

Legislative Fiscal Office

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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 - Intellectual and Developmental Disabilities
Work Session Recommendations

Department of Human Services – Intellectual and Developmental Disabilities

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	583,418,110	743,386,397	893,719,977	886,869,630
Other Funds	33,998,166	31,386,168	29,099,174	27,960,269
Federal Funds	1,179,879,554	1,554,052,436	1,760,061,101	1,809,055,259
Total Funds	\$1,797,295,830	\$2,328,825,001	\$2,682,880,252	\$2,723,885,158
Positions	760	887	887	903
FTE	744.59	841.73	882.50	902.00

Attached are the recommendations from the Legislative Fiscal Office (LFO) for the Department of Human Services - Intellectual and Developmental Disabilities. The LFO recommended General Fund budget is 19.3% higher than the 2015-17 legislatively approved budget, the total funds is a 17.0% increase. The total funds budget is 1.5% above the 2017-19 current service level. The recommended budget includes the following key budget actions or components:

- Reshoot adjustments to account for caseload growth and cost per case changes based on the spring 2017 forecast. While the reshoot request contained \$20.8 million General Fund (\$43.2 million total funds) to update Community Developmental Disabilities (CDDP) and Brokerage workload models, the recommended budget reduces the increase to \$5.8 million General Fund; this will allow those entities to add a modest amount of staff.
- The budget plan contains the following program reductions:

- Eliminates regional programs (\$4.1 million General Fund, \$7.1 million total funds) that support crisis services. With shift to K Plan, clients are more likely to be receiving services and decreasing need for crisis placements. The program may have to reprioritize internally to fill service gaps if this trend does not continue.
 - Reduces the family support program by 1/2 or \$1.3 million General Fund, could affect approximately 500 children and their families.
 - Caps bedhold payments at 21, instead of 45 days, for savings of \$1.0 million General Fund.
 - Decreases the budget by \$2.2 million (\$4.7 million total funds) based on an effort to review inactive client records and work with CDDPs to remove clients from the caseload if they no longer need services.
 - Takes a \$12.0 million General Fund (\$24.0 million total funds) unspecified reduction. It is anticipated that meeting this target will be achieved through implementing the new assessment and other actions that may help curb costs growth; a related budget note is also proposed.
- To help provide higher wages for Direct Support Professionals, \$13.5 million General Fund (\$45.5 million total funds) is added to give IDD providers a 5% rate increase.

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 Intellectual and Developmental Disabilities preliminary budget of:

\$	886,869,630	General Fund
\$	27,960,269	Other Funds
\$	1,809,055,259	Federal Funds
	903	Positions
	902.00	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 Intellectual and Developmental Disabilities 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: INTELLECTUAL AND DEVELOPMENTAL DISABILITIES
SB 5526 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2015-17 Legislatively Approved Budget (As of June 2017)	743,386,397	-	31,386,168	1,554,052,436	-	-	2,328,825,001	887	841.73	
2017-19 Current Service Level	893,719,977	-	29,099,174	1,760,061,101	-	-	2,682,880,252	887	885.50	
2017-19 Governor's Budget	893,907,067	-	28,984,810	1,789,806,816	-	-	2,712,698,693	894	893.00	
2017-19 LFO RECOMMENDED BUDGET	886,869,630	-	27,960,269	1,809,055,259	-	-	2,723,885,158	903	902.00	

