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# MEMORANDUM

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**To:** Human Services Subcommittee

**From:** Laurie Byerly, Legislative Fiscal Office  
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**Date:** June 23, 2015

**Subject:** HB 5026: Department of Human Services  
Work Session Recommendations

## Department of Human Services – Agency Totals

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	2,181,831,985	2,331,938,111	2,331,938,111	2,698,473,400
Other Funds	442,634,121	525,411,809	525,411,809	496,095,693
Federal Funds	3,309,228,368	4,042,575,062	4,042,575,062	4,493,398,541
Federal Funds - NL	2,482,546,921	2,514,345,331	2,514,345,331	2,514,345,331
<b>Total Funds</b>	<b>\$8,416,241,395</b>	<b>\$9,414,270,313</b>	<b>\$9,414,270,313</b>	<b>\$10,202,312,965</b>
Positions	7,427	7,635	7,635	8,033
FTE	7,319.54	7,479.14	7,479.14	7,893.67

Attached are the recommendations from the Legislative Fiscal Office for the Department of Human Services. They are the aggregate of all the individual DHS program budget components that have already been acted on by the Subcommittee.

### **Adjustments to Current Service Level:**

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

### **Accept LFO Recommendation**

*Move the LFO recommendation for DHS and House Bill 5026.*

### **Performance Measures**

See attached agency-wide “Legislatively Proposed 2015-17 Key Performance Measures” form; this form reflects the recommendations reviewed previously.

### **Accept LFO Recommendation**

*Move the LFO recommendation on the agency’s Key Performance Measures.*

**Budget Notes and Budget Report Language**

Please see the attachment containing two recommended budget notes and certain budget report language.

*Move the LFO recommendation on budget notes and certain budget report language to HB 5026.*

**Recommended Changes to Appropriation Bill**

The Legislative Fiscal Office recommends that House Bill 5026 be amended to reflect a budget of:

\$ 2,698,473,400	General Fund
\$ 496,095,693	Other Funds
\$ 4,493,398,541	Federal Funds
\$ 2,514,345,331	Federal Funds Nonlimited
8,033	Positions
7,893.67	FTE

*Move to adopt the -1 amendment to HB 5026.*

**HB 5026 Final Subcommittee Action:**

**Final Motion**

*Move HB 5026, as amended, to the full committee with a “do pass” recommendation.*

**DEPARTMENT OF HUMAN SERVICES: AGENCY TOTALS  
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>	2,331,938,111	-	525,411,809	4,042,575,062	-	2,514,345,331	9,414,270,313	7,635	7,479.14	
<b>2015-17 Current Service Level Estimate</b>	2,683,265,564	-	517,398,669	4,333,784,291	-	2,514,345,331	10,048,793,855	7,712	7,619.00	
<b>2015-17 Governor's Budget</b>	2,680,281,716	-	499,773,473	4,323,267,232	-	2,514,345,331	10,017,667,752	7,830	7,710.84	
<b>2015-17 LFO RECOMMENDED BUDGET</b>	2,698,473,400	-	496,095,693	4,493,398,541	-	2,514,345,331	10,202,312,965	8,033	7,893.67	
<b>Vocational Rehabilitation</b>	20,694,165	-	2,320,512	74,158,866	-	-	97,173,543	253	249.28	
<b>Child Welfare</b>	470,861,862	-	22,838,433	449,789,894	-	-	943,490,189	2,598	2,550.30	
<b>Aging and People with Disabilities</b>	862,154,849	-	186,445,596	1,904,851,028	-	-	2,953,451,473	1,251	1,241.28	
<b>Intellectual and Developmental Disabilities</b>	688,819,951	-	36,385,915	1,389,098,772	-	-	2,114,304,638	898	851.15	
<b>Self Sufficiency Programs</b>	403,519,001	-	100,138,332	437,409,828	-	2,514,345,331	3,455,412,492	2,039	2,029.49	
<b>Program Design Services</b>	30,441,568	-	410,196	35,961,799	-	-	66,813,563	236	236.00	
<b>Central, Shared, Assessments</b>	221,982,004	-	147,556,709	202,128,354	-	-	571,667,067	758	736.17	
<b>TOTAL 2015-17 DHS RECOMMENDED BUDGET</b>	<b>2,698,473,400</b>	<b>-</b>	<b>496,095,693</b>	<b>4,493,398,541</b>	<b>-</b>	<b>2,514,345,331</b>	<b>10,202,312,965</b>	<b>8,033</b>	<b>7,893.67</b>	
<b>\$ Change from 2013-15 Approved</b>	<b>366,535,289</b>	<b>-</b>	<b>(29,316,116)</b>	<b>450,823,479</b>	<b>-</b>	<b>-</b>	<b>788,042,652</b>	<b>398</b>	<b>414.53</b>	
<b>% Change from 2013-15 Approved</b>	<b>15.72%</b>	<b>-</b>	<b>-5.58%</b>	<b>11.15%</b>	<b>-</b>	<b>0.00%</b>	<b>8.37%</b>	<b>5.21%</b>	<b>5.54%</b>	
<b>\$ Change from 2015-17 CSL Estimate</b>	<b>15,207,836</b>	<b>-</b>	<b>(21,302,976)</b>	<b>159,614,250</b>	<b>-</b>	<b>-</b>	<b>153,519,110</b>	<b>321</b>	<b>274.67</b>	
<b>% Change from 2015-17 CSL Estimate</b>	<b>0.57%</b>	<b>-</b>	<b>-4.12%</b>	<b>3.68%</b>	<b>-</b>	<b>0.00%</b>	<b>1.53%</b>	<b>4.16%</b>	<b>3.61%</b>	
<b>% Change from 2015-17 Governor's Budget</b>	<b>18,191,684</b>	<b>-</b>	<b>(3,677,780)</b>	<b>170,131,309</b>	<b>-</b>	<b>-</b>	<b>184,645,213</b>	<b>203</b>	<b>182.83</b>	
<b>% Change from 2015-17 Governor's Budget</b>	<b>0.68%</b>	<b>-</b>	<b>-0.74%</b>	<b>3.94%</b>	<b>-</b>	<b>0.00%</b>	<b>1.84%</b>	<b>2.59%</b>	<b>2.37%</b>	

