

**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**

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**To:** Human Services Subcommittee  
**From:** Laurie Byerly, Legislative Fiscal Office  
**Date:** June 27, 2017  
**Subject:** SB 5526 – Department of Human Services - Child Welfare  
Work Session Recommendations

**Department of Human Services – Child Welfare**

	<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	369,480,684	469,452,233	547,157,159	553,248,129
Other Funds	20,757,218	23,165,610	24,490,532	28,136,610
Federal Funds	464,455,198	469,761,812	470,197,291	490,146,539
<b>Total Funds</b>	<b>\$854,693,100</b>	<b>\$962,379,655</b>	<b>\$1,041,844,982</b>	<b>\$1,071,531,278</b>
Positions	2,480	2,590	2,726	2,745
FTE	2,403.45	2,544.65	2,682.65	2,686.79

Attached are the recommendations for the Legislative Fiscal Office (LFO) for the Department of Human Services - Child Welfare. The LFO recommended total funds budget is 11.4% higher than the 2015-17 legislatively approved budget, while the General Fund budget is 17.9% higher. The total funds budget is a 2.9% increase from the 2017-19 current service level. The recommended budget includes the following key budget actions or components:

- Adds \$6 million General Fund (9.6 million total funds) to increase foster care rates; the base rate increases by an average of 14% (Package 108).
- Between inflation built into current service level and another \$2.1 million General Fund (\$5.9 million total funds), increases rates for Behavioral Health Service Providers by a net average of 16% (Package 109).
- Adds \$6.9 million General Fund to provide caseworkers with legal representation, which is expected improve both the legal process and caseworker, workload, job satisfaction, and retention (Package 110)

- Uses \$3.3 General Fund to meet federal requirements by transferring these funds into the new account established by SB 102. The bulk of these funds, based on savings reported for federal fiscal years 2015 and 2016, will be used to establish a child care stipend to assist working foster parents (Package 113).
- Adds 50 Consultant, Educator, Trainer (CET) positions (44.00 FTE) and \$6.4 million General Fund (\$9.3 million total funds) that will directly provide training, role playing, and hands on support of new and struggling workers.
- Includes \$1 million General Fund for workforce professional development and \$2 million General Fund for supervisor training. The agency will report on its plan for these efforts as part of the required interim reporting on Child Welfare.
- Provides \$0.3 million General Fund (\$0.4 million total funds) and one limited duration position (0.50 FTE) to support SB 243.
- The amendments to SB 5526 will include a section establishing a \$750,000 General Fund appropriation to the Emergency Board for foster parent supports; numbers are not included in the DHS budget because they are outside the budget until allocated. The agency may request these funds when it has worked with stakeholders to determine the highest need/best use for the dollars.
- The budget also includes an adjustment to the current service level staffing model that buys fewer positions but for a longer period. This change also allows \$6.1 million General Fund to be used within the budget for other needs.

**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 Child Welfare preliminary budget of:

\$	553,248,129	General Fund
\$	28,136,610	Other Funds
\$	490,146,539	Federal Funds
	2,745	Positions
	2,686.79	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 Child Welfare 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: CHILD WELFARE

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>	469,452,233	-	23,165,610	469,761,812	-	-	962,379,655	2,590	2,544.65	
<b>2017-19 Current Service Level</b>	547,157,159	-	24,490,532	470,197,291	-	-	1,041,844,982	2,726	2,682.65	
<b>2017-19 Governor's Budget</b>	541,608,088	-	24,443,723	484,724,512	-	-	1,050,776,323	2,718	2,620.15	
<b>2017-19 LFO RECOMMENDED BUDGET</b>	553,248,129	-	28,136,610	490,146,539	-	-	1,071,531,278	2,745	2,686.79	

2017-19 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1	<b>2017-19 Current Service Level Estimate</b>	547,157,159	-	24,490,532	470,197,291	-	-	1,041,844,982	2,726	2,682.65	
2											
3	<b>LFO Recommendations for Existing Packages</b>										
4	Pkg 095: December 2016 Rebalance										
5	Position transfer	(208,649)	-	-	(151,091)	-	-	(359,740)	(1)	(1.00)	1 mgr to Self Sufficiency
6	Position restructure	-	-	-	-	-	-	-	(7)	(7.00)	Policy oversight & support field
7	Pkg 108: Family Foster Care Rate Reimbursement										
8	Rate increase effective 1/1/2018	6,000,000	-	-	3,692,070	-	-	9,692,070	-	-	About 57% of actual cost of care (↑from 40-46%)
9	Pkg 109: BRS Rates										
10	Update rates per model review	2,116,547	-	-	3,823,804	-	-	5,940,351	-	-	Relief factor, train new + existing staff
11	Pkg 110: Legal Representation in Child Welfare										
12	Block grant + caseworkers fully represented	6,916,041	-	-	12,957,561	-	-	19,873,602	-	-	74% budget increase; buys positions @ DOJ
13	Pkg 113: Applicable Child Fed Reqs/SB 102										
14	GF Payment to OF Account; 15-17 savings calc	3,303,810	-	3,303,810	-	-	-	6,607,620	-	-	Buys child care stipend for working foster parents
15	<b>Other Recommended Adjustments</b>										
16	Pkg 801: LFO Analyst Adjustments										
17	Caseload forecast/Cost per case	1,901,511	-	407,106	1,597,107	-	-	3,905,724	-	-	
18	From ORLO to Child Welfare + 1 pos to SS	861,712	-	139	855,703	-	-	1,717,554	8	8.00	Reconnect licensing/regulation with program
19	Mass Transit Recentralization	(1,038,681)	-	(6,562)	-	-	-	(1,045,243)	-	-	Return to SAEC; manage centrally
20	Reduce Services & Supplies by 3%	(640,747)	-	(13,295)	(544,611)	-	-	(1,198,653)	-	-	15% Reduction List

