
MEMORANDUM

Legislative Fiscal Office
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To: Human Services Subcommittee

From: Laurie Byerly, Legislative Fiscal Office
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Date: June 22, 2015

Subject: HB 5026: Department of Human Services – Central, Shared Services, Statewide Assessments and Enterprise-wide Costs Work Session Recommendations

Department of Human Services – Central Services, Shared Services, Statewide Assessments and Enterprise-wide Costs

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	170,192,231	201,967,248	220,351,216	221,982,004
Other Funds	99,407,323	143,934,460	147,939,216	147,556,709
Federal Funds	148,980,106	182,249,345	199,729,552	202,128,354
Total Funds	\$418,579,660	\$528,151,053	\$568,019,984	\$571,667,067
Positions	680	742	737	758
FTE	659.47	718.98	719.84	736.17

Attached are the recommendations from the Legislative Fiscal Office for the Central Services, Shared Services, and Statewide Assessments and Enterprise-wide Costs components of the DHS budget. The LFO recommended total funds budget for these combined programs is 9.9% General Fund and 8.4% total funds higher than the 2013-15 Legislatively Approved Budget. The increase in General Fund is primarily due to cost allocation adjustments aligning expenditures with revenue, facility cost increases due to forced relocations (unrenewed leases), and some program investments. The recommended budget includes the following key budget actions or components:

- Eliminating standard inflation and assuming a 3% higher vacancy rate, allowing \$0.9 million General Fund (\$4.2 million total funds) to be repurposed for other budget needs.
- Adds \$2.8 million General Fund to align expenditures with updated cost allocations or revenues. Some federal funding streams, such as Social Services Block Grant, are almost fully subscribed out by direct program costs.
- Changes in DHS facilities are driving an increase of \$3.1 million General Fund (\$6.2 million total funds). Several leases have not been renewed; this combined with already planned consolidations/relocations is driving increased costs. Staff

increases approved in the current biennium and position growth in the recommended budget are also influencing space needs.

- Funds the DHS portion of the REAL+D project to design, build and implement a tool to collect, report, and analyze data on race, ethnicity, language and disability; the OHA portion was already approved. The IT Subcommittee held a hearing on this project and referred it back to the Human Services Subcommittee. The recommendation is attached.
- Policy Package 121 - Oregon Enterprise Data Analytics is funded at \$3.8 million total funds (\$946,393 General Fund, \$1.9 million non-add Other Funds, and 13 positions). The package supports integration and analysis of client and customer service information across state agencies and programs. While some ad-hoc efforts are already underway, this investment will provide coordination, consolidation, and clear ownership (accountability) for that work. One area of specific emphasis will be data collection and analysis in the Self Sufficiency program; particularly in TANF, as General Fund made available in the TANF redesign initiative was allocated in the budget plan to fund this package.
- Funding associated with implementation of HB 2393, which supports recovering public assistance overpayments from lottery winnings, is paid for at \$0.4 million total funds and one position, also part of the TANF plan.

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 Central Services, Shared Services, and Statewide Assessments and Enterprise-wide Costs Program Design Services budget as follows:

\$ 221,982,004	General Fund
\$ 147,556,709	Other Funds
\$ 202,128,354	Federal Funds
758	Positions
736.17	FTE

Accept LFO Recommendation

Move the LFO preliminary budget recommendations for Central Services, Shared Services, and Statewide Assessments and Enterprise-wide Costs and HB 5026.

Performance Measures

See attached “Legislatively Proposed 2013-15 Key Performance Measures” form for measures. For this program, which includes the Director’s Office, the agency’s customer service measures are outlined.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures for Customer Service.

Recommended Changes to Appropriation Bill

The recommended amendments to HB 5026 will be presented after work sessions are completed on all parts of the budget.

