
MEMORANDUM

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To: Human Services Subcommittee

From: Laurie Byerly, Legislative Fiscal Office
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Date: June 5, 2013

Subject: Department of Human Services (DHS) – SB 5529
Developmental Disabilities
Work Session Recommendations

DHS – Developmental Disabilities (Program Totals)

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
General Fund	405,394,129	537,713,615	562,044,660	547,228,082
Other Funds	33,723,765	38,379,649	25,952,618	28,755,113
Federal Funds	926,919,458	876,862,704	916,934,077	1,105,979,575
Total Funds	\$1,366,037,352	\$1,452,955,968	\$1,504,931,355	\$1,681,962,770
Positions	825	846	807	841
FTE	784.38	841.01	804.33	824.39

Attached are the recommendations from the Legislative Fiscal Office for the Developmental Disabilities (DD) program. The LFO recommended budget is 1.8% General Fund (GF) and 15.8% Total Funds (TF) more than the 2011-13 Legislatively Approved Budget.

- Standard adjustments for PERS policy changes.
- Budget changes related to 2012 Emergency Board actions.
- Reshoot adjustments to account for caseload and cost per case changes based on the Spring 2013 forecast. Also includes changes driven by updated Federal Medical Assistance Percentage (FMAP) rates, a correction to the FMAP split for the State Operated Community Programs (SOCP), and a small fund shift to account for first quarter sequester impacts.
- \$1.2 million GF to support four additional Family to Family networks, making services available to more families across the state with a particular focus on eastern Oregon.

- To implement an electronic web-based central client record and case management system, \$2.4 million GF (\$4.8 million TF) and 2 positions.
- Adds \$4.8 million GF (\$13 million TF) to cover roll-up costs associated a 1.25% wage increase for Personal Support Workers (PSW) effective April 1, 2013. The budget also includes \$7.2 million GF (\$19.9 million TF) as a placeholder for costs that will remain indeterminate until the conclusion of collective bargaining.
- At a total of \$10.3 million GF (\$25.7 million TF) and 40 positions, the budget supports the Employment First Initiative and associated Quality Assurance efforts. These resources will allow the program, in partnership with Vocational Rehabilitation and the Department of Education, to carry out activities under the Governor’s Executive Order #13-04. That directive sets out a process for moving people with developmental disabilities out of sheltered workshops and into integrated employment.
- The budget is predicated on the agency’s successful request for a federal waiver under the Community First Choice State Plan Option (K Plan). The budget builds in the required maintenance of effort (MOE) expenditures at \$29.5 million GF, which are used primarily to restore 6% rate reductions taken by programs in previous biennia. These include group homes, specialized living, transportation, and adult foster care. About \$13.5 million GF is set aside to fund a bargaining pot for health care insurance for Personal Support Workers.

Under the K Plan, the state would draw down an additional 6% in FMAP. The match on the MOE spend combined with the extra match in general, is expected to generate about \$126.6 million Federal Funds (FF).

Adjustments to Current Service Level:

See attached “SB 5529 Work Session” spreadsheet 6/3/13.

LFO recommends the Subcommittee approve a 2013-15 DHS Developmental Disabilities preliminary budget as follows:

\$ 547,228,082	General Fund
\$ 28,755,113	Other Funds
\$ 1,105,979,575	Federal Funds
841	Positions
824.39	FTE

Accept LFO Recommendation

Move the LFO recommendation for Developmental Disabilities.

Performance Measures

See attached “Legislatively Proposed 2013-15 Key Performance Measures” form for measures tied to this specific program. An agency-wide report will be presented for review and approval as part of the final action on the DHS budget.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures for Developmental Disabilities.

Budget Notes

Budget Note #1:

By January 2015, the Department of Human Services will implement a uniform needs assessment tool for individuals receiving developmental disabilities services. Any assessment tool used by the Department must be evidence-based and consider broad stakeholder input. Implementation of the uniform needs assessment tool should be done equitably and with stakeholder input.

Budget Note #2:

As the Department of Human Services implements the State Plan K Option in Developmental Disability Services, the Department shall remove the monetary cap on brokerage consumers' individual service dollars. The Department shall base brokerage personal services budgets on what is necessary to meet the assessed needs and goals of the individual receiving services.

Accept LFO Recommendation

Move approval of the budget notes.

