
MEMORANDUM

Legislative Fiscal Office
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To: Human Services Subcommittee

From: Laurie Byerly, Legislative Fiscal Office
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Date: June 24, 2013

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

DHS – Agency Totals

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
General Fund	1,791,286,691	2,180,437,090	2,561,372,047	2,292,487,909
Other Funds	334,595,591	514,095,196	419,141,257	473,929,802
Federal Funds	3,508,015,879	3,378,868,122	3,640,031,799	3,816,132,008
Federal Funds-NL	2,194,068,587	2,514,345,331	2,514,345,331	2,514,345,331
Total Funds	\$7,827,966,748	\$8,587,745,739	\$9,134,890,434	\$9,096,895,050
Positions	7,712	7,405	7,466	7,630
FTE	7,494.32	7,311.44	7,364.14	7,480.61

The table above reflects the agencywide, aggregate totals for the DHS budget recommendations that the Subcommittee reviewed and approved by program over the last three weeks.

Adjustments to Current Service Level:

See attached “SB 5529 Work Session” spreadsheet dated 6/20/13

Accept LFO Recommendation

Move the LFO recommendation for DHS and Senate Bill 5529.

Performance Measures

See attached agency-wide “Legislatively Proposed 2013-15 Key Performance Measures” form; this form reflects the recommendations reviewed previously and includes some additional direction to the agency based on subcommittee discussions.

Accept LFO Recommendation

Move the LFO recommendation on the agency's Key Performance Measures.

Budget Notes

Please see the attachment containing four budget notes. These are in addition to budget notes previously approved for Child Welfare, Aging and People with Disabilities, and Developmental Disabilities.

Recommended Changes to Appropriation Bill

The Legislative Fiscal Office recommends that Senate Bill 5529 be amended to reflect a budget of:

\$ 2,292,487,909	General Fund
\$ 473,929,802	Other Funds
\$ 3,816,132,008	Federal Funds
\$ 2,514,345,331	Federal Funds Nonlimited
7,630	Positions
7,480.61	FTE

Conceptual amendments to the bill consistent with the recommendation are attached.

Move to adopt the LFO recommended conceptual amendments.

SB 5529 Final Subcommittee Action:

Final Motion

Move SB 5529 to the full committee with a "do pass" recommendation, as amended.

**DEPARTMENT OF HUMAN SERVICES: AGENCY TOTALS
SB 5529 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE
2011-13 Legislatively Approved Budget (As of December 2012)	2,180,437,090	-	514,095,196	3,378,868,122	-	2,514,345,331	8,587,745,739	7,405	7,311.44
2013-15 Current Service Level Estimate (at Governor's Budget)	2,561,372,047	-	419,141,257	3,640,031,799	-	2,514,345,331	9,134,890,434	7,466	7,364.14
2013-15 Governor's Budget	2,332,119,386	-	483,658,454	3,664,075,156	-	2,514,345,331	8,994,198,327	7,857	7,675.10
2013-15 LFO RECOMMENDED BUDGET	2,292,487,909	-	473,929,802	3,816,132,008	-	2,514,345,331	9,096,895,050	7,630	7,480.61
Vocational Rehabilitation	17,716,441	-	2,318,055	71,425,384	-	-	91,459,880	224	220.28
Child Welfare	446,625,835	-	24,194,093	436,083,248	-	-	906,903,176	2,499	2,420.82
Aging and People with Disabilities	705,265,861	-	160,249,068	1,560,168,061	-	-	2,425,682,990	1,243	1,231.27
Developmental Disabilities	547,228,082	-	28,755,113	1,105,979,575	-	-	1,681,962,770	841	824
Self Sufficiency Programs	380,534,225	-	152,599,988	466,378,789	-	2,514,345,331	3,513,858,333	2,078	2,058.99
Central, Shared, Assessments	195,117,465	-	105,813,485	176,096,951	-	-	477,027,901	745	725
TOTAL 2013-15 DHS RECOMMENDED BUDGET	2,292,487,909	-	473,929,802	3,816,132,008	-	2,514,345,331	9,096,895,050	7,630	7,480.61
\$ Change from 2011-13 Approved	112,050,819	-	(40,165,394)	437,263,886	-	-	509,149,311	225	169.17
% Change from 2011-13 Approved	5.14%	0.00%	-7.81%	12.94%	0.00%	0.00%	5.93%	3.04%	2.31%
\$ Change from 2013-15 CSL Estimate	(268,884,138)	-	54,788,545	176,100,209	-	-	(37,995,384)	164	116.47
% Change from 2013-15 CSL Estimate	-10.50%	0.00%	13.07%	4.84%	0.00%	0.00%	-0.42%	2.20%	1.58%
% Change from 2013-15 Governor's Budget	(39,631,477)	-	(9,728,652)	152,056,852	-	-	102,696,723	(227)	(194.49)
% Change from 2013-15 Governor's Budget	-1.70%	0.00%	-2.01%	4.15%	0.00%	0.00%	1.14%	-2.89%	-2.53%