**DEPARTMENT OF HUMAN SERVICES: CENTRAL SERVICES, SHARED SERVICES, STATEWIDE ASSESSMENTS AND ENTERPRISE-WIDE COSTS
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)	201,967,248	-	143,934,460	182,249,345	-	-	528,151,053	742	718.98	
2015-17 Current Service Level Estimate (at Governor's Budget)	220,351,216	-	147,939,216	199,729,552	-	-	568,019,984	737	719.84	
2015-17 Governor's Budget (GB)	220,160,177	-	148,925,690	198,598,906	-	-	567,684,773	764	733.92	
2015-17 LFO RECOMMENDED BUDGET	221,982,004	-	147,556,709	202,128,354	-	-	571,667,067	758	736.17	

2015-17 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

2015-17 Current Service Level Estimate	220,351,216	-	147,939,216	199,729,552	-	-	568,019,984	737	719.84	
Recommendations for Existing Packages										
1 Pkg 090: CFO Analyst Adjustments										
2 Reduce standard inflation	(715,845)	-	(504,245)	(839,428)	-	-	(2,059,518)	-	-	Gov's funding strategy
3 Add'l 3% vacancy factor	(264,416)	-	(1,682,755)	(164,653)	-	-	(2,111,824)	-	-	Gov's funding strategy
4 Pkg 091: December Rebalance										
5 Transfer out to OHA-MAP for Volunteer Transport	(1,080,000)	-	-	(1,080,000)	-	-	(2,160,000)	-	-	Central Services
6 Correct position funding	(429,006)	-	475,309	(46,303)	-	-	-	2	2.00	Shared Services
7 Position transfers from APD	-	-	383,389	-	-	-	383,389	-	-	Shared Services
8 SSF for HB 4151 positions	241,330	-	-	189,748	-	-	431,078	-	-	SAEC - Clean up
9 Correct position funding	429,006	-	-	46,303	-	-	475,309	-	-	SAEC - Clean up
10 Pkg 201: REAL+D	831,865	-	-	-	-	-	831,865	3	3.00	Joint w/OHA, scaled down from Gov's
11 Other Recommended Adjustments										
12 Pkg 801: LFO Analyst Adjustments										
13 Correct Budget for OAH	18,209	-	-	5,596	-	-	23,805	-	-	CS - Office of Administrative Hearings
14 Social Services Block Grant Unavailable	1,300,000	-	-	-	-	-	1,300,000	-	-	CS - SSBG maxed out in program
15 Position Repurposing	(5,510)	-	(20,497)	(7,260)	-	-	(33,267)	2	2.00	CS - Eliminate doublefills
16 Cost Allocation Adjustments	1,545,794	-	44,055	(1,807,471)	-	-	(217,622)	-	-	SAEC - Align with 2013-15 YTD allocation
17 Facilities Projects	3,104,579	-	-	3,104,579	-	-	6,209,158	-	-	SAEC - 3 leases not renewed; consolidate
18 Debt Service Adjustment	(6,203,436)	-	-	-	-	-	(6,203,436)	-	-	SAEC - Remove base DS for Modernization
19 Technical adjustments and transfers	292,951	-	473,289	442,207	-	-	1,208,447	4	4.00	CS, SS, SAEC
20 Realign Performance Excellence Positions	-	-	(1,645,578)	-	-	-	(1,645,578)	(4)	(4.00)	DHS retains 2 pos, 4 pos to OHA
21 Unwind Gov's Assessment Changes	1,513,112	-	-	1,513,113	-	-	3,026,225	-	-	EOS Bill - Chg from ARB to LAB
22 Pkg 107: SAADRWS Project (APD) - Debt Service	-	-	-	-	-	-	-	-	-	SAEC - Contingent on bonding → EOS bill

