



# Oregon

Kate Brown, Governor

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April 1, 2015



The Honorable Alan Bates, Co-Chair  
The Honorable Nancy Nathanson, Co-Chair  
Ways and Means Subcommittee on Human Services  
900 Court Street NE  
Salem, OR 97301

Dear Co-Chairs:

Please accept this letter as our response to the Committee's questions raised during the DHS Wrap-Up presentation on March 4, 2015.

## Question:

For 2015-17 there's an assumed 3 percent vacancy factor. Where is DHS now in terms of the vacancy factor? How do you think that will affect the work we are asking you to do?

## Answer:

### NET Vacancies - Agency Wide

YEAR	MONTH	Net Vacancies*	Vacancy %
2012	January	431	5.56%
	April	528	6.82%
	July	605	7.80%
	October	710	9.18%
2013	January	689	8.82%
	April	678	8.63%
	July	626	7.96%
	October	596	7.49%
2014	January	653	7.80%
	April	507	6.20%
	July	276	3.32%
	October	294	3.54%
2015	January	181	2.20%

\*Net vacancies = total vacancies less double-fills. Temps not included.

"Assisting People to Become Independent, Healthy and Safe"

DHS currently has a vacancy rate of 2.20 percent. Our rate has varied over the years, largely driven by budgetary constraints. For example, there was a statewide hiring freeze beginning December 2011 that was on top of a DHS hiring freeze that continued through the 2011-13 biennium. As a result, DHS began the 13-15 biennium with a high vacancy rate. In 13-15, DHS had to cover about \$83 million in unbudgeted bargaining costs, which also meant keeping a number of positions vacant throughout most of the biennium. Finally, in our last rebalance in Fall 2014, we indicated that we continue this biennium to closely monitor and use vacant positions to help manage our costs as we seek to achieve a balanced budget.

None of our DHS programs are staffed at 100 percent of their workload models (models that calculate the time it takes to perform the legally required work.) As a result, any time DHS has vacancies we lose capacity to serve our customers and achieve the results the Legislature asks us to achieve. Our customer service falters and so do our outcomes. Depending on a program's staffing to start and the program's priorities and services, this can mean longer wait times for eligibility or certification, reduced program accuracy, longer wait-times for final contracts, limited ability to perform background checks, etc. Lower workforce levels also can result in reduced morale, increased absenteeism, and reduced productivity overall. Importantly, the 3 percent vacancy factor will also be impacted by the level of funding agencies receive in 2015-17 to implement whatever is collectively bargained for state employees. In the 2013-15 biennium, for example, DHS was funded at about 50 percent of what was needed to cover the cost of the bargaining agreement. We don't reduce program to make up the difference – we manage vacancies and our hiring patterns.

**Question:**

Interested to know more about what Quality Control (QC) does.

**Answer:**

Please see Attachment C regarding the Office of Program Integrity in the March 2, 2015 DHS responses to questions that resulted from our Program Supports/KPM presentation.

**Question:**

Please provide a timeline for Child Welfare (CW) foster care.

**Answer:**

Below (Attachment A) is the timeline Representative Stark referred to in the Ways and Means hearing. This timeline was laid out in 1997 in federal legislation called the Adoption and Safe Families Act (ASFA). This represents the timeline for judicial resolution of dependency cases for children in foster care. Each case is unique and there are some exceptions to the time limits, however, this federal legislation was designed to limit the time a child spends in the foster care system.

**Question:**

DHS will provide information from staff-driven continuous improvements at both local and statewide level.

**Answer:**

For a list of DHS completed and ongoing continuous improvement projects see Attachment B of the March 2, 2015 DHS responses to questions that resulted from our Program Supports/KPM presentation.

**Question:**

Please provide caseload and turnover trend from last 3 or 4 years for Child Welfare (CW) workers.

**Answer:**

Over the last 18 months of data DHS CW has averaged a 0.9 percent attrition rate per month and an annual attrition rate of 10.9 percent.

**Question:**

Why are there different workload targets for each program?

**Answer:**

DHS budgets have never funded 100 percent of any of the workload models within the Department. The DHS workload models, when created, took the staffing level at the time of development and translated it to a percentage which became our budgeted workload percentage. As a result, each program started in a different place for discussion with the Legislature about the appropriate level of funding and what could be afforded.

Over the course of a biennium, LAB budgeted workload model percentages change and are impacted by three main things: 1) caseload changes; 2) policy changes that

may make processes take longer; and 3) efficiencies that have been achieved through process improvements.

**Question:**

Why aren't we raising Foster Care (FC) rates?

**Answer:**

The DHS Agency Request Budget included a Policy Option Package to increase FC rates, effectively restoring a reduction to rates that took place in January, 2011. (It would cost approximately \$4.5 million GF to increase rates by 10 percent for the biennium.) That policy was not funded in the Governor's Budget.

**Question:**

Talk about the legal cost on the risk side and in looking at trends, what can we do to lower those costs?

**Answer:**

\$ in millions	2009-11 actuals	2011-13 actuals	2013-15 Budgeted	2015-17 GB budgeted
Total	32.19	29.94	32.69	30.74*
Child Welfare	27.16	27.85	29.33	27.56*

\*Does not include \$2.0 million in DA funding

DHS is working with DOJ on ways to reduce costs. DOJ and DHS are working on a joint letter to the Co-Chairs in response to a budget note about full representation. We expect that letter to be submitted by the end of March.

We hope this letter addressed the identified questions adequately. If you have additional questions or concerns, please do not hesitate to contact me at 503-884-4701 or email, [eric.l.moore@dhsola.state.or.us](mailto:eric.l.moore@dhsola.state.or.us)

Sincerely,



Eric Luther Moore  
DHS Chief Financial Officer

Enclosure

The Honorable Alan Bates, Co-Chair  
The Honorable Nancy Nathanson, Co-Chair  
April 1, 2015  
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cc: Laurie Byerly, Legislative Fiscal Office

# Attachment A