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	Customer Service Category	PGM	Agency Request	Most Current Result	Target 2014	Target 2015
1	1	OVRS CLOSED -EMPLOYED - The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed.		VR	Approved KPM	57.00	66.00	66.00
2	2	TANF FAMILY STABILITY – The percentage of children entering foster care who had received TANF cash assistance within the prior two months.		SS	Approved KPM	37.10	30.00	30.00
3	3	TANF RE-ENTRY – The percentage of Temporary Assistance for Needy Families (TANF) cases who have not returned within 18 months after exit due to employment.		SS	Approved KPM	64.20	65.00	65.00
4	4	SNAP (Supplemental Nutrition Assistance Program) UTILIZATION - The ratio of Oregonians served by SNAP to the number of low-income Oregonians.		SS	Approved KPM	91.70	85.00	85.00
5	5	SNAP (Supplemental Nutrition Assistance Program) ACCURACY - The percentage of accurate SNAP payments.		SS	Approved KPM	96.01	98.00	98.00
6	6	ENHANCED CHILD CARE - The percentage of children receiving care from providers who are receiving the enhanced or licensed rate for child care subsidized by DHS.		SS	Approved KPM	54.40	60.00	60.00
7	7	ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.		CW	Approved KPM	95.00	96.00	96.00
8	8	TIMELINESS and PERMANENCY OF REUNIFICATION OF CHILDREN.		CW	Approved KPM	116.80	125.00	125.00
9	9	TIMELINESS OF FOSTER CARE RELATED ADOPTIONS.		CW	Approved KPM	97.90	104.40	104.40
10		ACCESS TO I&R and I&A - Access to accurate and consistent Information & Referral and Information & Assistance for people who are not currently served by SPD.		APD	Proposed Delete KPM	97.40		
	10	LTC NEED PREVENTION - Percentage of seniors (65+) needing publicly funded long term care services.		APD	Proposed New KPM <i>replaces KPM #10</i>	5.34	5.00	5.00
11		SENIORS LIVING OUTSIDE OF NURSING FACILITIES - The percentage of Oregon's seniors receiving SPD long-term care services who are living outside of nursing facilities.		APD	Proposed Delete KPM	83.60		
	11	LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES - The percentage of Oregonians accessing publicly funded long term care services who are living outside of nursing facilities.		APD	Proposed New KPM <i>replaces KPM #11</i>	84.21	85.09	85.96

Legislatively Proposed 2013-15 Key Performance Measures

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Current KPM #	Proposed KPM #	Legislatively Proposed KPMs	Customer Service Category	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 replaces KPM #14			
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
16		ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES The percentage of seniors and adults with physical disabilities experiencing abuse.		APD	Proposed Delete KPM	0.59		
	16	RE-ABUSE OF SENIORS AND ADULTS WITH DISABILITIES % of individuals who have experienced re abuse within a one year period.		APD	Proposed New KPM replaces KPM #16			
17	17	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Overall	AGY	Approved KPM	68.00	75.00	75.00
17	17	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Accuracy	AGY	Approved KPM	71.60	75.00	75.00
17	17	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Availability of Information	AGY	Approved KPM	72.10	75.00	75.00
17	17	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Expertise	AGY	Approved KPM	72.70	75.00	75.00
17	17	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Helpfulness	AGY	Approved KPM	72.20	75.00	75.00

