housing	\$113,459	\$177,462	\$290,921
9. Access to Permanent Housing			
10. Extended Family Finding Services			
11. Services of a Court Appointed Special Advocate			
12. Future Services/Program			
13. Reasonable Efforts Reporting	\$6,242	\$851	\$7,093
14. Client-Focused Outcome Measures			
15. Training and Continuing Education	\$700,000	\$1,094,872	\$1,794,872
Start-up Costs	\$300,000	\$469,231	\$769,231
<i>Foster Care Savings</i>	<i>(\$1,242,005)</i>	<i>(\$795,405)</i>	<i>(\$2,037,410)</i>
<i>Length of Stay/Caseload Savings</i>	<i>(\$54,869)</i>	<i>(\$35,140)</i>	<i>(\$90,009)</i>
TOTAL	\$1,603,617	\$6,577,568	\$8,181,185

- 3. No investment is made in supervised housing during the 2011-13 biennium.
- 4. Funding for family-centered day and outpatient treatment services is reduced to \$1,083,336 General Fund and \$1,697,448 Federal Funds.
- 6. No funding is allocated during the 2011-13 biennium for facilitation of regular contact between child and family.
- 15. Training and continuing education costs are scaled back to \$700,000 General Fund, \$1,094,872 Federal Funds.

Foster care savings are re-estimated, at \$1,242,005 General Fund and \$795,405 Federal Funds.

The \$1,603,617 General Fund, \$6,577,568 Federal Funds, and 6 positions (6.00 FTE) to implement SB 964A are anticipated in the HB 5030 appropriations for the DHS Children, Adults and Families budget.

Housing and Community Services Department (OHCS)

This bill has an indeterminate impact on the Housing and Community Services Department depending on the level of participation required. The bill requires OHCS and other state agencies to cooperate with DHS, and to pay for services provided under the Strengthening, Preserving and Reunifying Families programs.

Currently, most OHCS programs and funds are targeted to local needs by the entity receiving the funds. Compliance with the provisions of this bill may not require new resources, but may change the prioritization of current funding sources.