

**Legislative  
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**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 - Agency Totals  
Work Session Recommendations

**Department of Human Services – Agency Totals**

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	2,326,345,063	2,727,212,617	3,275,092,200	3,106,909,923
Other Funds	472,081,293	539,710,476	546,806,345	551,495,145
Federal Funds	3,844,676,602	4,805,209,969	5,279,895,699	5,323,663,179
Federal Funds NL	2,363,243,469	2,514,345,331	2,214,345,331	2,214,345,331
<b>Total Funds</b>	<b>\$9,006,346,427</b>	<b>\$10,586,478,393</b>	<b>\$11,316,139,575</b>	<b>\$11,196,413,578</b>
Positions	7,652	8,053	8,238	8,224
FTE	7,484.69	7,902.39	8,164.88	8,080.44

Attached are the recommendations from the Legislative Fiscal Office (LFO) for the Department of Human Services. They are the aggregate of all the individual program budgets the Subcommittee has already approved for the agency. The total funds budget is 5.8% above the 2015-17 legislatively approved budget, while the General Fund increases by 13.9% or \$379.7 million. The General Fund budget is 5.1% or \$168.2 million below the 2017-19 current service level.

**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.

**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**

See attached “Legislatively Proposed 2017-19 Key Performance Measures.”

**Accept** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

**Change** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

### **Budget Notes**

#### **#1 Budget Note: Interim Reporting**

The Department of Human Services (DHS) will provide interim reports to the Legislature on the three topics outlined below; the agency may choose to submit either combined or separate status reports but should be consistent in approach once reporting has begun, unless otherwise instructed. Reports will be submitted for review and approval at each meeting of the appropriate interim budget committee (either Joint Committee on Ways and Means or Emergency Board) throughout the 2017-19 interim; an update during the 2018 legislative session may also be requested by either the agency or budget committee.

1. Child Welfare - This program has been struggling to meet legislative and stakeholder expectations around child safety, provider oversight, policy alignment, program performance, and system accountability. To help address this struggle, the recommended budget does contain funding and positions to help support the program, with a focus on foster parents, other providers, and agency caseworkers. However, for the latter group there continues to be legislative concern that more training and positions alone will not be sufficient to improve agency performance in recruiting, hiring, and retaining quality caseworkers. It is also likely that although the new Consultant Educator Trainer (CET) positions are intended to improve safety by providing the clinical consultation and training, the impacts will not be immediate as many of the agency’s most experienced casework staff will likely apply for these positions creating the need to backfill those positions with new casework staff that will need to be trained before being fully functioning. Interim reporting is directed to keep the Legislature aware and focused on agency progress in this area.

For the first interim report, the Department will provide information on data and metrics around recruiting, hiring, training, and retaining caseworkers, for legislative review and feedback toward developing a uniform reporting framework or dashboard for future meetings. This reporting should include information on staff turnover, such as separation rate and counts, length of service, separation reason, and agency strategies to address those reasons. Other related policy, workload, or organizational challenges and potential solutions should also be outlined. In addition, program changes or progress updates coming out of the Unified Child and Youth Safety Implementation Plan process, particularly those associated with potential budget needs or adjustments, should also be covered in the report.

2. Intellectual and Developmental Disabilities - The recommended budget includes a generic program reduction of \$12 million General Fund in lieu of more specific actions to curb program costs. While the Department has been working on sustainability options to offset program growth (primarily driven by the Community First Choice Option or “K Plan”) over the past two years, the results of that work has been met with a lukewarm response by the Legislature. Recently, it appears there might be other, more tenable program modification alternatives that would, however, require additional time to develop with and receive approval from the federal Medicaid authority. DHS is directed to pursue these alternatives, take management actions to suppress program spending, and implement the new assessment/planning process currently under development no later than June 1, 2018. At each interim meeting, the Department will provide a status update on both these efforts and the program’s budget.

The program is hoping to achieve budget savings without having to make changes to the “parental income disregard” or other eligibility criteria. However, if the target cannot be met by other actions, the program should consider and bring forward eligibility changes for legislative review and approval during the 2017-19 biennium. In addition, prior to taking any action that would close state operated residential facilities, the Department will report on its plan for that closure at the appropriate interim meeting; along with budget impacts, the report will include a description of how the closure will affect residents, providers, and employees.

3. Position Management - DHS is directed to accelerate the agency’s current effort to improve position management practices; these have typically relied heavily on double filling positions and using funding from holding positions vacant to cover the double fill costs. While perhaps expedient from a program perspective, this approach makes it difficult to externally assess or validate how many positions should be approved in the budget, to calculate any gap between a position’s funding versus actual cost, and to determine if a vacant position is no longer needed. It is also not consistent with truth in budgeting and makes it challenging to set baselines for cost containment strategies, budget growth metrics, or program capacity analyses.

At a minimum, at each interim meeting, the Department will report on progress made, by program, in reducing the number of double filled and vacant positions, along with providing an update on its plan for resolving double fills and cleaning up vacant positions over the next two years. It is anticipated the agency will need to work through both the administrative position change (permanent finance plan) and legislative position change (rebalance or policy package action) processes to complete the project.