Legislatively Proposed 2013-15 Key Performance Measures

Agency: HUMAN SERVICES, DEPARTMENT of

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Current KPM #	Proposed KPM #	Legislatively Proposed KPMs	Customer Service Category	PGM	Agency Request	Most Current Result	Target 2014	Target 2015
17	17	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Timeliness	AGY	Approved KPM	71.40	75.00	75.00
NEW	18	PLACEHOLDER: SERVICE EQUITY - Measure agency's ability to reduce disparities in client outcomes.		AGY	Proposed New KPM			

LFO Recommendation:

Approve KPMs #1 through 9, 12, 13, 17, and 18 with targets as shown.

Approve delete/new (replacement) requests for current KPMs #10 and 11, 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.

Deny request to delete/replace KPM #16. Retain KPM #16 as a placeholder performance measurement for Adult Protective Services and direct the agency to develop an alternative KPM for 2015-17, with the understanding that DHS will continue to capture, analyze, and report on abuse-related data as part of the agency's overall program management responsibilities.

Approve the customer service performance measure elements with targets as shown. Approve the placeholder request for Service Equity as KPM #18; specific measure and targets to be included with requested KPMs for 2015-17.

Direct the Department of Human Services, as the agency works to align KPMs with its performance-based management system for the 2015-17 budget cycle, to improve the consistency of measurement components, displays, and comparisons.

Additional Budget Notes for SB 5529 – Department of Human Services

Agency-wide

The Department of Human Services shall provide a report to the Joint Committee on Ways and Means during the 2015 legislative session on services, providers, and rates for each agency program relying on direct care workers for service delivery. Dependent on the project's final scope and expertise required, the Department may contract with a third party to complete the report. The report will include a description of the services, provider type, number of direct care workers, and worker turnover rates.

In addition, the report will show provider rates for the 2009-11, 2011-13, and 2013-15 biennia and the relationship between those rates and direct care worker wages. Where possible, the report will also show comparisons between the 2013-15 rates and what those rates would be if 2003-05 rates had been indexed to inflation from that biennium forward.

Within programs or specific services, the report will also describe how worker wages are determined, for example, whether by the employer or through a collective bargaining agreement. The Department will also identify any current data gaps, attempt to resolve them if possible, and outline strategies to resolve them for future reporting. Finally, the report will explore other options – beyond simply increasing rates – for ensuring that funding increases translate into in wage increases for direct care workers. Some recognized strategies include implementing wage pass through legislation, providing enhanced reimbursements tied to workforce outcomes, specifying a minimum allocation of rate to direct care labor costs, and revising contract language. It is the intent of the Joint Committee on Ways & Means that provider rate increases in the 2013-15 budget have as a priority salary and benefit increases for direct care workers in order to reduce turnover rates.

Child Welfare

The Department of Human Services shall report, to the Interim Joint Committee on Ways and Means in September 2013, on the following information concerning implementation of the Strengthening, Preserving, and Reunifying Families program under SB 964 (2011):

- 1) An accounting of program funds spent during the 2011-2013 biennium. For contracted activities, for each contract report should include information on the contractor, services provided, amount of funds expended, specified outcomes, and extent to which those outcomes were achieved.
- 2) An accounting of any contracts issued under SB 964 (2011) in the 2013-15 biennium including information on the contractor, services provided, contract amount, and a delineation of expected outcomes in each contract.
- 3) For the remaining 2013-15 contracts, information on issuance timelines, services provided, and expected outcomes.

Developmental Disabilities

As the Department of Human Services implements CMS approved Medicaid State Plan 1915(K) Option in Developmental Disability Services, the Department shall eliminate program wide monetary caps on brokerage consumer's individual service dollars. The Department shall base access and amount of an individual's brokerage personal service budget on needs identified through a functional needs assessment and the individual's goals identified through the person centered planning process. The department will continue to develop an individual service plan that is based upon the individual's goals and is designed to provide individualized supports necessary to further the achievement of those goals. Funding for all services will be in accordance with regulations established by the Centers for Medicare and Medicaid Services. The department is directed to keep person centered planning and self-determination as foundations of the DD system.