## 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
1	1	OVRs CLOSED-EMPLOYED – The percentage of Office of Vocational Rehabilitation Services (OVRs) consumers with a goal of employment who are employed.		VR	Approved KPM	60.00	66.00	66.00
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	65.00
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
7	7	ABSENCE OF REPEAT MALTREATMENT – The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.		CW	Approved KPM	95.50	96.00	96.00
8		TIMELINESS and PERMANENCY OF REUNIFICATION OF CHILDREN.		CW	Proposed Delete KPM	144.70		
	8	TIMELY REUNIFICATION – The percentage of foster children exiting to reunification within 12 months of foster care entry.		CW	Proposed New KPM <i>replaces KPM #8</i>	66.00	70.60	75.20
9		TIMELINESS OF FOSTER CARE RELATED ADOPTIONS.		CW	Proposed Delete KPM	88.00		
	9	TIMELINESS OF ADOPTION ONCE LEGALLY FREE – Percent of legally free children adopted in less than 12 months.		CW	Proposed New KPM <i>replaces KPM #9</i>	42.60	48.20	53.70
10	10	LTC NEED PREVENTION – Percentage of seniors (65+) needing publicly funded long term care services.		APD	Approved KPM	3.13	3.10	3.10

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11	11	LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES – The percentage of Oregonians accessing publicly funded long term care services who are living outside of nursing facilities.		APD	Approved KPM	85.10	87.00	87.00
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	-	-
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
16		PLACEHOLDER: ADULT PROTECTIVE SERVICES		APD	Proposed Delete KPM			
	16	ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES The percentage of seniors and adults with physical disabilities experiencing abuse.		APD	Proposed New KPM <i>replaces KPM #16</i>	0.59	2.20	2.20
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

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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			
NEW	19	CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME – The percent of children served in Child Welfare on an average daily basis (In Home and Foster Care) who were served while residing in their parent's home.		CW	Proposed New KPM	24.40	30.00	33.00
NEW	20	TANF JOB 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 KPMs #1, 3, 4, 5, 6, 7, 10, 11, 12, 15, and 17 with targets as shown.

Approve delete/new (replacement) requests for current KPMs #2, 8, 9, 13, 14, and 16 with targets as displayed.

Approve brand new KPMs #19 and 20, with targets as shown.

Also, please note that KPM #18 is being continued as a placeholder for developing a measure to assess the agency's ability to reduce disparities in client outcomes.

Direct the Department of Human Services, as the agency works to align KPMs with its performance-based management system for the 2017-19 budget cycle, to further refine the consistency of measurement components, displays, and comparisons.

<b>Budget Notes for HB 5026 – Department of Human Services</b>
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**Aging and People with Disabilities/Intellectual and Developmental Disabilities**

***Budget Note on Sustainability:***

**Budget Note**

The Department of Human Services is directed to report to the Joint Committee on Ways and Means during the 2016 legislative session on ways to ensure services to older adults and people with disabilities and people with intellectual and developmental disabilities remain sustainable into the future with a goal of capping biennial general fund budget growth at ten percent. Issues explored should include, but are not limited to, service eligibility, income eligibility criteria, and service array or level of services offered. For or identified options, the report will cover associated fiscal impacts, potential implementation timelines, state law or rule changes required, experiences from or comparisons to other states, and the likelihood of obtaining any needed federal authorization.