As of June 1, 2017, DHS had 494 double filled positions, 814 vacant positions, and 7,767 employees.

## **#2 Budget Note: Alcohol and Drug Program Child Care Services Transition**

The Department of Human Services is directed to report to the Interim Joint Committee on Ways and Means during Legislative Days in November 2017 on its findings regarding the transition of the Alcohol and Drug Program child care services from the Early Learning Division to the Department. The report should include the adequacy of agency resources to support the program, additional funding needed to account for any resource gaps, a description of the services to be provided, and the number of families expected to be served.

**Accept** LFO Recommendation:

**MOTION: I move the LFO recommendation on Budget Notes. (VOTE)**

**OR**

**Change** LFO Recommendation (any changes must be approved by the co-chairs):

**MOTION: I move the LFO recommendation on Budget Notes, with modifications. (VOTE)**

## **Recommended Changes**

LFO recommends a budget of \$3,106,909,923 General Fund, \$551,495,145 Other Funds, \$5,323,663,179 Federal Funds, and 8,224 positions (8,080.44 FTE), which is reflected in the -1 amendment.

**MOTION: I move adoption of the -1 amendment to SB 5526. (VOTE)**

## **Final Subcommittee Action**

LFO recommends that SB 5526, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

**MOTION: I move SB 5526, as amended, to the Full Committee with a do pass recommendation. (VOTE)**

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_

DEPARTMENT OF HUMAN SERVICES: AGENCY TOTALS  
SB 5526 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE
<b>2015-17 Legislatively Approved Budget (As of June 2017)</b>	2,727,212,617	-	539,710,476	4,805,209,969	-	2,514,345,331	10,586,478,393	8,053	7,902.39
<b>2017-19 Current Service Level</b>	3,275,092,200	-	546,806,345	5,279,895,699	-	2,214,345,331	11,316,139,575	8,238	8,164.88
<b>2017-19 Governor's Budget</b>	3,173,736,725	-	554,442,828	5,321,990,813	-	2,214,345,331	11,264,515,697	8,294	8,076.56
<b>2017-19 LFO RECOMMENDED BUDGET</b>	3,106,909,923	-	551,495,145	5,323,663,179	-	2,214,345,331	11,196,413,578	8,224	8,080.44
Vocational Rehabilitation	29,129,564	-	2,331,562	81,280,748	-	-	112,741,874	259	258.25
Child Welfare	553,248,129	-	28,136,610	490,146,539	-	-	1,071,531,278	2,745	2,686.79
Aging and People with Disabilities	1,030,457,768	-	227,622,469	2,289,137,989	-	-	3,547,218,226	1,452	1,388.21
Intellectual and Developmental Disabilities	886,869,630	-	27,960,269	1,809,055,259	-	-	2,723,885,158	903	902.00
Self Sufficiency Programs	345,563,959	-	100,235,704	440,852,155	-	2,214,345,331	3,100,997,149	2,049	2,048.63
Program Design Services	-	-	-	-	-	-	-	-	-
Central, Shared, Assessments	261,640,873	-	165,208,531	213,190,489	-	-	640,039,893	816	796.56
<b>TOTAL 2017-19 DHS RECOMMENDED BUDGET</b>	<b>3,106,909,923</b>	<b>-</b>	<b>551,495,145</b>	<b>5,323,663,179</b>	<b>-</b>	<b>2,214,345,331</b>	<b>11,196,413,578</b>	<b>8,224</b>	<b>8,080.44</b>
\$ Change from 2015-17 Approved	379,697,306	-	11,784,669	518,453,210	-	(300,000,000)	609,935,185	171	178.05
% Change from 2015-17 Approved	13.92%	-	2.18%	10.79%	-	-11.93%	5.76%	2.12%	2.25%
\$ Change from 2017-19 CSL Estimate	(168,182,277)	-	4,688,800	43,767,480	-	-	(119,725,997)	(14)	(84.44)
% Change from 2017-19 CSL Estimate	-5.14%	-	0.86%	0.83%	-	0.00%	-1.06%	-0.17%	-1.03%
% Change from 2017-19 Governor's Budget	(66,826,802)	-	(2,947,683)	1,672,366	-	-	(68,102,119)	(70)	3.88
% Change from 2017-19 Governor's Budget	-2.11%	-	-0.53%	0.03%	-	0.00%	-0.60%	-0.84%	0.05%

# Legislatively Proposed 2017 - 2019 Key Performance Measures

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**Agency:** Human Services, Department of

