



2013-15 Governor's Budget

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DAS
DEPARTMENT OF
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SERVICES


Governor's Budget: Outcomes-Based

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- **Develop a statewide vision of the future, with accountability to citizens**
- **Focus on achieving outcomes over 10 years through strategic spending and investments**
- **Start the budget process with the amount available to spend**
- **Separate the people who recommend budgets from the people who receive the money**
- **Make budget decisions based on getting the best results for the money available**
- **Invest in areas of change and innovation**

Governor's Budget: Priorities

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- **Putting Children, Families and Education First**
 - **Investing in Jobs and Innovation**
 - **Lowering the Cost of Government**
- 

Governor's Budget: 10-Year Goals

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- **Education**

- Every Oregonian has the knowledge, skills, and credentials to succeed in life

- **Jobs & Innovation**

- Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians

- **Healthy People**

- Oregon provides better health and better care at lower costs

- **Safety**

- Oregonians are safe and secure

- **Healthy Environment**

- Oregon's environment is healthy and sustains our communities and economy

Governor's Budget: Major Process Changes

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- Organized budget discussions by program outcomes, instead of agency by agency
- Required agencies to submit bid forms explaining how funding their programs would help achieve long term objectives
- Capped agency General Fund and Lottery Funds requests
- Invited citizens to participate on Program Funding Teams instead of the historical analyst recommendation followed by agency appeal process
- Made recommendations based on evaluating how effective investments would be in reaching long term goals

Governor's Budget: Funding Team Process

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- Governor appointed six Program Funding Teams to review programs and outcomes
- Program Funding Teams made specific recommendations to the Governor to:

Program Funding Teams	
Education	Jobs & Innovation
Healthy People	Healthy Environment
Safety	State Government Administration

- ✦ Increase investments in areas that position Oregon for the future
- ✦ Limit growth in areas that are the consequences of failed systems