**DEPARTMENT OF HUMAN SERVICES: CENTRAL SERVICES, SHARED SERVICES, STATEWIDE ASSESSMENTS AND ENTERPRISE-WIDE COSTS
HB 5026 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
23 Pkg 121 - Data Enterprise Analytics	946,393	-	1,889,626	943,233	-	-	3,779,252	13	8.45	Part of TANF Investment
24 HB 2393 - Lottery prizes for overpayment recovery	105,762	-	204,900	99,138	-	-	409,800	1	0.88	Part of TANF Investment
25										
26 Total adjustments LFO Rec from CSL	1,630,788	-	(382,507)	2,398,802	-	-	3,647,083	21	16.33	
27										
28 TOTAL 2015-17 LFO Recommended Budget	221,982,004	-	147,556,709	202,128,354	-	-	571,667,067	758	736.17	
29										
30 \$ Change from 2013-15 Approved	20,014,756	-	3,622,249	19,879,009	-	-	43,516,014	16	17.19	
31 % Change from 2013-15 Approved	9.91%		2.52%	10.91%			8.24%	2.16%	2.39%	
32 \$ Change from 2015-17 CSL Estimate	1,630,788	-	(382,507)	2,398,802	-	-	3,647,083	21	16.33	
33 % Change from 2015-17 CSL Estimate	0.74%		-0.26%	1.20%			0.64%	2.85%	2.27%	
34 % Change from 2015-17 Governor's Budget	1,821,827	-	(1,368,981)	3,529,448	-	-	3,982,294	(6)	2.25	
35 % Change from 2015-17 Governor's Budget	0.83%		-0.92%	1.78%			0.70%	-0.79%	0.31%	

Legislatively Proposed 2015-17 Key Performance Measures

Agency: HUMAN SERVICES, DEPARTMENT of

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

Current KPM #	Proposed KPM #	Legislatively Proposed KPMs	Customer Service Category	PGM	Agency Request	Most Current Result	Target 2016	Target 2017
17	17	CUSTOMER SERVICE – Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Overall	AGY	Approved KPM	85.00	75.00	75.00
17	17	CUSTOMER SERVICE – Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Accuracy	AGY	Approved KPM	57.98	75.00	75.00
17	17	CUSTOMER SERVICE – Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Availability of Information	AGY	Approved KPM	55.88	75.00	75.00
17	17	CUSTOMER SERVICE – Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Expertise	AGY	Approved KPM	56.73	75.00	75.00
17	17	CUSTOMER SERVICE – Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Helpfulness	AGY	Approved KPM	84.00	75.00	75.00
17	17	CUSTOMER SERVICE – Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Timeliness	AGY	Approved KPM	76.00	75.00	75.00
18	18	PLACEHOLDER: SERVICE EQUITY		AGY	Approved KPM			

LFO Recommendation:

Approve the customer service performance measure elements with targets as shown.

Approve the continuation of the Service Equity (KPM #18) as a placeholder for developing a measure to assess the agency's ability to reduce disparities in client outcomes.

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To: Human Services Subcommittee
Joint Committee on Ways and Means

From: Information Technology Subcommittee
Joint Committee on Ways and Means

Date: May 21, 2015

Subject: Department of Human Services: HB 5026 – POP #201 & Oregon Health Authority: SB 5526 - POP #201 – DHS/OHA Race, Ethnicity, Language, and Disability (REAL+D) Project LFO Recommendations

The Information Technology (IT) Subcommittee accepts the LFO recommendation and refers the Department of Human Services (DHS)/Oregon Health Authority (OHA) Race, Ethnicity, Language, and Disability (REAL+D) Project request back to the Joint Ways and Means Subcommittee on Human Services without recommendation.

LFO Recommendation

The Legislative Fiscal Office (LFO) recommends incremental, conditional approval of Policy Option Packages #201, assuming the funding and personnel resources are made available to DHS and OHA within the 2015-17 adopted budget. It is further recommended that the proposed funding for any needed planning activities be approved and any remaining funds be unscheduled by the Department of Administrative Services (DAS). Specifically, LFO recommends that the Department of Human Services and the Oregon Health Authority:

- Should return to the Joint Interim Committee on Ways and Means or the 2016 legislative session to report on their progress on the planning activities for the project, and to provide a more detailed analysis on why the revised approach is a better option. LFO and the DAS Chief Financial Office will ask to have the appropriate amount of funding rescheduled once the project has reported and is ready to move forward.