

Analysis

Item 16: Department of Human Services

Position Management

Analyst: Laurie Byerly

Request: Acknowledge receipt of a report on agency efforts to improve position management practices.

Analysis: The budget report for SB 5526, the primary 2017-19 budget bill for the Department of Human Services (DHS), included a budget note directing DHS to report, at each interim meeting, on its work to improve position management practices. This effort includes reducing the number of both double filled and vacant positions. The report includes double filled and vacant position counts by program for June 2017, December 2017, March 2018, August 2018, and October 2018.

While the double fill count has decreased by 47, or 9%, since the beginning of the biennium, between August 2018 and October 2018, the agencywide double fill count increased by 49. The agency is using 135 short-term double fills to meet Child Welfare needs as it continues to hire and deploy new staff; address staff transitions while decentralizing some Self Sufficiency positions; and manage hiring actions within the Aging and People with Disabilities program.

The other 315 double fills are long-term arrangements; to address some of these permanently, in its 2019-21 agency request budget, DHS asked for 135 new positions and 27 reclassifications, at a cost of \$22.7 million General Fund (\$41.2 million total funds) to true-up positions. While the agency's letter indicates it is still working on some administrative solutions, it does not appear DHS will be able to resolve very many double fills without using field positions, so establishing new positions is DHS' preferred option. If the Legislature wants real improvement in this area and is unable or unwilling to authorize new positions, it may want to consider repurposing some field positions or providing additional guidance to DHS regarding what is acceptable or expected regarding position management.

The number of vacant positions grew by 231 positions since June 2017, this is in part due to positions added in February that are not authorized until later in the biennium. Of the 1,042 vacant positions, which is about an 11% vacancy rate, 878 have been vacant for six months or less. Of the other 164 (long-term) vacant positions, 85 are being held vacant to cover double fills, pay for temps, or meet vacancy savings. Vacancy savings are also generated by short-term vacant positions and are needed to achieve the level of vacancy savings built into in the budget. If the agency were able to broadly repurpose (without regard to program or funding source) vacant positions to alleviate all long-term double fills, the vacancy rate would be at about 6%.

Legislative Fiscal Office Recommendation: Acknowledge receipt of the report.

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Department of Human Services
Brickman

Request: Report on the progress of position management activities as required by a Senate Bill 5526 (2017) Budget Note.

Recommendation: Acknowledge receipt of the report.

Discussion: During the 2017 Legislative Session, the budget report for Senate Bill 5526 included the following Budget Note directed to the Department of Human Services (DHS):

“DHS is directed to accelerate the agency’s current effort to improve position management practices; these have typically relied heavily on double filling positions and using funding from holding positions vacant to cover the double fill costs. While perhaps expedient from a program perspective, this approach makes it difficult to externally assess or validate how many positions should be approved in the budget, to calculate any gap between a position’s funding versus actual cost and to determine if a vacant position is no longer needed. It is also not consistent with truth in budgeting and makes it challenging to set baselines for cost containment strategies, budget growth metrics or program capacity analyses. At a minimum, at each interim meeting, the Department will report on progress, by program, in reducing the number of double filled and vacant positions, along with providing an update on its plan for resolving double fills and cleaning up vacant positions over the next two years. It is anticipated the agency will need to work through both the administrative position change (permanent finance plan) and legislative position change (rebalance or policy package action) processes to complete the project.

As of June 1, 2017, DHS had 494 double filled positions, 814 vacant positions and 7,767 employees.”

This is the agency’s sixth interim report on this issue. The agency last submitted a report for the September 2018 meeting of the Emergency Board, which was placed on the consent agenda. Double filling positions within DHS has been a long standing practice and should be reviewed, analyzed and rectified in order to properly reflect the types of positions needed by the agency to complete its work. It currently appears as if the agency has made little progress on eliminating double-fills or eliminating vacancies. Part of the problem with vacancies is the agency has to hold a certain amount of positions vacant to meet a vacancy savings rate set by the Legislature in 2017, but it also holds positions vacant in order to fund double-fills in other areas of the agency. Furthermore, there are concerns about how the workload model is applied to earn positions within the agency. The current model evaluates and determines only the positions needed in the field, while failing to account for back office program needs (such as work in the Background Check Unit) or for program development and administrative needs associated with that workload.