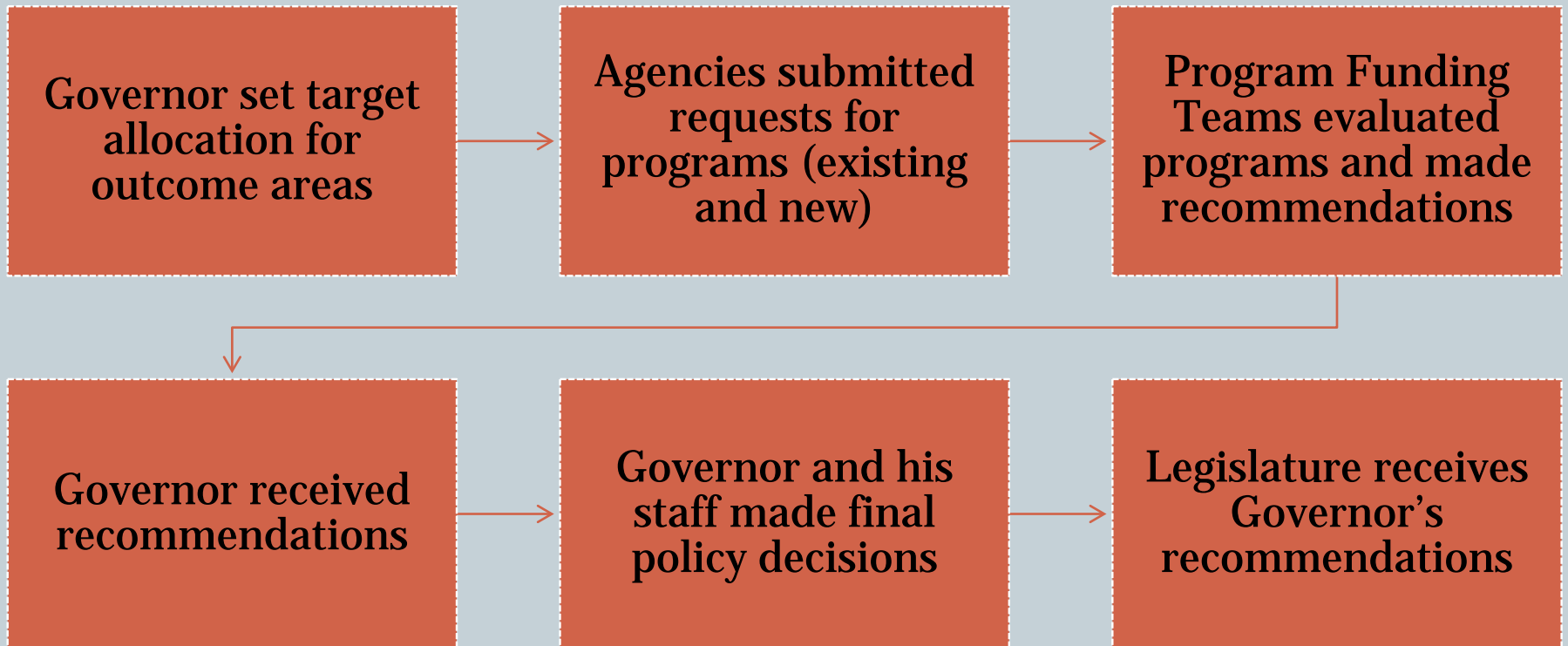
Governor's Budget: Funding Team Process

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- 2013-15 revenue growth is projected to add \$1.4 billion in General Fund and Lottery Fund resources (approximately 9% increase from 2011-13 revenues)
- Governor started with flat funding at 2011-13 biennium spending levels
- Funding Teams were asked to recommend investments holding outcome areas to 6% growth from 2011-13
Legislatively Approved Budget

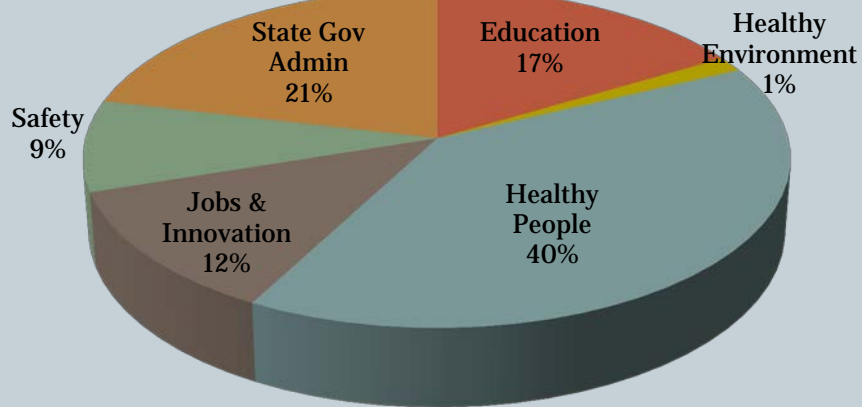
2013-15 Governor's Budget Process

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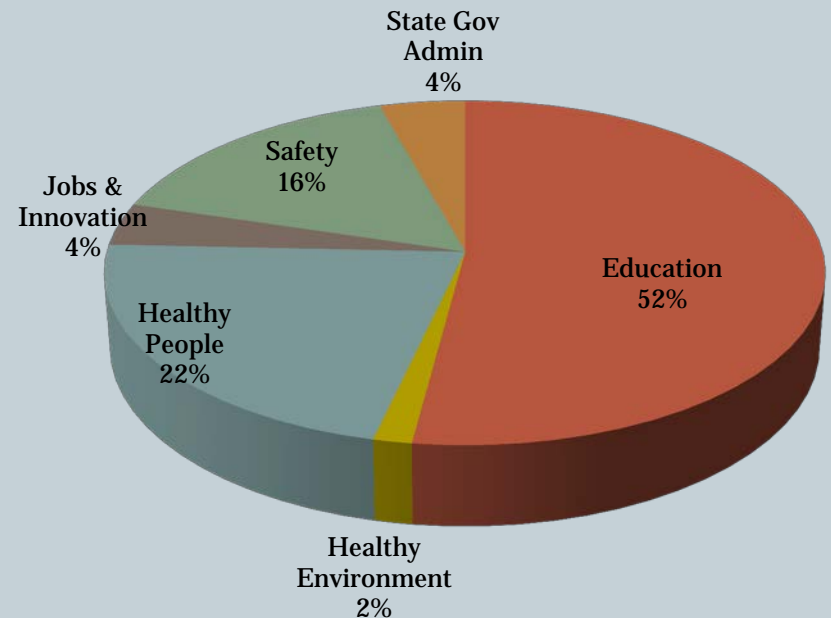


