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# MEMORANDUM

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

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**To:** Human Services Subcommittee

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

**Date:** June 22, 2015

**Subject:** HB 5026: Department of Human Services – Intellectual and Developmental Disabilities  
Work Session Recommendations

## Department of Human Services – Intellectual and Developmental Disabilities

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	536,602,209	582,623,185	669,218,379	688,819,951
Other Funds	33,641,248	39,270,255	29,838,935	36,385,915
Federal Funds	862,808,675	1,177,172,754	1,321,323,210	1,389,098,772
<b>Total Funds</b>	<b>\$1,433,052,132</b>	<b>\$1,799,066,194</b>	<b>\$2,020,380,524</b>	<b>\$2,114,304,638</b>
Positions	777	761	760	898
FTE	770.93	745.59	757.33	851.15

Attached are the recommendations from the Legislative Fiscal Office for the Intellectual and Developmental Disabilities(IDD) program. The LFO recommended total funds (and General Fund) budget for IDD is around 18% above the 2013-15 Legislatively Approved Budget. While the budget includes some actions to reduce General Fund need an offset costs, about half of the budget growth is due to caseload/workload while a significant portion is tied to addressing other budget needs. The recommended budget includes the following key budget actions or components:

- Eliminating standard inflation and assuming a 3% higher vacancy rate, allowing \$16.7 million General Fund (\$51.2 million total funds) to be repurposed for other budget needs.
- Reshoot adjustments to account for caseload growth and cost per case changes based on the Spring 2015 forecast. Adjustments (increases) to workload models for the Community Developmental Disability Programs (CCDPs) and brokerages align with that growth. General Fund costs are partially offset by a higher Federal Medicaid Assistance Percentage (FMAP) rate.
- The recommendation includes \$3.6 million General Fund (\$10 million total funds) to cover initial costs associated with implementing U.S. Department of Labor (USDOL) fair labor standards act rule changes affecting personal support workers.

Additional future costs are expected to be covered by a special purpose appropriation to the Emergency Board to be included in the omnibus end of session bill. A portion of the final regulations are in a state of uncertainty at this time, due to pending litigation at the federal level

- The budget plan includes two adjustments for the Stabilization and Crisis Unit (SACU) program. To develop provider agency capacity for serving people with I/DD that have significant, long-term challenges but who are not in crisis, \$0.8 million total funds and 2 positions are recommended.

To address safety and staffing concerns within the SACU program, \$5.7 million General Fund (\$13.4 million total funds) and 127 positions are added to support a float pool to cover staffing gaps and reduce overtime. Crisis and Outreach Teams (COAT) are also established to be first responders to critical incidents.

- Adds \$8.5 million General Fund and \$26.7 million total funds to increase I/DD provider (non-bargained employees) service rates by 4% effective 1/1/2016.
- Includes \$40,000 General Fund to maintain Family to Family networks.
- Consistent with ORS 427.345, \$92,500 General Fund is added to be paid into the community housing (“Fairview”) trust account. This reflects the fair market value of former Eastern Oregon Training Center property that was transferred to the City of Pendleton under SB 671 (2015). The recommended budget does not make any other adjustments to the trust, leaving the \$6 million balance intact.

**Adjustments to Current Service Level:**

See attached “HB 5026 Work Session” spreadsheet dated 6/22/15.

LFO recommends the Subcommittee approve a 2015-17 DHS Intellectual and Developmental Disabilities budget as follows:

\$ 688,819,951	General Fund
\$ 36,385,915	Other Funds
\$ 1,389,098,772	Federal Funds
898	Positions
851.15	FTE

**Accept LFO Recommendation**

*Move the LFO preliminary budget recommendations for Intellectual and Developmental Disabilities 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 Intellectual and Developmental Disabilities.*

## **Recommended Changes to Appropriation Bill**

The Intellectual and Developmental Disabilities 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: INTELLECTUAL AND DEVELOPMENTAL DISABILITIES  
HB 5026 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
<b>2013-15 Legislatively Approved Budget (As of May 2015 Rebalance)</b>	582,623,185	-	39,270,255	1,177,172,754	-	-	1,799,066,194	761	745.59	
<b>2015-17 Current Service Level Estimate (at Governor's Budget)</b>	669,218,379	-	29,838,935	1,321,323,210	-	-	2,020,380,524	760	757.33	
<b>2015-17 Governor's Budget (GB)</b>	695,039,219	-	29,599,974	1,367,432,297	-	-	2,092,071,490	774	769.89	
<b>2015-17 LFO RECOMMENDED BUDGET</b>	688,819,951	-	36,385,915	1,389,098,772	-	-	2,114,304,638	898	851.15	

