
MEMORANDUM

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To: Human Services Subcommittee

From: Laurie Byerly, Legislative Fiscal Office
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Date: June 18, 2015

Subject: HB 5026: Department of Human Services – Self Sufficiency
Work Session Recommendations

Department of Human Services – Self Sufficiency

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	393,507,702	339,500,597	416,130,061	403,519,001
Other Funds	116,637,598	136,863,602	126,405,396	100,138,332
Federal Funds	301,877,938	466,464,698	404,188,935	437,409,828
Federal Funds - NL	2,482,546,921	2,514,345,331	2,514,345,331	2,514,345,331
Total Funds	\$3,294,570,159	\$3,457,174,228	\$3,461,069,723	\$3,455,412,492
Positions	2,045	2,001	2,018	2,039
FTE	2,027.15	1,981.99	2,008.97	2,029.49

Attached are the recommendations from the Legislative Fiscal Office for the Self Sufficiency (SS) program. The LFO recommended budget is 18.9% General Fund higher than the 2013-15 Legislatively Approved Budget, primarily due to a significant investment in the Employment Related Day Care (ERDC) program. The increase in the total funds budget is essentially flat, as lower Other Funds and Federal Funds resources offset the General Fund investments. The recommended budget includes the following key budget actions or components:

- Eliminating standard inflation and assuming a 3% higher vacancy rate, allowing \$9.2 million General Fund (\$12.3 million total funds) to be repurposed for other budget needs.
- Built in adjustments for caseload and cost per case changes, culminating with final reshoot adjustments based on the Spring 2015 forecast. Caseloads in the Temporary Assistance for Needy Families (TANF) program are continuing to decline from the high levels experienced during the most recent recession.
- Maintains Self Sufficiency staffing at 75.8% of the workload model.
- Makes budget changes related to 2014 Emergency Board actions.

- Continues a 2013-15 investment adding \$450,000 General Fund for the Oregon Food Bank. In addition, the recommendations include moving food assistance programs from the Oregon Housing and Community Services Department to DHS.
- Provides \$1 million General Fund to help 2-1-1info maintain a statewide presence.
- Captures caseload savings and one-time TANF revenues (contingency funds and carryforward) to help balance the overall budget and reinvest in programs. Since the federal TANF law continues to be up for reauthorization or extension, it is possible that the provision regarding contingency funds could change during the 2015-17 biennium, so there is some risk assumed in the use of these funds.
- Uses \$30 million General Fund derived from caseload savings to maintain TANF program staffing capacity, address program changes under HB 3535 (2015), and fund other program-related initiatives (see TANF and ERDC attachment for more plan detail).
- Includes an investment of \$45 million General Fund in the ERDC program. Along with supporting program changes required under federal law and reflected in HB 2015 (2015), this funding will help bring provider rates up to the 75th percentile of the market study and allow more families to participate in the program (see TANF and ERDC attachment for more plan detail).

Adjustments to Current Service Level:

See attached “HB 5026 Work Session” spreadsheet dated 6/18/15.

LFO recommends the Subcommittee approve a 2015-17 DHS Self Sufficiency preliminary budget as follows:

\$ 403,519,001	General Fund
\$ 100,138,332	Other Funds
\$ 437,409,828	Federal Funds
\$ 2,514,345,331	Federal Funds Nonlimited
2,039	Positions
2,029.49	FTE

Accept LFO Recommendation

Move the LFO preliminary budget recommendations for Self Sufficiency and HB 5026.

Performance Measures

See attached “Legislatively Proposed 2015-17 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.

Recommended Changes to Appropriation Bill

The Self Sufficiency budget is part of HB 5026, which is the budget bill for the entire Department of Human Services. The recommended amendments to HB 5026 will be presented after work sessions are completed on all parts of the budget.