Recommended Changes to Appropriation Bill

The Developmental Disabilities budget is part of SB 5529, which is the budget bill for the entire Department of Human Services. The recommended amendments to SB 5529 will be presented after work sessions are completed on all parts of the budget.

DEPARTMENT OF HUMAN SERVICES: DEVELOPMENTAL DISABILITIES PROGRAM
SB 5529 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
2011-13 Legislatively Approved Budget (As of December 2012)	537,713,615	-	38,379,649	876,862,704	-	-	1,452,955,968	846	841.01	
2013-15 Current Service Level Estimate (at Governor's Budget)	562,044,660	-	25,952,618	916,934,077	-	-	1,504,931,355	807	804.33	
2013-15 Governor's Budget	560,458,115	-	28,599,045	993,764,676	-	-	1,582,821,836	854	844.99	
2013-15 LFO RECOMMENDED BUDGET	547,228,082	-	28,755,113	1,105,979,575	-	-	1,681,962,770	841	824.39	

1 2013-15 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

2										
3	2013-15 Current Service Level Estimate	562,044,660	-	25,952,618	916,934,077	-	-	1,504,931,355	807	804.33
4										
5	LFO Recommendations for Existing Packages									
6	Pkg 081: May 2012 E-Board	(449,426)	-	-	(588,113)	-	-	(1,037,539)	(5)	(5.00) Span of control roll-up
7	Pkg 090: Analyst Adjustments (DAS-CFO)	-	-	-	-	-	-	-	-	- State K-Plan; Moved to Pkg 812
8	Pkg 092: PERS Taxation Policy	(126,480)	-	(364)	(184,703)	-	-	(311,547)	-	-
9	Pkg 093: Other PERS Adjustments	(1,010,639)	-	(2,908)	(1,475,867)	-	-	(2,489,414)	-	-
10	Pkg 094: December 2012 Rebalance	-	-	2,649,699	9,380,098	-	-	12,029,797	-	- Local Match and DSHP Waiver
11	Pkg 109: DD - Healthy People									
12	Family to Family Network Expansion	1,200,000	-	-	-	-	-	1,200,000	-	- Double number from 4 to 8
13	Employment First Initiative	8,603,538	-	-	13,641,968	-	-	22,245,506	10	8.80 Supports Executive Order #13-04
14	Contracted Services	4,856,426	-	-	8,219,574	-	-	13,076,000	-	- 11-13 PSW contract; raise was 1.25%
15	In-Home Support Services	7,426,020	-	-	12,568,648	-	-	19,994,668	-	- PSW Bargaining Placeholder
16	Electronic Record Keeping System	2,445,998	-	-	2,444,866	-	-	4,890,864	2	1.66 Implement centralized system
17	Quality Assurance	1,714,080	-	-	1,703,800	-	-	3,417,880	30	17.60 Monitoring, Oversight, and EO Efforts
18	Subtotal recommended existing packages	24,659,517	-	2,646,427	45,710,271	-	-	73,016,215	37	23.06
19										
20	Other LFO Recommended Adjustments									
21	Pkg 810: LFO Analyst Adjustments									
22	First Quarter Sequestration Impact	16,625	-	-	(16,625)	-	-	-	-	- Remaining risk about \$120,000
23	FMAP Change (Federal percentage increase)	(3,868,318)	-	(125,190)	3,993,508	-	-	-	-	- From 62.86% to 63.06%
24	Correct SOCP Fund Split	(4,576,060)	-	-	4,576,060	-	-	-	-	- Fixes incorrect FMAP percentage
25	Participation rates/Caseload/Cost per Case	5,970,953	-	34,707	8,483,500	-	-	14,489,160	-	- In-Home, Brokerage, Foster Care
26	Use Quality Care Fund	(250,000)	-	250,000	-	-	-	-	-	- One-time offset of GF expenditures
27	Technical adjustments and transfers	(560,463)	-	(3,449)	(295,977)	-	-	(859,889)	(3)	(3.00) MT/UA to SAEC; pos to APD
28	Pkg 812: State Plan K Option									
29	Required Maintenance of Effort (\$29.5 million GF)									
30	Residential Care	9,220,000	-	-	19,070,815	-	-	28,290,815	-	- Restores 6% rate cut made in Oct-2010