**2015-17 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL**

1	<b>2015-17 Current Service Level Estimate</b>	669,218,379	-	29,838,935	1,321,323,210	-	-	2,020,380,524	760	757.33	
2											
3	<b>Recommendations for Existing Packages</b>										
4	Pkg 090: CFO Analyst Adjustments										
5	Reduce standard inflation	(15,439,700)	-	(228,539)	(32,160,838)	-	-	(47,829,077)	-	-	Gov's funding strategy
6	Add'l 3% vacancy factor	(1,288,482)	-	(10,422)	(2,043,064)	-	-	(3,341,968)	-	-	Gov's funding strategy
7	Eliminate Fairview Housing Fund	-	-	-	-	-	-	-	-	-	\$6 million balance preserved
8	USDOL Rule Change Costs	3,600,000	-	-	6,400,000	-	-	10,000,000	-	-	\$3.6 IDD, \$14.4 in APD, rest to SPA
9	Pkg 104: Employment Outcomes	4,358,223	-	-	841,898	-	-	5,200,121	12	10.80	Continue executive order work
10	Pkg 110: Provider Capacity for SACU Clients	653,730	-	-	153,258	-	-	806,988	2	1.76	Provider capacity for SACU clients
11	Pkg 111: Provider Rate Increases	8,537,069	-	-	18,163,987	-	-	26,701,056	-	-	Inc from \$10.80 to \$11.23 budget model
12	<b>Other Recommended Adjustments</b>										
13	Pkg 801: LFO Analyst Adjustments										
14	Caseload forecast	20,708,783	-	-	41,275,351	-	-	61,984,134	-	-	Caseload grows 13% between biennia
15	FMAP Rate Change	(4,952,525)	-	(14,059)	4,966,584	-	-	-	-	-	Federal share increases
16	CDDP/Brokerage Workload Update	2,578,959	-	-	3,837,240	-	-	6,416,199	-	-	Maintain staffing at 95% model
17	DHS-AFSCME SACU Agreement	5,700,000	-	-	7,742,822	-	-	13,442,822	127	84.26	Islands - Float Pool - COAT
18	Umatilla CDDP Contract	(3,800,000)	-	-	-	-	-	(3,800,000)	-	-	Transition to county complete
19	Validate assessment	(900,000)	-	-	-	-	-	(900,000)	-	-	Conservative estimate
20	Family to Family Networks	40,000	-	-	-	-	-	40,000	-	-	Maintain program (restore inflation)
21	EOTC Sale Proceeds to Fairview Trust	92,500	-	-	-	-	-	92,500	-	-	EOTC property to Pendleton
22	Local Transportation Match	-	-	6,800,000	19,000,000	-	-	25,800,000	-	-	Increased activity plus higher FMAP

**DEPARTMENT OF HUMAN SERVICES: INTELLECTUAL AND DEVELOPMENTAL DISABILITIES  
HB 5026 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments	
23	Technical adjustments and transfers	(286,985)	-	-	(401,676)	-	-	(688,661)	(3)	(3.00)	Pos to Shared, Central, PDS
24											
25	<b>Total adjustments LFO Rec from CSL</b>	<b>19,601,572</b>	<b>-</b>	<b>6,546,980</b>	<b>67,775,562</b>	<b>-</b>	<b>-</b>	<b>93,924,114</b>	<b>138</b>	<b>93.82</b>	
26											
27	<b>TOTAL 2015-17 LFO Recommended Budget</b>	<b>688,819,951</b>	<b>-</b>	<b>36,385,915</b>	<b>1,389,098,772</b>	<b>-</b>	<b>-</b>	<b>2,114,304,638</b>	<b>898</b>	<b>851.15</b>	
28											
29	<b>\$ Change from 2013-15 Approved</b>	<b>106,196,766</b>	<b>-</b>	<b>(2,884,340)</b>	<b>211,926,018</b>	<b>-</b>	<b>-</b>	<b>315,238,444</b>	<b>137</b>	<b>105.56</b>	
30	<b>% Change from 2013-15 Approved</b>	<b>18.23%</b>	<b>-</b>	<b>-7.34%</b>	<b>18.00%</b>	<b>-</b>	<b>-</b>	<b>17.52%</b>	<b>18.00%</b>	<b>14.16%</b>	
31	<b>\$ Change from 2015-17 CSL Estimate</b>	<b>19,601,572</b>	<b>-</b>	<b>6,546,980</b>	<b>67,775,562</b>	<b>-</b>	<b>-</b>	<b>93,924,114</b>	<b>138</b>	<b>93.82</b>	
32	<b>% Change from 2015-17 CSL Estimate</b>	<b>2.93%</b>	<b>-</b>	<b>21.94%</b>	<b>5.13%</b>	<b>-</b>	<b>-</b>	<b>4.65%</b>	<b>18.16%</b>	<b>12.39%</b>	
33	<b>% Change from 2015-17 Governor's Budget</b>	<b>(6,219,268)</b>	<b>-</b>	<b>6,785,941</b>	<b>21,666,475</b>	<b>-</b>	<b>-</b>	<b>22,233,148</b>	<b>124</b>	<b>81.26</b>	
34	<b>% Change from 2015-17 Governor's Budget</b>	<b>-0.89%</b>	<b>-</b>	<b>22.93%</b>	<b>1.58%</b>	<b>-</b>	<b>-</b>	<b>1.06%</b>	<b>16.02%</b>	<b>10.55%</b>	

## Legislatively Proposed 2015-17 Key Performance Measures

Agency: HUMAN SERVICES, DEPARTMENT of

Intellectual and Developmental Disabilities

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
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	56.00	98.00	98.00
13		PEOPLE WITH DISABILITIES IN COMMUNITY SETTINGS – The percentage of individuals with developmental disabilities who live in community settings of five or fewer.	DD	Proposed Delete KPM	98.50		
	13	PEOPLE WITH DISABILITIES LIVING AT HOME – The percentage of individuals enrolled in the Intellectual/Developmental Disabilities program who are receiving services in their own home.	DD	Proposed New KPM <i>replaces KPM #13</i>	54.44	80.00	80.00
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	22.80		
	14	SUPPORTED EMPLOYMENT – Increase the number of individuals who receive developmental disability services in supported employment.	DD	Proposed New KPM <i>replaces KPM #14</i>	2,472.00	TBD	TBD
15	15	ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES – The percentage of people with developmental disabilities experiencing abuse.	DD	Approved KPM	2.47	2.20	2.20

**LFO Recommendation:**

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