**Mission Statement:**

Assisting people to become independent, healthy and safe.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. OVRS CLOSED - EMPLOYED – The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed.		Approved	62.34%	63%	65%
3. TANF RE-ENTRY - The percentage of Temporary Assistance for Needy Families (TANF) cases who have not returned within 18 months after exit due to employment.		Approved	65.10%	66%	67%
4. SNAP (Supplemental Nutrition Assistance Program) UTILIZATION - The ratio of Oregonians served by SNAP to the number of low-income Oregonians.		Approved	94.20%	90%	90%
5. SNAP (Supplemental Nutrition Assistance Program) ACCURACY - The percentage of accurate SNAP payments		Approved	94.89%	95%	95%
6. ENHANCED CHILD CARE - The percentage of children receiving care from providers who are receiving the enhanced or licensed rate for child care subsidized by DHS		Approved	63.70%	65%	65%
7. ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.		Approved	94.60%	96%	97%
8. TIMELY REUNIFICATION - The percentage of foster children exiting to reunification within 12 months of foster care entry.		Approved	66.10%	75%	76%
9. TIMELINESS OF ADOPTION ONCE LEGALLY FREE - Percent of Legally free children adopted in less than 12 months		Approved	46.10%	53.70%	54%
10. LTC NEED PREVENTION - Percentage of seniors (65+) needing publicly-funded long term care services.		Approved	3.09%	3.10%	3.08%
11. LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES - The percentage of Oregonians accessing publicly-funded long-term care services who are living outside of nursing facilities.		Approved	86.90%	88%	89%
12. DEVELOPMENTAL DISABILITY SUPPORT SERVICES - The percentage of eligible adults who are receiving adult support services within 90 days of request.		Approved	61.84%	86%	86%
13. PEOPLE WITH DISABILITIES LIVING AT HOME - The percentage of individuals enrolled in the Intellectual/Developmental disabilities program who are receiving services in their own home.		Approved	73.52%	80%	80%
14. SUPPORTED EMPLOYMENT - Increase the number of individuals who receive developmental disability services in supported employment.		Approved	2,971	3,020	3,140
15. ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES - The percentage of people with developmental disabilities experiencing abuse.		Approved	1.83%	1.80%	1.70%
17. CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved	74%	75%	75%

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
	Accuracy		84%	85%	85%
	Overall		82%	82%	82%
	Helpfulness		83%	85%	85%
	Expertise		84%	85%	82%
	Availability of Information		86%	88%	88%
19. CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME - The percent of children served in Child Welfare on an average daily basis (In Home and Foster Care) who were served while residing in their parent's home.		Approved	23.90%	33%	33%
20. TANF JOBS PLACEMENTS - The percentage of clients who achieve job placement each month compared to those anticipated to achieve placement.		Approved	122.40%	100%	100%
2. TANF FAMILY STABILITY - Rate per 1,000 of TANF recipient children entering child welfare (foster care or in home)		Proposed New	No Data	TBD	TBD
16. Abuse Investigation Timeliness - Percent of abuse reports assigned for field contact that meet policy timelines.		Proposed New	No Data	95%	95%
18. Disparity in foster youth achieving permanency within 2 years by race/ethnicity - Disparity is calculated by taking the ratio of two percentages: Percent of Non-White & Hispanic children achieving permanency goals / Percent of Non-Hispanic White children achieving permanency goals. The permanency goal is the percent of foster youth achieved permanency within 24 months (of those that entered 24 months ago)	Disparity of Non-Hispanic African American Youth	Proposed New	No Data	1	1
	Disparity of Non-Hispanic Asian/Pacific Islander Youth		No Data	1	1
	Disparity of Non-Hispanic White Youth (always=1)		No Data	1	1
	Disparity of Non-Hispanic Native American/Alaska Native Youth		No Data	1	1
	Disparity of Hispanic (any race) Youth		No Data	1	1
2. TANF FAMILY STABILITY - The percentage of children receiving TANF who entered foster care.		Proposed Delete	0.67%	0.50%	0%
16. ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES - The percentage of seniors and adults with physical disabilities experiencing abuse.		Proposed Delete	0.73%	2.20%	0%
18. PLACEHOLDER: SERVICE EQUITY		Proposed Delete	No Data	0%	0%

**LFO Recommendation:**

Approve the Key Performance Measures (KPMs) and targets as proposed; this includes new measures replacing #2, #16, and #18. Data for the new measures should be available in reporting year 2018; with targets for KPM #2 to be developed from that data for the next biennial report.

Direct the Department to review existing key performance measures for all programs and propose changes for the 2019-21 biennium as needed or based on legislative feedback; please note the current customer service KPM should not be modified as that is a standardized, statewide measure.

Due to legislative concerns about Child Welfare workforce retention and training adequacy, the agency is directed to propose at least two KPMs that will help measure results in this area; such as measures around turnover rates or number of annual training hours received. The agency should be able to distinguish between trends for the newer workforce (for example, one year of service or less) and the more established segment.

In addition to legislative interest, this direction is driven by a pending agency head change and new program leaders that want to relook at the current measures for possible improvements or to develop measures more in line with evolving programs. The Department will provide a written progress update to the Legislative Fiscal Office by February 1, 2018 and may be asked to present that work to the Subcommittee during the 2018 legislative session or at an interim meeting, based on agency progress and committee workload.



**SubCommittee Action:**