2013-15 Governor's Budget Overview

Total Funds Distribution Across Outcome Areas



GF/LF Distribution Across Outcome Areas



Displays exclude constitutionally elected official.

2013-15 Governor's Budget Overview

Outcome Areas in the Legislative Process

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Ways and Means Subcommittees

- **Education**
- **Human Services**
- **Public Safety**
- **Transportation & Economic Development**
- **Natural Resources**
- **General Government**
- **Capital Construction**

Outcome Areas

- **Education**
- **Healthy People**
- **Safety**
- **Jobs & Innovation**
- **Healthy Environment**
- **State Government Administration**

2013-15 Governor's Budget Overview

Human Services Committee Agencies

- **Blind Commission**
- **Oregon Health Authority**
- **Department of Human Services**
- **Long Term Care Ombudsman**
- **Nursing Board**
- **Medical Board**
- **Psychiatric Security Review Board**

Healthy People Outcome Area

- **Blind Commission**
- **Oregon Health Authority**
- **Housing & Community Services**
- **Dept of Human Services**
- **Justice Dept**
- **State Library**
- **Public Utility Commission**
- **Revenue Dept**
- **Veterans' Affairs Dept**

2013-15 Governor's Budget Overview

Human Services Committee Agencies

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Outcome Area Mapping*

Blind Commission (3)

Oregon Health Authority (3)

Dept of Human Services (5)

Long Term Care Ombudsman (1)

Nursing Board (1)

Medical Board (1)

Psychiatric Security Review
Board (1)

Safety

Dept of Human Services

- Child Welfare
- Licensing & Regulatory Oversight
- Adult Protective Services

Long Term Care Ombudsman

Nursing Board

Medical Board

Psychiatric Security Review
Board

Jobs & Innovation

Blind Commission

- Business Enterprises
- Rehabilitation & Orientation Svcs

Dept Of Human Services

- Self Sufficiency Programs (TANF & JOBS)
- Vocational Rehabilitation Services

Healthy People

Blind Commission

- Industries for the Blind

Oregon Health Authority

- Health Programs
- Addictions & Mental Health
- Public Health

Dept of Human Services

- Aging and Physically Disabled
- Developmentally Disabled
- Supplemental Nutrition Asst Pgm