**DEPARTMENT OF HUMAN SERVICES: DEVELOPMENTAL DISABILITIES PROGRAM
SB 5529 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments	
31	Supportive Living (non-brokerage)	1,190,000	-	-	2,461,418	-	-	3,651,418	-	-	Restores 6% rate cut made in Oct-2010
32	Transportation (non-medical)	150,000	-	-	310,263	-	-	460,263	-	-	Restores 6% rate cut made in Oct-2010
33	Adult & Child Foster Care	5,420,000	-	-	11,210,826	-	-	16,630,826	-	-	Restores 6% rate cut made in Nov-2012
34	Personal Support Worker Health Insurance	13,476,849	-	-	27,875,758	-	-	41,352,607	-	-	Determined by bargaining
35	Savings resulting from higher K FMAP %	(65,665,681)	-	-	65,665,681	-	-	-	-	-	Additional 6% under K Plan Option
36	Subtotal other LFO recommended adjustments	(39,476,095)	-	156,068	143,335,227	-	-	104,015,200	(3)	(3.00)	
37											
38	Total adjustments LFO Rec from CSL	(14,816,578)	-	2,802,495	189,045,498	-	-	177,031,415	34	20.06	
39											
40	TOTAL 2013-15 LFO Recommended Budget	547,228,082	-	28,755,113	1,105,979,575	-	-	1,681,962,770	841	824.39	
41											
42	\$ Change from 2011-13 Approved	9,514,467	-	(9,624,536)	229,116,871	-	-	229,006,802	(5)	(16.62)	
43	% Change from 2011-13 Approved	1.77%	0.00%	-25.08%	26.13%	0.00%	0.00%	15.76%	-0.59%	-1.98%	
44	\$ Change from 2013-15 CSL Estimate	(14,816,578)	-	2,802,495	189,045,498	-	-	177,031,415	34	20.06	
45	% Change from 2013-15 CSL Estimate	-2.64%	0.00%	10.80%	20.62%	0.00%	0.00%	11.76%	4.21%	2.49%	
46	\$ Change from 2013-15 Governor's Budget	(13,230,033)	-	156,068	112,214,899	-	-	99,140,934	(13)	(20.60)	
47	% Change from 2013-15 Governor's Budget	-2.36%	0.00%	0.55%	11.29%	0.00%	0.00%	6.26%	-1.52%	-2.44%	

Legislatively Proposed 2013-15 Key Performance Measures

Agency: HUMAN SERVICES, DEPARTMENT of

Mission: Assisting people to become independent, healthy and safe.

Current KPM #	Proposed KPM #	Legislatively Proposed KPMs	PGM	Agency Request	Most Current Result	Target 2014	Target 2015
12	12	DEVELOPMENTAL DISABILITY SUPPORT SERVICES – The percentage of eligible adults who are receiving adult support services within 90 days of request.	DD	Approved KPM	80.40	98.00	98.00
13	13	PEOPLE WITH DISABILITIES IN COMMUNITY SETTINGS – The percentage of individuals with developmental disabilities who live in community settings of five or fewer.	DD	Approved KPM	98.50	98.60	98.60
14		INTEGRATED EMPLOYMENT SETTINGS - The percentage of people with developmental disabilities who receive SPD services who are working in integrated employment settings.	DD	Proposed Delete KPM	23.50		
	14	SUPPORTED EMPLOYMENT - Increase the number of individuals in supported employment.	DD	Proposed New KPM <i>replaces KPM #14</i>			
15	15	ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES The percentage of people with developmental disabilities experiencing abuse.	DD	Approved KPM	2.23	2.20	2.20

LFO Recommendation:

Approve KPMs #12 and 13, with targets as displayed.

Modify requested change for KPM #14 as follows: Retain the old KPM but change the wording slightly, to: "Integrated Employment Settings: The percentage of **adults** with developmental disabilities who receive **ODDS** services who are working in integrated employment settings.

Also, for KPM #14, show the most current result but leave the targets blank. Executive Order (EO) #13-04 establishes a policy group that is to recommend employment outcome metrics; that group is expected to evaluate this KPM and develop targets that fit EO objectives. Targets can be communicated to the Legislative Fiscal Office after review.

Retitle KPM #15 to "ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES" and approve the targets as presented. Direct the agency to reconsider this measure as it works to develop the Adult Protective Services KPM.