**DEPARTMENT OF HUMAN SERVICES: SELF SUFFICIENCY
HB 5026 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
2013-15 Legislatively Approved Budget (As of May 2015 Rebalance)	339,500,597	-	136,863,602	466,464,698	-	2,514,345,331	3,457,174,228	2,001	1,981.99	
2015-17 Current Service Level Estimate (at Governor's Budget)	416,130,061	-	126,405,396	404,188,935	-	2,514,345,331	3,461,069,723	2,018	2,008.97	
2015-17 Governor's Budget (GB)	433,009,208	-	427,220,463	427,220,463	-	2,514,345,331	3,801,795,465	2,035	2,025.97	
2015-17 LFO RECOMMENDED BUDGET	403,519,001	-	100,138,332	437,409,828	-	2,514,345,331	3,455,412,492	2,039	2,029.49	

2015-17 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1	2015-17 Current Service Level Estimate	416,130,061	-	126,405,396	404,188,935	-	2,514,345,331	3,461,069,723	2,018	2,008.97	
2											
3	Recommendations for Existing Packages										
4	Pkg 070: Revenue Shortfall	-	-	(15,049,969)	-	-	(15,049,969)	(1,195)	(1,189.08)	Backfill empty OF; 2003-05 artifact	
5	Pkg 090: CFO Analyst Adjustments										
6	Reduce standard inflation	(6,463,300)	-	-	-	-	(6,463,300)	-	-	Gov's funding strategy	
7	Add'l 3% vacancy factor	(2,781,015)	-	(324,943)	(2,754,799)	-	(5,860,757)	-	-	Gov's funding strategy	
8	Assume TANF contingency funds	(24,000,000)	-	-	24,000,000	-	-	-	-	Last 4 FY avg = \$16 million each	
9	Restore one-time funding for Oregon Food Bank	450,000	-	-	-	-	450,000	-	-	High demand for food assistance	
10	Investment in statewide 2-1-1	1,000,000	-	-	-	-	1,000,000	-	-	Help maintain statewide access	
11	Pkg 091: December Rebalance										
12	TANF cost per case	3,592,096	-	-	-	-	3,592,096	-	-	Cost per case up since CSL Dev	
13	TANF caseload savings	(41,940,643)	-	-	-	-	(41,940,643)	-	-	↓ 4,000 + cases since CSL Dev	
14	S&S Adjustment	5,678,744	-	-	-	-	5,678,744	-	-	Realign S&S budget	
15	Pkg 101: TANF Investments & HB 3535	18,758,471	-	-	(7,983,033)	-	10,775,438	-	-	Modify Gov's Investment	
16	Pkg 113: Backfill Empty Other Funds and Restore Positions										
17	Restore positions lost due to empty OF	7,066,936	-	-	7,983,033	-	15,049,969	1,195	1,189.08	Keep staffing whole	
18	Add positions for TANF redesign	2,933,064	-	-	-	-	2,933,064	17	17.00	Augment staff for redesign efforts	
19	Pkg 129: ERDC & HB 2015	45,000,000	-	(1,870,173)	-	-	43,129,827	3	2.64	Pol chgs, ↑ rates, ↑ caseload	
20	Pkg 301: Transfer Food Programs from Housing	1,772,578	-	-	1,786,327	-	3,558,905	-	-	Budget neutral statewide	
21	Other Recommended Adjustments										
22	Pkg 801: LFO Analyst Adjustments										
23	Caseload forecast	(13,867,365)	-	-	-	-	(13,867,365)	-	-	Caseload 3.4% ↓ from Fall 2014	
24	Apply TANF carryforward	(10,000,000)	-	-	10,000,000	-	-	-	-	Est after bien exp reconciled	
25	HB 2392 - Names on EBT cards	189,374	-	-	189,365	-	378,739	1	0.88	Part of TANF investment	