Education

Dept of Human Services

- Employment Related Daycare

Oregon Health Authority

- Babies First! & Maternal Child Health

State Gov Admin

Blind Commission

Oregon Health Authority

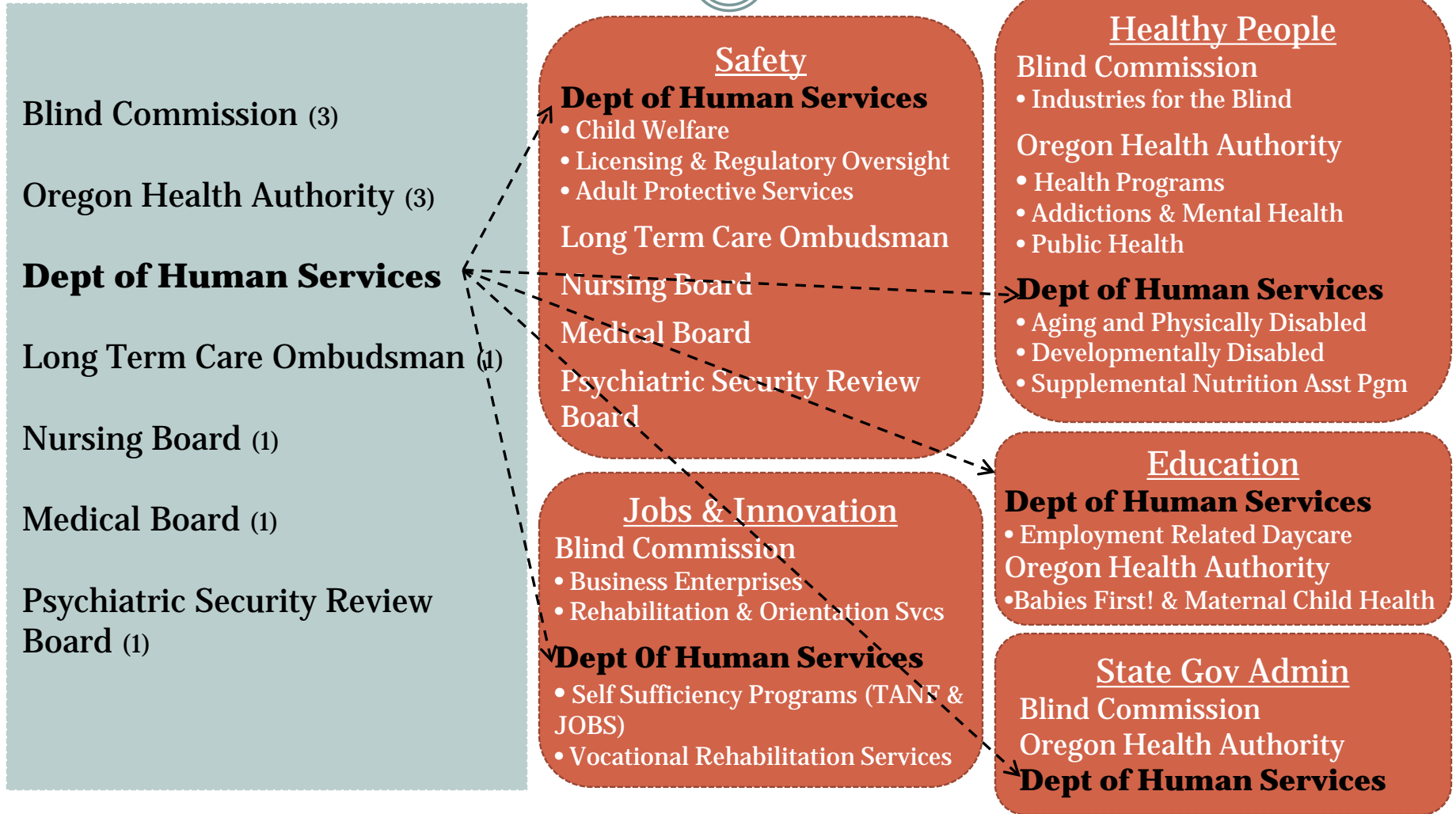
Dept of Human Services

2013-15 Governor's Budget Overview

Human Services Committee Agencies

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Outcome Area Mapping*



*No programs mapped to Healthy Environment

2013-15 Governor's Budget Highlights

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- **HEALTHY PEOPLE**
- **SAFETY**
- **EDUCATION**
- **JOBS AND INNOVATION**

Governor's Budget Overview

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Governor's Vision

- **Putting Children, Families and Education First**
- **Investing in Jobs and Innovation**
- **Lowering the Cost of Government**

