
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: Human Services Subcommittee

From: Laurie Byerly, Legislative Fiscal Office
(503) 986-1833

Date: June 24, 2013

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

DHS – Self Sufficiency (Program Totals)

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
General Fund	381,049,803	303,855,060	450,524,645	380,534,225
Other Funds	101,982,343	145,684,999	125,947,009	152,599,988
Federal Funds	429,507,179	446,953,925	414,594,306	466,378,789
Federal Funds-NL	2,191,996,819	2,514,345,331	2,514,345,331	2,514,345,331
Total Funds	\$3,104,536,144	\$3,410,839,315	\$3,505,411,291	\$3,513,858,333
Positions	2,341	2,068	2,089	2,078
FTE	2,288.64	2,065.71	2,071.59	2,058.99

Attached are the recommendations from the Legislative Fiscal Office (LFO) for the Self Sufficiency program. The LFO recommended budget is 25.2% General Fund (GF) and 3.0% Total Funds (TF) more than the 2011-13 Legislatively Approved Budget. The skewed increase in General Fund is primarily due to the use of \$65 million in one-time non-General Fund resources to balance the current biennium's budget. One-time resources are used again in 2013-15, but at about half that level. The budget plan includes:

- Standard adjustments for PERS policy changes.
- Budget changes related to 2012 Emergency Board actions.
- Reshoot adjustments to reflect caseload and cost per case changes based on the Spring 2013 forecast and a fund shift to account for first quarter sequester impacts.
- Continuation of several 2011-13 modifications made to the Temporary Assistance for Needy Families (TANF) program to reduce program spending. These include

up-front eligibility process changes, denying aid based on a “job quit” period, eliminating enhanced payments for clients applying for federal Supplemental Security Income benefits, and setting an income eligibility limit equal to 185% of federal poverty guidelines for non-parent caretaker relatives of dependent children. Supporting statutory adjustments will be included in the program change bill.

- Funding for Self Sufficiency staffing levels at 71% of the workload model overall, including an increase in TANF case management staffing levels from about 35% to about 65%. This includes a realignment of positions and classifications.
- Continuation of the Self Sufficiency Modernization project with an investment of \$7.1 million GF (\$56.1 million TF). DHS is transitioning from program-oriented process and duplicative systems to more efficient and streamlined systems. One expected project outcome is workers having fewer business processes and less paperwork, giving them more time with clients. Along with General and Federal Funds, the funding package relies on \$14.4 million in XI-Q bond proceeds.

While the recommended project spending level is unchanged from the Governor’s proposal, the LFO recommendation does include the addition of 15 permanent positions. Initial stages of the project were supported with limited duration positions and resources needed to maintain continuity over the project’s anticipated six to ten year time horizon were not built in. The DHS positions will be responsible for ongoing activities associated with the project include defining a business-centric data management strategy, developing new approaches to service delivery from a caseworker/field perspective, running core business analytics, and managing updates and changes to business rules required due to legislative and other policy actions.

- An add-back of \$5 million General Fund to the Job Opportunity and Basic Skills (JOBS) program, which was continued at 2011-13 levels in the Governor’s budget. The add-back will allow the agency to serve more clients but the program will still be limiting services to those that are most “job ready” and “near job ready”.
- Increases for the Employment Related Day Care program (ERDC), which provides child care subsidies to employed parents. The recommended budget includes the Governor’s funding level, which supported a biennial monthly average of 9,000 cases without any rate increase, plus another \$2 million General Fund. The additional dollars are expected to help increase child care provider rates; a modest reduction in the average caseload target of 9,000 may also be needed to implement rate increases within available program funding. For context, the 2011-13 average caseload is 8,500 and the last provider rate increase was in 2007.
- \$10 million General Fund to reverse a policy change in the Governor’s budget, which would have implemented a 36 month, full family time-limit for the TANF program starting October 1, 2013. The current 60 month time-limit is retained.

