

Department of Human Services

2017 Ways and Means Human Services Subcommittee

DHS 2015-17 Rebalance

May 2017



DHS 2015-17 Rebalance Overview

Bottom Line: No GF Request at this time and an assumed reversion of 51.4 million GF. Caseload risks remain.

Major Savings Drivers Since December 2016 Rebalance:

- Caseload/Cost-per-Case savings in Aging and People with Disabilities (APD), Employment Related Day Care (ERDC) and Temporary Assistance to Needy Families (TANF)

Management Actions/GF Savings to Balance Budget:

- Savings in APD Live in program and TANF programs
- Savings in Personal Services in several programs in part due to management actions to control costs.
- Additional one time Estate recoveries offsetting GF
- Better match rates in several programs

Rebalance Summary by the Numbers

Overview of GF Rebalance Issues									
	APD	IDD	Self Suff	CW	Central	SAEC	PDS	Dbt Serv	Total
Program	2.4	5.4	(20.4)	(28.7)	-	(1.7)	-	-	(43.0)
Delivery	(14.4)	(8.1)	-	8.4	-	-	-	-	(14.1)
Design	-	2.6	-	8.5	-	-	-	-	11.1
Revenue	(5.5)	-	-	-	-	-	-	-	(5.5)
Total	(17.5)	-	(20.4)	(11.8)	-	(1.7)	-	-	(51.4)

TABLE SHOWS:

- Net issues in each program area; and
- Revenue actions proposed

ACTIONS REQUESTED:

- No GF request
- Propose to revert, disappropriate or unschedule \$51.4 million GF
- Request to increase OF and FF limitation where applicable

Aging and People with Disabilities (APD): Net Savings (\$17.5) million GF

APD net savings due to:

- Nursing facility caseloads costs increased by \$1.4 million GF
- Savings of (\$0.7) million GF in Community Based Settings
- Management actions in Live-in program exceeded expectations to save another (\$12.0) million
- Estate recoveries increased by \$5.5 over previous projection savings (\$5.5) million GF
- Higher match rate achieved for ACA clients and case management services saved (\$9.5) million GF
- Management hiring strategies leading to savings of (\$5.0) million GF

Intellectual/Developmental Disabilities (I/DD) Programs: Net \$0.0 GF Need

I/DD has no net need or savings based on the following:

- Caseload costs have only increased slightly from the last rebalance, a net increase of \$2.5 million
- There is anticipated to be savings of (\$6.3) million GF due to two factors.
 - The first is that new SACU positions were not able to be timely hired due to contract negotiations that lasted well into the biennium
 - The second is that DHS has received approval from the federal government to get a higher match rate for administrative and management staff at SACU as these costs are considered in the rate for “group home” services in our state plan
- In addition the local field has a projected savings of (\$1.8) million due to management actions to increase the Medicaid participation rate
- I/DD Design costs are anticipated to be overspent by \$2.6 million GF
- DHS also proposes to reinvest the net (\$3.0) million in GF savings to hedge against caseload/cost per case increases or other last minute unknown costs

Child Welfare: Net savings of (\$11.8) million GF

Child Welfare has a net savings of (\$11.8) GF. This is the net of the following issues.

- Wellbeing and Permanency costs per case and caseloads have a net need of \$0.3 GF.
- Attorney General costs are estimated to exceed the GF budget by \$7.9 million GF.
- Safety and permanency programs of a net (\$10.0) million GF. Of this (\$3.8) is “applicable child” savings due to better match rates for adopted children that at some point must be reinvested into the system per federal law.
- Due to a TANF administrative cap there is a GF need of \$5.0 million
- DHS proposes to use \$4.0 million in GF instead of SSBG in order to allow the SSBG to be carried over for use in the 2017-19 budget.
- A technical adjustment with SS of (\$20) million in GF and \$20.0 million FF
- Finally DHS proposes to keep 1.0 million in GF in the Child Welfare budget for contingency purposes

Self Sufficiency: Net savings of (\$20.4) million GF

Self Sufficiency has a net savings of (\$20.4) million GF based on the following issues:

- Significant reduction in caseload and cost per case to savings in TANF programs. TANF savings nets to (\$30.2) million in GF savings. Savings here is more significant than usual because it was not realized at the last rebalance.
- Due to unforeseen underutilization of the Employment Related Day Care program there is additional savings of (\$11.2) million GF and (\$9.2) million
- A technical adjustment with CW of \$20 million in GF and (\$20.0) million FF
- Finally DHS proposes to keep 1.0 million in GF in the Self Sufficiency budget for contingency purposes

Office of Vocational Rehabilitation Services, Program Design Services and Shared services

None of these programs have issue in this rebalance.

Statewide Assessments and Enterprise wide Costs (SAEC)

SAEC has the following issues that net to a slight savings of (\$1.7) million GF:

- A slight projected need in telecommunications, mass transit, enterprise technology service and unemployment costs of a net \$0.7 million GF.
- A slight projected savings in state government service charge and for “risk” charges of a net (\$0.4) million GF.
- A small savings in facilities due to a planned project not being able to be completed in 17-19 of (\$1.0) million GF.
- A small savings in shared services funding of (\$1.0) million GF.

Summary

Ongoing Risks

- Caseload/Costs-per-Case specifically in I/DD
- Unanticipated invoices that come in after the biennium closes

ACTIONS REQUESTED:

- No GF request
- Request to increase OF and FF in certain appropriations

Department of Human Services

Questions?

For more information regarding the DHS rebalance, visit:
<http://www.oregon.gov/DHS/> under Budget and Legislative Actions

For more information regarding the DHS Forecast, visit:
<http://www.oregon.gov/dhs/ofra/Pages/index.aspx>