Aging and People with Disabilities

The Department of Human Services (DHS) and the Oregon Health Authority (OHA) are directed to submit reports to the 2015 Legislature on how they have each responded with plans and/or actions that address the recommendations for the agencies contained in the 2013 *Report on Senior and Disability Mental Health and Addictions* in regards to the following:

- Create greater access to mental health and addiction services geared to the needs of seniors and persons with disabilities.
- Increase the capacity of the OHA Addictions and Mental Health program and providers to serve severely impaired seniors and persons with disabilities.
- In the health care transformation process, clarify the collaboration between the Coordinated Care Organizations and the DHS Aging and People with Disabilities (APD) program to develop best practices in dealing with the dual-eligible populations.
- Establish the role that senior and disability mental health and addictions will play in the re-definition of community-based long term care through APD.
- Provide for greater geriatric training for professionals in the system.
- Create greater public awareness of mental health and addictions issues among seniors and persons with disabilities.
- Create ability to track and report on Mental Health and Addiction.
- Services to elderly and persons with disabilities.

Senate Bill 5529

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Oregon Department of Administrative Services)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Appropriates moneys from General Fund to Department of Human Services for certain biennial expenses.

Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts and certain federal funds, but excluding lottery funds and other federal funds, collected or received by department for certain purposes.

Limits biennial expenditures by department from certain federal funds.

Authorizes specified nonlimited expenditures.

Declares emergency, effective July 1, 2013.

A BILL FOR AN ACT

Relating to the financial administration of the Department of Human Services; appropriating money; limiting expenditures; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. There are appropriated to the Department of Human Services, for the biennium beginning July 1, 2013, out of the General Fund, the following amounts, for the following purposes:

		180,949,717
(1)	Central services \$ 163,937,807	
	Central Services, Statewide Assessments and Enterprise-wide Costs	
(2)	Children, adults and families \$ 868,584,755	844,876,501
	Child Welfare, Self Sufficiency, and Vocational Rehabilitation Services	
(3)	Seniors and people with disabilities \$ 1,285,429,076	1,252,493,943
	Aging and People with Disabilities and Developmental Disabilities Programs	
(4)	Debt service \$ 14,167,748	

SECTION 2. Notwithstanding any other law limiting expenditures, the following amounts are established for the biennium beginning July 1, 2013, as the maximum limits for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and Medicare receipts and including federal funds for indirect cost recovery, Social Security Supplemental Security Income recoveries and the Child Care and Development Fund, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Human Services, for the following purposes:

(1)	Central services \$ 18,623,005	1,488,130
	Central Services, Statewide Assessments and Enterprise-wide Costs	
(2)	Children, adults and families \$ 170,219,980	179,112,136
	Child Welfare, Self Sufficiency, and Vocational Rehabilitation Services	
(3)	Seniors and people with disabilities \$ 187,191,125	189,004,181
	Aging and People with Disabilities and Developmental Disabilities Programs	
(4)	Shared services \$ 107,624,344	104,325,355

SECTION 3. Notwithstanding any other law limiting expenditures, the following amounts

Note: For budget, see 2013-2015 Biennial Budget

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.

1 are established for the biennium beginning July 1, 2013, as the maximum limits for payment
2 of expenses from federal funds, excluding federal funds described in section 2 of this 2013
3 Act, collected or received by the Department of Human Services, for the following purposes:

4	(1) Central services	\$	172,533,595	176,096,951
5	Central Services, Statewide Assessments and Enterprise-wide Costs			
6	(2) Children, adults and			973,887,421
7	families	\$	935,032,242	
8	Child Welfare, Self Sufficiency, and Vocational Rehabilitation Services			
9	(3) Seniors and people with			2,666,147,636
10	disabilities	\$	2,556,509,319	
11	Aging and People with Disabilities and Developmental Disabilities Programs			

12 **SECTION 4.** For the biennium beginning July 1, 2013, expenditures by the Department
13 of Human Services for federal food stamp benefit payments are not limited.

14 **SECTION 5.** This 2013 Act being necessary for the immediate preservation of the public
peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
July 1, 2013.