

**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 - Vocational Rehabilitation  
Work Session Recommendations

**Department of Human Services – Vocational Rehabilitation**

	<b>2013-15 Actual</b>	<b>2015-17 Legislatively Approved</b>	<b>2017-19 Current Service Level</b>	<b>2017-19 LFO Recommended</b>
General Fund	21,017,719	24,308,416	32,421,185	29,129,564
Other Funds	1,064,885	2,327,882	2,344,754	2,331,562
Federal Funds	76,308,198	84,146,036	77,699,255	81,280,748
<b>Total Funds</b>	<b>\$98,390,802</b>	<b>\$110,782,334</b>	<b>\$112,465,194</b>	<b>\$112,741,874</b>
Positions	234	261	250	259
FTE	229.08	259.17	249.25	258.25

Attached are the budget recommendations from the Legislative Fiscal Office (LFO) for the Vocational Rehabilitation program. The LFO recommended total funds budget is 1.8% higher than the 2015-17 legislatively approved budget and less than one percent above the 2017-19 current service level.

The recommendations include the following:

- Use of \$4.9 million Federal Funds from one-time reallocation dollars; while these are one-time the agency has been successful in repeatedly drawing down these funds in recent biennia.
- Elimination of two long-term vacant positions and an adjustment to correct a current service level error and move 10 positions back into the program from Intellectual and Developmental Disabilities.

## **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 Vocational Rehabilitation preliminary budget of:

\$	29,129,564	General Fund
\$	2,331,562	Other Funds
\$	81,280,748	Federal Funds
	259	Positions
	258.25	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 Vocational Rehabilitation 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: VOCATIONAL REHABILITATION  
SB 5526 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
<b>2015-17 Legislatively Approved Budget (As of June 2017)</b>	24,308,416	-	2,327,882	84,146,036	-	-	110,782,334	261	259.17	
<b>2017-19 Current Service Level</b>	32,421,185	-	2,344,754	77,699,255	-	-	112,465,194	250	249.25	
<b>2017-19 Governor's Budget</b>	26,996,950	-	2,340,616	84,634,350	-	-	113,971,916	261	260.25	
<b>2017-19 LFO RECOMMENDED BUDGET</b>	29,129,564	-	2,331,562	81,280,748	-	-	112,741,874	259	258.25	

2017-19 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1	<b>2017-19 Current Service Level Estimate</b>	32,421,185	-	2,344,754	77,699,255	-	-	112,465,194	250	249.25	
2											
3	<b>LFO Recommendations for Existing Packages</b>										
4	Pkg 095: December 2016 Rebalance										
5	Fix keying error; positions from IDD to VR	2,143,674	-	-	-	-	-	2,143,674	11	11.00	2015-17 Pkg. 104 Employment Outcomes
6	<b>Other Recommended Adjustments</b>										
7	Pkg 801: LFO Analyst Adjustments										
8	Mass Transit Recentralization	(40,533)	-	-	-	-	-	(40,533)	-	-	Return to SAEC; manage centrally
9	Vacancy Savings @ 3% of Personal Services	(305,610)	-	(12,414)	(1,096,335)	-	-	(1,414,359)	-	-	2% higher than Gov's level
10	Reduce Services & Supplies by 3%	(21,329)	-	-	(99,667)	-	-	(120,996)	-	-	15% reduction list
11	Use federal reallotment dollars (one-time)	(4,900,000)	-	-	4,900,000	-	-	-	-	-	Retain enough GF for MOE
12	Pkg 812: Vacant Position Elimination	(167,823)	-	(778)	(122,505)	-	-	(291,106)	(2)	(2.00)	Counselor & policy; 12+ mos vacant
13											
14	<b>Total adjustments LFO Rec from CSL</b>	<b>(3,291,621)</b>	-	<b>(13,192)</b>	<b>3,581,493</b>	-	-	<b>276,680</b>	<b>9</b>	<b>9.00</b>	
15											
16	<b>TOTAL 2017-19 LFO Recommended Budget</b>	<b>29,129,564</b>	-	<b>2,331,562</b>	<b>81,280,748</b>	-	-	<b>112,741,874</b>	<b>259</b>	<b>258.25</b>	
17											
18	<b>\$ Change from 2015-17 Approved</b>	<b>4,821,148</b>	-	<b>3,680</b>	<b>(2,865,288)</b>	-	-	<b>1,959,540</b>	<b>(2)</b>	<b>(0.92)</b>	
19	<b>% Change from 2015-17 Approved</b>	<b>19.83%</b>		<b>0.16%</b>	<b>-3.41%</b>			<b>1.77%</b>	<b>-0.77%</b>	<b>-0.35%</b>	

20	\$ Change from 2017-19 CSL Estimate	(3,291,621)	-	(13,192)	3,581,493	-	-	276,680	9	9.00
21	% Change from 2017-19 CSL Estimate	-10.15%		-0.56%	4.61%			0.25%	3.60%	3.61%
22	\$ Change from 2017-19 Governor's Budget	2,132,614	-	(9,054)	(3,353,602)	-	-	(1,230,042)	(2)	(2.00)
23	% Change from 2017-19 Governor's Budget	7.90%		-0.39%	-3.96%			-1.08%	-0.77%	-0.77%