

**Legislative
Fiscal Office**

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828

Ken Rocco, Legislative Fiscal Officer
Paul Siebert, Deputy Fiscal Officer



**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Human Services Subcommittee
From: Laurie Byerly, Legislative Fiscal Office
Date: June 26, 2017
Subject: SB 5526 – Department of Human Services - Self Sufficiency
Work Session Recommendations

Department of Human Services – Self Sufficiency

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	393,382,439	354,947,995	452,804,156	345,563,959
Other Funds	116,839,979	99,873,152	100,256,112	100,235,704
Federal Funds	370,115,841	424,356,808	424,361,022	440,852,155
Federal Funds NL	2,363,243,469	2,514,345,331	2,214,345,331	2,214,345,331
Total Funds	\$3,243,581,728	\$3,393,523,286	\$3,191,766,621	\$3,100,997,149
Positions	2,018	2,044	2,040	2,049
FTE	1,985.99	2,035.49	2,039.63	2,048.63

Attached are the budget recommendations from the Legislative Fiscal Office (LFO) for the Self Sufficiency program. The LFO recommended total funds budget is 8.6% lower than the 2015-17 legislatively approved budget and 2.9% below the 2017-19 current service level.

The recommendations include the following:

- Adjustments for caseload and cost per case changes, which reflect about \$60 in lower projected General Fund costs between the fall 2016 and spring 2017 caseload forecasts. The Temporary Assistance for Needy Families (TANF) 2017-19 average caseload projection decrease by more than 3,000 families between forecasts.
- An \$11.7 million General Fund reduction in the Employment Related Day Care (ERDC) program; which equates to about 650 cases. This in addition to 500 slots lost due to fewer Child Care Development Fund (CCDF) dollars being available for the program. Another \$9.2 million General Fund is pulled from the program on a one-time basis and backfilled with CCDF carryforward from the 2015-17 biennium.

Overall, while the program is 11% below current services level, it is still expected to serve about 8,900 families in 2017-19.

- Movement of the Alcohol and Drug Child Care program from the Early Learning Division (ELD) to DHS. ELD indicates it cannot run the program because CCDF can no longer be used to support the program. DHS will work on a plan to work with these families; in some instances, the agency may already be involved with these families.
- A policy change saving \$3.4 million General Fund in the TANF program; Non-Needy Caretaker Relative income will now count in the eligibility calculation, which will reduce or eliminate grants for some families.

Adjustments to Current Service Level

See attached "SB 5526 Work Session" spreadsheet.

Note: Statewide adjustments are not included in these recommendations. Any needed adjustments will be made in an omnibus bill at the end of session.

LFO recommends the Subcommittee approve a 2017-19 DHS Self Sufficiency preliminary budget of:

\$	345,563,959	General Fund
\$	100,235,704	Other Funds
\$	440,852,155	Federal Funds
\$	2,214,345,331	Federal Funds Nonlimited
	2,049	Positions
	2,048.63	FTE

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5526. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5526, with modifications. (VOTE)

Performance Measures

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

Recommended Changes

The Self Sufficiency Budget is part of SB 5526, which is the budget bill for the entire Department of Human Services. The recommended amendments to SB 5526 will be presented after work sessions are completed on all parts of the budget.

**DEPARTMENT OF HUMAN SERVICES: SELF SUFFICIENCY
SB 5526 WORK SESSION**

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2015-17 Legislatively Approved Budget (As of June 2017)	354,947,995	-	99,873,152	424,356,808	-	2,514,345,331	3,393,523,286	2,044	2,035.49	
2017-19 Current Service Level	452,804,156	-	100,256,112	424,361,022	-	2,214,345,331	3,191,766,621	2,040	2,039.63	
2017-19 Governor's Budget	441,153,001	-	91,060,426	431,799,934	-	2,214,345,331	3,178,358,692	2,046	2,045.63	
2017-19 LFO RECOMMENDED BUDGET	345,563,959	-	100,235,704	440,852,155	-	2,214,345,331	3,100,997,149	2,049	2,048.63	

2017-19 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1 2017-19 Current Service Level Estimate	452,804,156	-	100,256,112	424,361,022	-	2,214,345,331	3,191,766,621	2,040	2,039.63	
2										
3 LFO Recommendations for Existing Packages										
4 Pkg 070: Revenue Shortfall	-	-	(9,183,772)	-	-	-	(9,183,772)	-	-	↓ CCDF available for subsidies; impacts about 500 cases
5 Pkg 095: December 2016 Rebalance										
6 Position transfers	528,081	-	-	503,273	-	-	1,031,354	6	6.00	1 mgr CW, 5 EBT positions APD
7 Other Recommended Adjustments										
8 Pkg 801: LFO Analyst Adjustments										
9 Caseload forecast/cost per case	(59,993,464)	-	-	-	-	-	(59,993,464)	-	-	Caseload 14.7% ↓ from fall 2016
10 Reorganization	579,082	-	8,458	443,684	-	-	1,031,224	3	3.00	Legal and Client Relations (LCRO) move
11 Mass Transit Recentralization	(619,916)	-	(2,364)	-	-	-	(622,280)	-	-	Return to SAEC; manage centrally
12 Reduce Services & Supplies by 3%	(372,894)	-	(4,620)	(562,925)	-	-	(940,439)	-	-	15% Reduction List
13 Vacancy Savings @ 3%	(3,047,913)	-	(21,882)	(3,892,899)	-	-	(6,962,694)	-	-	2% higher than GB level
14 Apply TANF Carryforward	(20,000,000)	-	-	20,000,000	-	-	-	-	-	One-time fundshift; at level that maintains MOE
15 TANF Count NNCR income	(3,413,214)	-	-	-	-	-	(3,413,214)	-	-	Counting income will reduce or eliminate TANF grant
16 ELD keep 3rd party, move teen parent to DHS	-	-	(355,510)	-	-	-	(355,510)	-	-	Shift use of base CCDF budget/resources
17 Move balance of shift to ERDC standard	-	-	355,510	-	-	-	355,510	-	-	Maximize ERDC standard program
18 ELD A&D treatment child care to DHS	-	-	-	-	-	-	-	-	-	\$1.4m/bien; can't use CCDF = unfunded + budget note
19 ERDC reduce caseload due to GF constraints	(11,716,187)	-	-	-	-	-	(11,716,187)	-	-	About 650 cases, ↓ slots to maintain incentives
20 ERDC use CCDF carryforward	(9,183,772)	-	9,183,772	-	-	-	-	-	-	One-time fundshift; preserve about 500 cases

**DEPARTMENT OF HUMAN SERVICES: SELF SUFFICIENCY
SB 5526 WORK SESSION**

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
21										
22	(107,240,197)	-	(20,408)	16,491,133	-	-	(90,769,472)	9	9.00	
23										
24	345,563,959	-	100,235,704	440,852,155	-	2,214,345,331	3,100,997,149	2,049	2,048.63	
25										
26	(9,384,036)	-	362,552	16,495,347	-	(300,000,000)	(292,526,137)	5	13.14	
27	-2.64%		0.36%	3.89%		-11.93%	-8.62%	0.24%	0.65%	
28	(107,240,197)	-	(20,408)	16,491,133	-	-	(90,769,472)	9	9.00	
29	-23.68%		-0.02%	3.89%		0.00%	-2.84%	0.44%	0.44%	
30	(95,589,042)	-	9,175,278	9,052,221	-	-	(77,361,543)	3	3.00	
31	-21.67%		10.08%	2.10%		0.00%	-2.43%	0.15%	0.15%	