After reconciling positions included in the 2017-19 Legislatively Approved Budget, the Department reported a total of 401 double-fills existed as of August 1, 2018. The Department gained 707 positions (448.10 FTE) during the 2018 Legislative Session, largely due to the transfer of the Oregon Health Plan (OHP) processing center. The new numbers associated with this report are based on October 1, 2018 data. The new number of 450 double-fills represents 47

less than June 1, 2017, but an increase of 49 from August 2018. Currently, the Child Welfare program has the most double-fills at 198, an increase of 67 since June 2017, and an increase of four since August 2018. Vocational Rehabilitation reports the lowest number of double-fills at 12, but this represents an increase of four double-fills since June 2017. The current double-fill amount of 12 positions represents a decrease of one since August 2018. The program with the most reductions of double-fills (in terms of positions) since June 2017 is the Shared Services program, which has reduced 71 double-fills.

In an attempt to deal with the double-fill issue, the Department submitted a policy package within its 2019-21 Agency Request Budget to address the issues surrounding a significant number of positions. The package requests 135 positions (135.50 FTE) for a total fund request of \$41.2 million (\$22.7 General Fund).

With respect to vacancies from June 2017 to October 2018, the Department reported an increase of 231 vacancies from 811 in June, 2017 to 1,042 as of October 1, 2018. Vacancies are largely due to the increase in the number of authorized positions the Department received during the 2017 and 2018 Legislative Sessions. According to the Department, many of the increases in vacancies are due to the ramp up of the IE/ME project and incorporating vacancies from the transfer of the OHP positions. In some cases, the Department only recently began to hire positions because they were authorized for only a year of the biennium (or 0.50 FTE). Currently, the Child Welfare program has the most vacancies at 364, an increase of 214 from June 2017, but a decrease of 53 from August 2018. The program with the least number of vacancies is Vocational Rehabilitation at 24, a decrease of three from June 2017, and a decrease of two from August 2018. The program with the most reductions of vacancies (in terms of positions) since June 2017, is the Shared Services program, which has eliminated 36 vacancies.



Oregon

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October 29, 2018

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048



Re: Budget Note Report regarding DHS position management

Dear Co-Chair Courtney and Co-Chair Kotek:

Nature of the Request

The Department of Human Services requests acknowledgement of receipt of this Sixth report on the progress of Position Management Activities related to a Budget Note in SB 5526 (2017). Specifically, this is in response to concerns about the agency's use of double fills of positions and the high number of vacant positions within the agency.

Agency Action

Position Management

In the 2017 Legislative Session, the Department of Human Services had the following budget note related to position management in SB 5526(2017):

DHS is directed to accelerate the agency's current effort to improve position management practices; these have typically relied heavily on double filling positions and using funding from holding positions vacant to cover the double-fill costs. While perhaps expedient from a program perspective, this approach makes it difficult to externally assess or validate how many positions should be approved in the budget, to calculate any gap between a positions' funding versus actual cost, and to determine if a vacant position is no longer needed. It is also not consistent with truth in budgeting and makes it challenging to set baselines for cost containment strategies,

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budget growth metrics, or program capacity analyses.

At a minimum, at each interim meeting, the Department will report on progress, by program, in reducing the number of double filled and vacant positions, along with providing an update on its plan for resolving double fills and cleaning up vacant positions over the next two years. It is anticipated the agency will need to work through both the administrative position change (permanent finance plan) and legislative position change (rebalance or policy package action) processes to complete the project.

As of June 1, 2017, the agency had 494 double filled positions, 814 vacant positions and 7,767 total employees.

As of October 10, 2018, DHS had 8,676 working employees (not including board and commission members but including temporary staff to be consistent with prior reporting), an increase of 96 more bodies since the last report. The number of budgeted Positions is now 9,056 and 8612.17 FTE. This is up from 8,349 Positions and 8,164.07 FTE prior to the February 2018 session

Double Fills

The last report was based on August 1, 2018 data. This report is based on October 1, 2018 data.

As of October 1, 2018, DHS has 450 double fills. This is down from June 1, 2017 by 47 but up from August by 49. The Child Welfare program increased double fill use due to a hiring strategy and maintaining safety as a top priority. At the same time, DHS and Child Welfare is analyzing position use, position need and where there is still room to clear double fills. Significant progress in resolving the double fill issues will be addressed by the agency within 2019 biennia.

DHS is in the process of decentralizing a Self Sufficiency Processing Center in the Portland area and moving the positions to other districts in order to create jobs in rural areas. In order to cover the work during the transition, there will temporarily be some increase in double fills. Use of double fills in APD continue to be related to hiring strategies that cause short term double fills.

The table below sets out the current double fills by program area compared to the June 2017 baseline numbers and the this report's October numbers.

