

**Legislative  
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**Joint Committee on  
Ways and Means**

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**To:** Human Services Subcommittee

**From:** Linda Ames, Legislative Fiscal Office

**Date:** June 7, 2017

**Subject:** HB 5026 – Oregon Health Authority - Central, Shared, and Statewide Assessments & Enterprise-wide Costs  
Work Session Recommendations

**Oregon Health Authority – Central, Shared, Statewide Assessments &  
Enterprise-wide Costs**

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	158,527,338	212,985,217	194,651,035	219,789,662
Lottery Funds	0	0	0	231,570
Other Funds	148,692,378	178,100,097	187,623,223	179,582,102
Other Funds NL	30,077,623	129,500,902	0	0
Federal Funds	59,017,229	69,533,581	98,602,640	69,501,278
Federal Funds NL	4,141,953	4,123,972	3,719,310	3,719,310
<b>Total Funds</b>	<b>\$400,456,521</b>	<b>\$594,243,769</b>	<b>\$484,596,208</b>	<b>\$472,823,922</b>
Positions	569	595	600	586
FTE	552.43	584.24	589.36	584.74

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority - Central, Shared, and Statewide Assessments & Enterprise-wide Costs. The LFO recommended total funds budget is 20.4% lower than the 2015-17 legislatively approved budget. This is because bond refunding limitation is included in 2015-17. Without that, the total funds increase would be 1.7%. The General Fund budget has increased by 3.2%, or \$6.8 million, since 2015-17, primarily because of cost allocation issues that were identified in the 2015-17 biennium. The recommended budget includes the following:

- Debt service of \$69.7 million General Fund and \$71.4 million total funds is included in this budget, related to the State Hospital Replacement Project.

- A total of \$27.9 million General Fund is added to address cost allocation issues resulting primarily from bringing the Oregon State Hospital into the agency’s cost allocation model during the 2015-17 biennium. This is related to the funding of State Government Service Charges, Enterprise Technology Services, Shared Services, and Central Services.

**Adjustments to Current Service Level**

See attached “HB 5026 Work Session ” spreadsheet.

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

LFO recommends the Subcommittee approve a 2017-19 OHA Central, Shared, and Statewide Assessments & Enterprise-wide Costs preliminary budget of:

\$ 219,789,662	General Fund
\$ 231,570	Lottery Funds
\$ 179,582,102	Other Funds
\$ 69,501,278	Federal Funds
\$ 3,719,310	Nonlimited Federal Funds

586 Positions  
584.74 FTE

**Accept** LFO Recommendation:

**MOTION: I move the LFO recommendation to HB 5026. (VOTE)**

**OR**

**Change** LFO Recommendation:

**MOTION: I move the LFO recommendation to HB 5026, with modifications. (VOTE)**

**Performance Measures**

All agency performance measures will be presented for approval as part of the final action on the OHA budget.

**Recommended Changes**

The Central, Shared, and Statewide Assessments & Enterprise-wide Costs budget is part of HB 5026, which is the budget bill for the entire Oregon Health Authority. The recommended amendments to HB 5026 will be presented after work sessions are completed on all parts of the budget.

**OREGON HEALTH AUTHORITY: CENTRAL SERVICES, SHARED SERVICES, STATE ASSESSMENTS AND ENTERPRISE-WIDE COSTS (including Debt Service)**

**2017-19 RECOMMENDED BUDGET**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
<b>2015-17 Legislatively Approved Budget (As of June 2017)</b>	212,985,217	-	178,100,097	69,533,581	129,500,902	4,123,972	594,243,769	595	584.24	
<b>2017-19 Current Service Level</b>	194,651,035	-	187,623,223	98,602,640	-	3,719,310	484,596,208	600	589.36	
<b>2017-19 Governor's Budget</b>	193,137,296	-	195,246,811	92,275,091	-	3,719,310	484,378,508	615	610.12	
<b>2017-19 LFO RECOMMENDED BUDGET</b>	219,789,662	231,570	179,582,102	69,501,278	-	3,719,310	472,823,922	586	584.74	Includes \$67.7 m GF debt service

