

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Ways and Means Full Committee
From: Human Services Subcommittee
Re: SB 5526 Department of Human Services

Representative Rayfield: “SB 5526 is the budget bill for the Department of Human Services. DHS delivers a range of supports and services for children, families, seniors, and people with disabilities through a system of field offices and community partners.

The Human Services Subcommittee approved a budget of \$3.1 billion General Fund, \$11.2 billion total funds, and 8,244 positions, which is 5.8% total funds more than the current budget. However, the General Fund budget is a 14% increase, with about 20% of the net growth attributable to targeted spending and the remainder tied primarily to mandated caseloads and maintaining existing services, while managing under federal changes or funding constraints.

The budget continues core programs, adjusts for caseload changes, and adds new or expanded funding for some programs. Actions taken to reduce General Fund need include cutting services and supplies spending, managing to a higher vacancy rate, and making select program reductions.

Key program elements and significant budget actions include:

- In Child Welfare, adds \$30 million General Fund to pay for rate increases for foster parents and behavioral rehabilitation service providers, legal representation for caseworkers, professional development, Consultant Educator Trainer positions, and supervisor training. A \$750,000 special purpose appropriation for foster parent supports is also part of the bill.

- Maintains Self Sufficiency programs, but includes a TANF reduction impacting about 600 households due to counting caretaker income; funding for Employment Related Day Care is also reduced but still covers just over 8,900 cases.

- Within the Aging and People with Disabilities program, no cuts are taken in Oregon Project Independence. Phase out of the live in program, a stronger assessment, and updated task timings are expected to reduce General Fund need by \$27 million. Rate increases for nursing facilities and cost of living increases for most community based care providers are also included.

- To help increase wages of direct support professionals, the Intellectual and Developmental Disabilities budget contains a 5% provider rate increase. About \$6.5 million in General Fund savings is captured through eliminating regional programs, capping bedhold payments at 21 days, and reducing the family support program. A \$12 million General Fund reduction target is also included, which is expected to be met through use of a more robust assessment tool and other actions. The Fairview Trust is left untouched.

The budget report for this bill contains a budget note requiring extensive interim reporting for the agency. A second budget note addresses the transition of a child care program from Early Learning into the agency.

The agency's performance measures were approved; the related recommendation includes specific direction for working on new measures over the interim.

The Human Services Subcommittee recommends SB 5526 be amended by the –1 amendment and be reported out do pass, as amended.”