**DEPARTMENT OF HUMAN SERVICES: CHILD WELFARE**

**SB 5526 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments	
21	Vacancy Savings @ 3%	(8,283,027)	-	(45,120)	(5,948,406)	-	-	(14,276,553)	-	-	2% higher than GB level
22	Deny GF backfill for capped federal grants	(9,909,989)	-	-	-	-	(9,909,989)	-	-	Mitigated short term w/balances	
23	FMAP Rate Change	(977,800)	-	-	977,800	-	-	-	-	Fed @ 63.53% ↑ from 63.26% estimate	
24	Position clean up	-	-	-	-	-	-	(1)	-	Combine 2 part-time positions	
25	Correct FF negative entry	(684)	-	-	684	-	-	-	-	Nursing assessments expenditure	
26	Modify CSL staffing increase	(6,101,918)	-	-	(1,225,819)	-	-	(7,327,737)	(31)	(40.36)	Positions @ 21 mos to mitigate roll-up costs
27	Pkg 802: Other Child Welfare Program Needs										
28	Consultant, Educator, Trainer (CET) positions	6,494,170	-	-	2,774,980	-	-	9,269,150	50	44.00	Positions effective 10/1/17
29	Mitigate vacancy savings in the field	2,344,674	-	-	1,004,860	-	-	3,349,534	-	-	Aggressively fill most critical vacancies
30	Professional development	1,000,000	-	-	-	-	1,000,000	-	-	-	Report on plan under interim reporting
31	Supervisor Training	2,000,000	-	-	-	-	2,000,000	-	-	-	Report on plan under interim reporting
32	SB 243	314,000	-	-	134,606	-	-	448,606	1	0.50	1 LD Ops & Policy Analyst 3 @ 12 months
33											
34	<b>Total adjustments LFO Rec from CSL</b>	<b>6,090,970</b>	<b>-</b>	<b>3,646,078</b>	<b>19,949,248</b>	<b>-</b>	<b>-</b>	<b>29,686,296</b>	<b>19</b>	<b>4.14</b>	
35											
36	<b>TOTAL 2015-17 LFO Recommended Budget</b>	<b>553,248,129</b>	<b>-</b>	<b>28,136,610</b>	<b>490,146,539</b>	<b>-</b>	<b>-</b>	<b>1,071,531,278</b>	<b>2,745</b>	<b>2,686.79</b>	
37											
38	<b>\$ Change from 2015-17 Approved</b>	<b>83,795,896</b>	<b>-</b>	<b>4,971,000</b>	<b>20,384,727</b>	<b>-</b>	<b>-</b>	<b>109,151,623</b>	<b>155</b>	<b>142.14</b>	
39	<b>% Change from 2015-17 Approved</b>	<b>17.85%</b>	<b>-</b>	<b>21.46%</b>	<b>4.34%</b>	<b>-</b>	<b>-</b>	<b>11.34%</b>	<b>5.98%</b>	<b>5.59%</b>	
40	<b>\$ Change from 2017-19 CSL Estimate</b>	<b>6,090,970</b>	<b>-</b>	<b>3,646,078</b>	<b>19,949,248</b>	<b>-</b>	<b>-</b>	<b>29,686,296</b>	<b>19</b>	<b>4.14</b>	
41	<b>% Change from 2017-19 CSL Estimate</b>	<b>1.11%</b>	<b>-</b>	<b>14.89%</b>	<b>4.24%</b>	<b>-</b>	<b>-</b>	<b>2.85%</b>	<b>0.70%</b>	<b>0.15%</b>	
42	<b>% Change from 2017-19 Governor's Budget</b>	<b>11,640,041</b>	<b>-</b>	<b>3,692,887</b>	<b>5,422,027</b>	<b>-</b>	<b>-</b>	<b>20,754,955</b>	<b>27</b>	<b>66.64</b>	
43	<b>% Change from 2017-19 Governor's Budget</b>	<b>2.15%</b>	<b>-</b>	<b>15.11%</b>	<b>1.12%</b>	<b>-</b>	<b>-</b>	<b>1.98%</b>	<b>0.99%</b>	<b>2.54%</b>	