Adjustments to Current Service Level:

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

LFO recommends the Subcommittee approve a 2013-15 DHS Self Sufficiency preliminary budget as follows:

\$ 380,534,225	General Fund
\$ 152,599,988	Other Funds
\$ 466,378,789	Federal Funds
\$ 2,514,345,331	Federal Funds Nonlimited
2,078	Positions
2,058.99	FTE

Accept LFO Recommendation

Move the LFO recommendation for Self Sufficiency.

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 Self Sufficiency.

Budget Notes

No budget notes are recommended.

Recommended Changes to Appropriation Bill

The Self Sufficiency 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: SELF-SUFFICIENCY PROGRAMS
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)	303,855,060	-	145,684,999	446,953,925	-	2,514,345,331	3,410,839,315	2,068	2,065.71	
2013-15 Current Service Level Estimate (at Governor's Budget)	450,524,645	-	125,947,009	414,594,306	-	2,514,345,331	3,505,411,291	2,089	2,071.59	
2013-15 Governor's Budget	394,177,657	-	145,544,021	450,226,101	-	2,514,345,331	3,504,293,110	2,063	2,053.77	
2013-15 LFO RECOMMENDED BUDGET	380,534,225	-	152,599,988	466,378,789	-	2,514,345,331	3,513,858,333	2,078	2,058.99	

1 2013-15 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL										
2										
3 2013-15 Current Service Level Estimate	450,524,645	-	125,947,009	414,594,306	-	2,514,345,331	3,505,411,291	2,089	2,071.59	
4										
5 LFO Recommendations for Existing Packages										
6 Pkg 081: May 2012 E-Board actions	(1,077,007)	-	(37,499)	(1,124,566)	-	-	(2,239,072)	(13)	(12.45)	Span of control roll-up
7 Pkg 090: Analyst Adjustments (DAS-CFO)										
8 Continue Pre-SSI Enhanced Rate Reduction	(2,351,103)	-	-	-	-	-	(2,351,103)	-	-	Clients receive standard grant
9 Continue Post TANF Reduction	(3,046,627)	-	-	-	-	-	(3,046,627)	-	-	Suspend post-TANF \$
10 TANF Time Limit @ 36 months	(10,431,840)	-	-	-	-	-	(10,431,840)	-	-	Keeps hardship exemption
11 Hold JOBS @ 2011-13 Levels (undo backfill)	(31,470,224)	-	-	-	-	-	(31,470,224)	-	-	Serves 15% of mandatory clients
12 Pkg 092: PERS Taxation Policy	(333,720)	-	(35,331)	(313,167)	-	-	(682,218)	-	-	Eliminate non-resident tax remedy
13 Pkg 093: Other PERS Adjustments	(2,666,582)	-	(282,313)	(2,502,352)	-	-	(5,451,247)	-	-	COLA modification/admin actions
14 Pkg 094: December 2012 Rebalance	1,313,905	-	5,592,155	4,916,409	-	-	11,822,469	-	-	GF TANF Costs and OF/FF SSM \$
15 Pkg 102: SS - Healthy People										
16 Internal Staffing Adjustments	-	-	-	-	-	-	-	(13)	(15.15)	Shift from elig to case mgmt
17 Self Sufficiency Modernization	7,121,232	-	14,360,000	34,655,471	-	-	56,136,703	15	15.00	XI-Q bond supported
18 Pkg 103: SS - Economy & Jobs										
19 Remove Inflation	(4,059,518)	-	-	-	-	-	(4,059,518)	-	-	Gov's funding strategy
20 Non-needy Caretaker Relative	(6,838,272)	-	-	-	-	-	(6,838,272)	-	-	Eligibility @ 185% poverty level
21 Job Quit	(910,234)	-	-	-	-	-	(910,234)	-	-	4 month penalty for quit w/o cause
22 Up Front Eligibility	(3,079,764)	-	-	-	-	-	(3,079,764)	-	-	Employability assessment
23 Pkg 105: SS - Education										
24 ERDC Caseload	6,900,000	-	-	-	-	-	6,900,000	-	-	Biennial average @ 9,000 cases
25 Remove Inflation	(31,521)	-	-	-	-	-	(31,521)	-	-	Gov's funding strategy
26 Continue 11-13 ERDC Policy Changes	(5,385,713)	-	-	-	-	-	(5,385,713)	-	-	SE not eligible, higher co-pay
27 Subtotal recommended existing packages	(56,346,988)	-	19,597,012	35,631,795	-	-	(1,118,181)	(11)	(12.60)	
28										
29 Other LFO Recommended Adjustments										