**2017-19 WORKING BUDGET ADJUSTMENTS DETAIL**

1	<b>2017-19 Current Service Level Estimate</b>	194,651,035	-	187,623,223	98,602,640	-	3,719,310	484,596,208	600	589.36	
2	<b>LFO Recommendations on Existing Packages</b>										
3	Pkg 095: December 2016 EBoard actions	5,001,464	-	(2,347,947)	(4,916,255)	-	-	(2,262,738)	(12)	(2.75)	Cost allocation issues
4	Pkg 405: MMIS Modularization	-	-	2,022,391	-	-	-	2,022,391	9	9.00	
5											
6	<b>Other Recommended Adjustments</b>										
7	Pkg 801: LFO Analyst Adjustments										
8	Regional Health Equity Coalition funding	858,329	-	-	-	-	-	858,329	-	-	Backfill federal grant funding
9	Office of Equity and Inclusion - DELTA funding	-	-	120,400	-	-	-	120,400	-	-	
10	Cost allocation and utilization - SGSC/ETS	11,155,147	-	676,415	(13,204,877)	-	-	(1,373,315)	-	-	
11	Telecom (MUSIC) Migration Project	1,024,343	-	49,663	877,204	-	-	1,951,210	-	-	
12	Risk charges and facilities	(383,565)	-	169,268	(3,761,559)	-	-	(3,975,856)	-	-	
13	Shared Services cost allocation fund shift	11,720,765	-	(5,015,096)	(6,793,744)	-	-	(88,075)	-	-	
14	ISPO move to DAS	(180,628)	-	(1,007,571)	(106,558)	-	-	(1,294,757)	(4)	(3.50)	
15	Including Lottery Funds for cost allocation	(31,570)	231,570	(200,000)	-	-	-	-	-	-	
16	DHS Shared Services vacancy savings - OHA share	(684,690)	-	(192,985)	(414,823)	-	-	(1,292,498)	-	-	
17	Administrative reductions	(3,810,925)	-	(876,409)	(351,176)	-	-	(5,038,510)	-	-	
18	Technical adjustments and transfers	1,012,364	-	325,204	(166,933)	-	-	1,170,635	(3)	(3.00)	
19	Pkg 812: Vacant Position Elimination	(542,407)	-	(1,877,866)	(262,641)	-	-	(2,682,914)	(4)	(4.37)	
20	Pkg 816: SB 1057 Medical Marijuana	-	-	113,412	-	-	-	113,412	-	-	
21											
22	<b>Total Adjustments from CSL</b>	<b>25,138,627</b>	<b>231,570</b>	<b>(8,041,121)</b>	<b>(29,101,362)</b>	<b>-</b>	<b>-</b>	<b>(11,772,286)</b>	<b>(14)</b>	<b>(4.62)</b>	
23											
24	<b>TOTAL 2017-19 Recommended Budget</b>	<b>219,789,662</b>	<b>231,570</b>	<b>179,582,102</b>	<b>69,501,278</b>	<b>-</b>	<b>3,719,310</b>	<b>472,823,922</b>	<b>586</b>	<b>584.74</b>	
25											
26	<b>Change from 2015-17 Approved</b>	<b>6,804,445</b>	<b>231,570</b>	<b>1,482,005</b>	<b>(32,303)</b>	<b>(129,500,902)</b>	<b>(404,662)</b>	<b>(121,419,847)</b>	<b>(9)</b>	<b>0.50</b>	
27	<b>Change from 2017-19 CSL Estimate</b>	<b>25,138,627</b>	<b>231,570</b>	<b>(8,041,121)</b>	<b>(29,101,362)</b>	<b>-</b>	<b>-</b>	<b>(11,772,286)</b>	<b>(14)</b>	<b>(4.62)</b>	
28	<b>Change from 2017-19 Governor's Budget</b>	<b>26,652,366</b>	<b>231,570</b>	<b>(15,664,709)</b>	<b>(22,773,813)</b>	<b>-</b>	<b>-</b>	<b>(11,554,586)</b>	<b>(29)</b>	<b>(25.38)</b>	
29											
30	<b>% Change from 2015-17 Approved</b>	<b>3.2%</b>		<b>0.8%</b>	<b>0.0%</b>			<b>-20.4%</b>	<b>-1.5%</b>	<b>0.1%</b>	
31	<b>% Change from 2017-19 CSL Estimate</b>	<b>12.9%</b>		<b>-4.3%</b>	<b>-29.5%</b>			<b>-2.4%</b>	<b>-2.3%</b>	<b>-0.8%</b>	
32	<b>% Change from 2017-19 Governor's Budget</b>	<b>13.8%</b>		<b>-8.0%</b>	<b>-24.7%</b>			<b>-2.4%</b>	<b>-4.7%</b>	<b>-4.2%</b>	