**DEPARTMENT OF HUMAN SERVICES: SELF SUFFICIENCY
 HB 5026 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
26	Technical adjustments and transfers	-	-	(9,021,979)	-	-	(9,021,979)	-	-	Remove empty OF limitation
27										
28	Total adjustments LFO Rec from CSL	(12,611,060)	-	(26,267,064)	33,220,893	-	(5,657,231)	21	20.52	
29										
30	TOTAL 2015-17 LFO Recommended Budget	403,519,001	-	100,138,332	437,409,828	-	2,514,345,331	3,455,412,492	2,039	2,029.49
31										
32	\$ Change from 2013-15 Approved	64,018,404	-	(36,725,270)	(29,054,870)	-	(1,761,736)	38	47.50	
33	% Change from 2013-15 Approved	18.86%	-	-26.83%	-6.23%	0.00%	-0.05%	1.90%	2.40%	
34	\$ Change from 2015-17 CSL Estimate	(12,611,060)	-	(26,267,064)	33,220,893	-	(5,657,231)	21	20.52	
35	% Change from 2015-17 CSL Estimate	-3.03%	-	-20.78%	8.22%	0.00%	-0.16%	1.04%	1.02%	
36	\$ Change from 2015-17 Governor's Budget	(29,490,207)	-	(327,082,131)	10,189,365	-	(346,382,973)	4	3.52	
37	% Change from 2015-17 Governor's Budget	-6.81%	-	-76.56%	2.39%	0.00%	-9.11%	0.20%	0.17%	

Legislatively Proposed 2015-17 Key Performance Measures

Agency: HUMAN SERVICES, DEPARTMENT of

Self Sufficiency

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

Current KPM #	Proposed KPM #	Legislatively Proposed KPMs	PGM	Agency Request	Most Current Result	Target 2016	Target 2017
2		TANF FAMILY STABILITY – The percentage of children entering foster care who had received TANF cash assistance within the prior two months.	SS	Proposed Delete KPM	43.60		
	2	TANF FAMILY STABILITY – The percentage of children receiving TANF who entered foster care.	SS	Proposed New KPM <i>replaces KPM #2</i>	0.68	0.50	0.50
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	66.00
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	96.40	85.00	85.00
5	5	SNAP (Supplemental Nutrition Assistance Program) ACCURACY – The percentage of accurate SNAP payments.	SS	Approved KPM	95.83	96.60	96.60
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	61.80	65.00	65.00
NEW	20	TANF JOBS PLACEMENTS – The percentage of clients who achieve job placement each month compared to those anticipated to achieve placement.	SS	Proposed New KPM	113.00	100.00	100.00

LFO Recommendation:

Approve the performance measures, including the new and replacement requests, with targets as shown.

HB 5026 Work Session Papers - Self Sufficiency
 TANF and ERDC Plans - General Fund Costs (Dollars in Millions)

TANF

Plan Component	GF Cost
Raise the income limits for clients exiting TANF.	\$3.2
Reduce ERDC co-pay for three months while exiting TANF.	\$1.5
Provide transition payments to families who are exiting TANF	\$3.1
Eliminate deprivation as an eligibility requirement.	\$2.6
Expand caretaker relative definition.	\$0.4
Expand contracts for pre and post TANF services.	\$4.5
Increase flexibility in issuing support services to prevent TANF entry.	\$2.9
Provide training required to implement changes.	\$0.5
Maintain workload model and expand intensive client services	\$10.0
Support evaluation strategies and data analytics.	\$1.0
Improve EBT card security by adding names (HB 2392).	\$0.2
Access lottery prizes for overpayment recovery (HB 2393).	\$0.1
Plan Total	\$30.0

ERDC

Plan Component	Cost
Protect eligibility for 12 months.	\$8.0
Allow working student parents to access ERDC.	\$1.5
Lower co-pay for using higher quality providers	\$1.1
Give incentives to high quality providers caring for subsidy children.	\$2.7
Program infrastructure and system costs.	\$0.6
Change ERDC exit eligibility from 185% to 250% FPL.	\$0.9
Increase provider rates to 75th percentile.	\$15.1
Increase average caseload by about 800 families.	\$15.0
Plan Total	\$45.0