**DEPARTMENT OF HUMAN SERVICES: SELF-SUFFICIENCY PROGRAMS
SB 5529 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
30 Pkg 810: LFO Analyst Adjustments:										
31 Caseload and Cost per Case (Spring 2013 Forecast)	11,510,266	-	-	-	-	-	11,510,266	-	-	TANF Unemployed
32 First Quarter Sequestration Impact	125,500	-	(66,875)	(58,625)	-	-	-	-	-	Remaining risk about \$880,000
33 True-up expenditure sourced by housing revenue	-	-	(678,206)	-	-	-	(678,206)	-	-	Ties to OHCS 1-year budget
34 Apply TANF Carryover	(7,497,257)	-	-	7,497,257	-	-	-	-	-	Estimated carryover
35 Apply TANF Contingency Funds	(4,013,009)	-	-	4,013,009	-	-	-	-	-	Based on fed allocation and history
36 Technical adjustments and transfers	(8,868,932)	-	(98,952)	(9,298,953)	-	-	(18,266,837)	-	-	MT & UA; \$9.1 AG to CW
37 Use 2011-13 CCDF carryforward	(7,900,000)	-	7,900,000	-	-	-	-	-	-	Available funding
38 FFY14 TANF Contingency Funds	(14,000,000)	-	-	14,000,000	-	-	-	-	-	Some risk
39 Employment Related Day Care	2,000,000	-	-	-	-	-	2,000,000	-	-	Rate inc w/modest caseload offset
40 Pkg 814: TANF and JOBS Restorations										
41 Keep TANF Time Limit @ 60 months	10,000,000	-	-	-	-	-	10,000,000	-	-	Reverses cut in Pkg 090
42 JOBS Partial Restoration	5,000,000	-	-	-	-	-	5,000,000	-	-	Cover 18% to 21% mandatory clients
43 Subtotal other LFO recommended adjustments	(13,643,432)	-	7,055,967	16,152,688	-	-	9,565,223	-	-	
44										
45 Total adjustments LFO Rec from CSL	(69,990,420)	-	26,652,979	51,784,483	-	-	8,447,042	(11)	(12.60)	
46										
47 TOTAL 2011-13 LFO Recommended Budget	380,534,225	-	152,599,988	466,378,789	-	2,514,345,331	3,513,858,333	2,078	2,058.99	
48										
49 \$ Change from 2011-13 Approved	76,679,165	-	6,914,989	19,424,864	-	-	103,019,018	10	(6.72)	
50 % Change from 2011-13 Approved	25.24%	0.00%	4.75%	4.35%	0.00%	0.00%	3.02%	0.48%	-0.33%	
51 \$ Change from 2013-15 CSL Estimate	(69,990,420)	-	26,652,979	51,784,483	-	-	8,447,042	(11)	(12.60)	
52 % Change from 2013-15 CSL Estimate	-15.54%	0.00%	21.16%	12.49%	0.00%	0.00%	0.24%	-0.53%	-0.61%	
53 \$ Change from 2013-15 Governor's Budget	(13,643,432)	-	7,055,967	16,152,688	-	-	9,565,223	15	5.22	
54 % Change from 2013-15 Governor's Budget	-3.46%	0.00%	4.85%	3.59%	0.00%	0.00%	0.27%	0.73%	0.25%	

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
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 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 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

LFO Recommendation:

Approve the measures with targets as shown; targets for KPM #5 were increased by LFO from 96.00 to 98.00.