2017-19 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1	2017-19 Current Service Level Estimate	893,719,977	-	29,099,174	1,760,061,101	-	-	2,682,880,252	887	885.50	
2											
3	Recommendations for Existing Packages										
4	Pkg 095: December 2016 Rebalance										
5	Move ORLO to IDD + 1 other position transfer	2,166,637	-	10,105	2,357,890	-	-	4,534,632	18	18.00	Licensing & compliance back to program
6	Position clean up	-	-	-	-	-	-	-	(1)	(0.50)	Establish PEM D and OS2
7	Fix keying error; positions from IDD to VR	(2,143,674)	-	-	-	-	-	(2,143,674)	(11)	(11.00)	2015-17 Pkg. 104 Employment Outcomes
8	SACU Interest Arbitration + PERS Police & Fire	1,041,140	-	-	1,920,731	-	-	2,961,871	-	-	P&F - HB 2618 (2015)
9	Other Recommended Adjustments										
10	Pkg 801: LFO Analyst Adjustments										
11	Caseload forecast/Cost per case	7,579,485	-	-	16,100,965	-	-	23,680,450	-	-	↑7% Adult In Home, ↑6% Children's residential
12	CDDP/Brokerage workload model update	20,810,283	-	-	22,341,938	-	-	43,152,221	-	-	Full model = 200 FTE CDDP, 69 FTE Brokerages
13	Modify CDDP/Brokerage model increase	(15,002,432)	-	-	(17,463,214)	-	-	(32,465,646)	-	-	Inc 78.24 FTE CDDP, 10.76 FTE Brokerages
14	FMAP Rate Change	(6,802,153)	-	(63,354)	6,865,507	-	-	-	-	-	Fed @ 63.53% ↑ from 63.26% estimate
15	SACU FMAP Adjustment	(6,196,463)	-	(646,875)	6,843,338	-	-	-	-	-	Program eligible for higher match rate
16	CDDP/Brokerage participation rate	1,886,836	-	-	(1,886,836)	-	-	-	-	-	Project fewer medicaid eligibles
17	Reorganization	2,512,528	-	927	149,219	-	-	2,662,674	13	13.00	13 pos from ITBS; 1 pos from APD
18	Position clean up	43,642	-	(353,250)	(278,822)	-	-	(588,430)	(3)	(3.00)	Unfunded DD council pos; correct SACU REPRs
19	Mass Transit Recentralization	(215,165)	-	(1,924)	-	-	-	(217,089)	-	-	Return to SAEC; manage centrally
20	Reduce Services & Supplies by 3%	(171,115)	-	(41,649)	(232,558)	-	-	(445,322)	-	-	15% Reduction List
21	Vacancy Savings @ 3%	(1,782,867)	-	(42,885)	(2,644,269)	-	-	(4,470,021)	-	-	2% higher than GB level
22	Eliminate regional staff	(4,189,855)	-	-	(2,901,270)	-	-	(7,091,125)	-	-	GB reduction; effective 10/1/17
23	Reduce family support program by 1/2	(1,317,352)	-	-	-	-	-	(1,317,352)	-	-	GF only program

DEPARTMENT OF HUMAN SERVICES: INTELLECTUAL AND DEVELOPMENTAL DISABILITIES
SB 5526 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
24	Cap bedhold payments at 21 days	(1,045,347)	-	-	-	-	(1,045,347)	-	-	GF only payment; limit budget exposure
25	Higher match rate for CDDP/Brokerage admin	(3,322,675)	-	-	3,322,675	-	-	-	-	Count add'l costs; eligibility & admin still 50/50
26	Perform QA on caseload records	(2,181,824)	-	-	(2,535,435)	-	(4,717,259)	-	-	Review records with inactive service delivery
27	More robust assessment + other actions	(12,000,000)	-	-	(12,000,000)	-	(24,000,000)	-	-	Management actions & budget note
28	Rate increase for IDD providers	13,480,024	-	-	29,034,299	-	42,514,323	-	-	5% increase effective 10/1/17
29										
30	Total adjustments LFO Rec from CSL	(6,850,347)	-	(1,138,905)	48,994,158	-	41,004,906	16	16.50	
31										
32	TOTAL 2015-17 LFO Recommended Budget	886,869,630	-	27,960,269	1,809,055,259	-	2,723,885,158	903	902.00	
33										
34	\$ Change from 2015-17 Approved	143,483,233	-	(3,425,899)	255,002,823	-	395,060,157	16	60.27	
35	% Change from 2015-17 Approved	19.30%	-	-10.92%	16.41%	-	16.96%	1.80%	7.16%	
36	\$ Change from 2017-19 CSL Estimate	(6,850,347)	-	(1,138,905)	48,994,158	-	41,004,906	16	16.50	
37	% Change from 2017-19 CSL Estimate	-0.77%	-	-3.91%	2.78%	-	1.53%	1.80%	1.86%	
38	% Change from 2017-19 Governor's Budget	(7,037,437)	-	(1,024,541)	19,248,443	-	11,186,465	9	9.00	
39	% Change from 2017-19 Governor's Budget	-0.79%	-	-3.53%	1.08%	-	0.41%	1.01%	1.01%	