Healthy People Overview

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Program Funding Team

- **Eric Parsons; retired CEO Standard Insurance, Oregon Health Policy Board Chair**
- **Tammy Baney; Deschutes County Commissioner, Association of Oregon Counties Chair**
- **Chris Demars; Senior Program Officer, Northwest Health Foundation**
- **Richard Harris; retired Executive Director of Central City Concern and the Oregon Health Authority Addictions and Mental Health Director**
- **Norwood Knight Richardson, MD; Vice President and Chief Administrative Officer Oregon Health and Science University**

Healthy People Overview

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Key Principles Developed by Program Funding Team

- Coordinate and integrate better patient and/or client care
- Serve clients in most efficient, lowest cost setting with the most integration in their own community
- Maximize funding from federal partners
- Focus on primary prevention programs for better patient outcomes and prevent the need for higher cost care
- Hold PEBB and OEBC to the same promise that OHP is promising, which includes holding per capita trends to 2 percent less than projected.

Healthy People Overview

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- **10-Year Budget Framework**
 - Goal (what we want to accomplish)
 - Strategies (how we get there)
 - Success Metrics (how we measure progress)

Healthy People Overview

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Goal

**Oregon provides better health and
better care at lower cost**

Healthy People Overview

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Key Strategies & Investments

- Coordinate care to focus on community-based prevention and management of chronic conditions.
- Use quality of care and performance standards that address health disparities and focus on wellness, prevention, and patient-centered care.
- Focus resources on prevention, avoiding health problems before they start.

Healthy People Overview

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Key Strategies & Investments (cont)

- Expand the Oregon Health Plan to Oregonians under 138% of poverty.
- Ensure patient safety and quality improvement is a key focus between patients and providers.
- Ensure low-income Oregonians and their children are able to meet their most basic needs, from access to nutritious food to affordable housing and health care.
- Improve the quality and availability of patient-centered care options for seniors and people with disabilities.

Healthy People Overview

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Key 10-Year Success Metrics

- Per capita Medicaid health care spending is reduced by 2%
- The number of uninsured Oregonians is decreased by 50%
- Reduce adult obesity rate to less than 30%.
- Reduce childhood obesity rate to less 10%.
- Greater than 84% of babies born in Oregon will have a normal birth weight.
- Reduce adult smoking rates to below 15%.

Education Overview

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Goal

**Every Oregonian has the
knowledge, skills, and credentials
to succeed in life**

Education Overview

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Key Strategies & Investments

- Align funding, outcomes, and education strategies across the entire continuum of a child's development.
- Streamline early childhood services and invest in Oregon kids from an early age so they are set up to succeed before they enter kindergarten
- Use early screening to identify and help students who need it most
- Promote parent and family involvement in their children's success.

Education Overview

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Key 10-Year Success Metrics

- Every child arrives at kindergarten ready to succeed
- All 3rd graders are reading at grade level
- 40/40/20

Jobs and Innovation Overview

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Goal

Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians.

Jobs and Innovation Overview

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Key Strategies & Investments

- Prepare Oregon's workforce for the 21st century
- Drive down the cost of doing business in Oregon by reforming major cost drivers like health care

Jobs and Innovation Overview

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Key 10-Year Success Metrics

- 25,000 net new jobs per year
- Oregonians are earning family wages with per capita income exceeding the national average
- The objectives of the Oregon Business Plan are met

Safety Overview

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Goal

Oregonians are safe and secure

Safety Overview

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Key Strategies & Investments

- Give struggling families better access to the help they need to keep their kids at home and out of the foster care system.
- Help vulnerable youth avoid the juvenile justice system

Safety Overview

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Key 10-Year Success Metrics

- Number of children in foster care is reduced by 17%
- Number of young people in the juvenile justice system is decreased by 22%
- Overrepresentation of people of color in victimization, arrests, and incarceration is reduced by 15%.
- Corrections spending is reduced to 9% or less of the general fund.

Governor's Budget Overview

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- **Lessons Learned**

- Importance of developing budgets that are cross-cutting across state agencies
- Valuable insight from outside experts
- Challenges of developing outcome metrics and those that are long term
- The need for alignment on outcome based budget between Executive and Legislative branches

The End