The Department will also report on cost per case and caseload trends, for both the Aging and People with Disabilities and the Intellectual and Developmental Disabilities programs, to the Interim Joint Committee on Ways and Means in September 2015.

***Budget Note on Provider Rates:***

**Budget Note**

It is the intent of the Legislature that provider rate increases result in wage increases for direct care workers serving seniors, people with disabilities, and people with intellectual and developmental disabilities. The legislative expectation is that no less than 85% of any rate increase should be spent on wages paid to employees providing direct care to clients; this direction specifically applies to providers employing workers who are not represented through collective bargaining. To ensure the Department of Human Services has the capacity to verify compliance with this directive, a special purpose appropriation of \$100,000 General Fund will be made to the Emergency Board, to be disbursed for completing provider audits (random or targeted) or other compliance-related actions. Prior to seeking an allocation of these funds, the Department will compile information on any complaints received regarding wage increases and consult with legal counsel and contract staff to determine the best, yet most cost-effective, approach to address potential provider non-compliance. In addition, the Department will report to the Joint Committee on Ways and Means during the 2016 legislative session on activity related to and progress made under this budget note.

<b>Budget Report Language for HB 5026 – Department of Human Services</b>
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***Regarding funding for runaway and homeless youth in the Child Welfare budget:***

The Subcommittee approved \$1,644,462 General Fund for the Homeless and Runaway Youth program, which supports local programs providing services such as street outreach, day drop-in, and overnight shelter for unaccompanied minors.

***Regarding the renewal of Caregiver Training in the APD budget:***

The caregiver training initiative funded by the Department of Human Services (Aging and People with Disabilities Department) using the trainings provided by Oregon Care Partners should be continued for the 2015-17 biennium to further realize the investments made during 2014-15.

A total of \$3.3 million General Fund is approved for the Department of Human Services to extend the caregiver training initiative designed to provide consistent, standardized, and evidence-based training across all segments of the long term care services and supports (LTCSS) continuum. The growing population of seniors and people with disabilities requires a well-trained workforce and the development of additional community resources for both professional and family caregivers.



**PROPOSED AMENDMENTS TO  
HOUSE BILL 5026**

1 On page 1 of the printed bill, delete lines 5 through 27 and delete page  
2 2 and insert:

3 **“SECTION 1. There are appropriated to the Department of Human**  
4 **Services, for the biennium beginning July 1, 2015, out of the General**  
5 **Fund, the following amounts, for the following purposes:**

- 6 (1) Central services, statewide  
7 assessments and enterprise-  
8 wide costs, and program  
9 design services..... \$ 248,560,172
- 10 (2) Child welfare, self-  
11 sufficiency and vocational  
12 rehabilitation services..... \$ 895,075,028
- 13 (3) Aging and people with  
14 disabilities and intellectual/  
15 developmental disabilities  
16 programs..... \$ 1,550,974,800
- 17 (4) Debt service ..... \$ 3,863,400

18 **“SECTION 2. Notwithstanding any other law limiting expenditures,**  
19 **the following amounts are established for the biennium beginning July**  
20 **1, 2015, as the maximum limits for payment of expenses from fees,**  
21 **moneys or other revenues, including Miscellaneous Receipts and Med-**  
22 **icare receipts and including federal funds for indirect cost recovery,**

1 **Social Security Supplemental Security Income recoveries and the**  
2 **Child Care and Development Fund, but excluding lottery funds and**  
3 **federal funds not described in this section, collected or received by the**  
4 **Department of Human Services, for the following purposes:**

- 5 (1) Central services, statewide  
6 assessments and enterprise-  
7 wide costs, and program  
8 design services..... \$ 31,633,209
- 9 (2) Child welfare, self-  
10 sufficiency and vocational  
11 rehabilitation services..... \$ 125,297,277
- 12 (3) Aging and people with  
13 disabilities and intellectual/  
14 developmental disabilities  
15 programs..... \$ 222,831,511
- 16 (4) Shared services..... \$ 116,333,696

17 **“SECTION 3. Notwithstanding any other law limiting expenditures,**  
18 **the following amounts are established for the biennium beginning July**  
19 **1, 2015, as the maximum limits for payment of expenses from federal**  
20 **funds, excluding federal funds described in section 2 of this 2015 Act,**  
21 **collected or received by the Department of Human Services, for the**  
22 **following purposes:**

- 23 (1) Central services, statewide  
24 assessments and enterprise-  
25 wide costs, and program  
26 design services..... \$ 238,090,153
- 27 (2) Child welfare, self-  
28 sufficiency and vocational  
29 rehabilitation services..... \$ 961,358,588
- 30 (3) Aging and people with