DHS Double Fill Status Report as of 10/10/18 reporting						
Program Area	Jun-17	Dec-17	Mar-18	Aug-18	Oct-18	Change 6/17 to 10/18
APD	63	60	94	50	60	(3)
CW	131	179	182	194	198	67
I/DD	21	22	15	16	19	(2)
SSP	119	33	35	50	83	(36)
VR	9	7	7	13	12	3
Shared	98	83	68	35	27	(71)
Central	56	48	44	43	51	(5)
Total	497	432	445	401	450	(47)

Vacancies

Vacancies within the department have gone from 811 in June 2017 to 1,042 as of October 1, 2018 which is down 95 from August 2018. The main reason for the increase in vacant positions from June are the new positions authorized by the legislature during the last two legislative sessions. In addition, many of the new vacancies are related to the IE/ME project which is beginning to ramp up hiring (these positions show in central office). In addition, incorporating the OHP processing center transferred 78 vacancies to SSP (and no double fills). OHP is in the process of hiring on these 78 vacant positions to increase capacity in the OHP Processing Center. The table below sets out vacancies by program area compared to the June baseline numbers and the December report numbers:

DHS Vacant Positions Status Report as of 10/10/18 reporting						
Program Area	Jun-17	Dec-17	Mar-18	Aug-18	Oct-18	Change 6/17 to 10/18
APD	114	252	237	189	183	69
CW	150	339	310	417	364	214
I/DD	120	97	78	91	97	(23)
SSP	247	164	159	228	224	(23)
VR	27	26	19	26	24	(3)
Shared	91	93	94	86	55	(36)
Central	62	125	119	100	95	33
Total	811	1,096	1,016	1,137	1,042	231

Report includes vacancies from the 707 positions gained in Feb 2018 Session (469 at OHP PC/Self Suff; 196 in CW; 33 for Background Check; 9 others)

Next Steps

As stated in previous letters, DHS has the following plan to clear double fills and true up positions. First, DHS plans to continue to place as many “double fills” on vacant positions as possible as described above. This has been completed for most of the agency. DHS continues to work on the larger strategic plan to manage positions especially in Child Welfare, Central and Shared offices. This will lead to a series of permanent finance plans done either through the normal permanent finance plan process or through the rebalance and POP process for larger packages required to better align the DHS positions to how the business is being completed.

As indicated in the last letter few letters, due to the complexity of this process it is estimated that it will need to take place over the next two years to be completely cleaned up. DHS is constantly evolving. Keeping up with changes in service delivery needs, funding sources, and position needs is an ongoing task and risk. DHS will not be able to clear all double fills without using field positions so there are position true up POPs proposed for 2019-21.

There are situations where double filling a position is appropriate in the short term. For example, an impending retirement where training from the current incumbent is necessary, backfilling behind an employee out on leave, or awaiting establishment of positions in the PICS system. This practice will most likely continue into the future, with close monitoring to resolve the double fill in the intended time period.

Over the next few months DHS will continue to look at its positions from an enterprise standpoint to identify positions that need to be “trued up” from both a classification and funding standpoint. Part of the complexity of DHS positions is having multiple funding sources for multiple programs that are not always identical in fund mixes. Not only does DHS need to review the actual classifications, but it also needs to ensure the proper funding types are used for the position. This becomes even more complicated with Shared Services positions that are “Other Funded” but then paid for by DHS and OHA through cost allocation.

Background Check Unit

During the 2018 Session the Background Check Unit (BCU) received funding and authority to hire 33 positions at (24.75 FTE). BCU is a shared service in DHS serving both DHS and OHA, for background check requirements. The goal of this investment is to reduce backlogs in BCU from up to 10 weeks and longer to lower than two weeks by December 2018.

Through October 1, 2018, BCU was able to both keep up with the incoming requests but also cleared over 3,800 backlogged cases (above the 2,750 backlogged cases cleared in the last reporting period) down from over 13,700 to just over 7,100 cases in the backlog queue as of October 1, 2018. While most of these were on the “easy” side of the spectrum the new staff is getting up to speed quickly and as they progress are now able to help clear some of the more complex checks. DHS is optimistic that further significant reductions in backlogs can be achieved by December.

There will still be outliers on more complex checks, usually a person from out of state, that may require other state agency records or FBI information that is out of the control of DHS as to timing. For example, there are presently some outliers back to August 17, 2018. However, most checks are currently being completed within 2-3 weeks.

Action Requested

Acknowledge receipt of report.

Legislation Affected

None at this time.

For further information or additional questions please contact Eric Moore at 503-884-4701.

Sincerely,



Eric Luther Moore
DHS Chief Financial Officer

cc: Ken Rocco, Legislative Fiscal Office
Laurie Byerly, Legislative Fiscal Office
George Naughton, Department of Administrative Services
Tamara Brickman, Department of Administrative Services
Cathy Connolly, Department of Administrative Services