

## Analysis

### Item 24: Department of Human Services

#### Double Filled Positions

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**Analyst:** Laurie Byerly

**Request:** Increase General Fund by \$39,920,940, increase the Other Funds expenditure limitation by \$735,607, increase the Federal Funds expenditure limitation by \$29,659,556, and establish 331 permanent positions (312.50 FTE) to clear double filled positions.

**Analysis:** The Department of Human Services (DHS) has recently reinvigorated its efforts to acquire funding and position authority to clear double filled positions. A position double fill is when more than one employee is placed in a position; with the state's transition to Workday this is no longer technically possible, so the extra employee sits in a non-budgeted position. However, the concept is unchanged – a person is hired for whom there is not explicit budget authority – and, since amounts budgeted for positions only account for one incumbent, an agency needs to have other funding available, such as vacancy savings, to cover the cost of the additional employee.

Historically, DHS has been an enthusiastic user of double fills to meet a variety of agency needs, but the practice became more prevalent after the 2009 Oregon Health Authority split and exacerbated during times of General Fund budget constraints; when budgets are tight, requests for new positions are usually unsuccessful. However, over the last decade, with needs still remaining and sometimes increasing due to recessionary program demands, DHS continued to double fill positions and most often tapped vacancy savings to cover the associated costs. The result is an agency holding hundreds of positions vacant, while at the same time operating with hundreds of double fills.

This contradiction, which makes agency position utilization and needs very challenging to analyze, received legislative attention during the 2017 session. A budget note directed DHS to report, at each interim meeting during the 2017-19 biennium, on work to improve position management practices; that work was to include reducing the number of both double filled and vacant positions. In the last DHS 2017-19 interim report, presented in December 2018 and reflecting October 2018 data, the agency reported 450 double fills and 1,045 vacant positions. It was clear at that time, while DHS had been able to use the permanent finance plan process to resolve some double fills, that DHS would not be able to make much more progress administratively.

In 2018 as part of its 2019-21 agency request budget, DHS included 135 new positions and 27 reclassifications, at a cost of \$22.7 million General Fund (\$41.2 million total funds) to true-up positions and help address a portion of the double fill problem. The request did not make it into the Governor's budget nor was it raised as an executive branch priority during the 2019 legislative session. However, the Legislature did not ignore agency position needs in 2019; the 2019-21 DHS legislatively adopted budget included 369 new positions and 707.22 FTE; the FTE count is much higher than the number of positions due to the roll-up of positions phased-in over the 2017-19 biennium (these also cost money).

The current request and heightened sense that the double fill issue may have become more important to executive branch leadership appears to be directly related to recommendations from

Alvarez & Marsal, the child welfare crisis team contractor. In its review of agency operations, the contractor apparently also found the tangle of double filled and vacant positions to be adding a layer of budget complexity that makes it difficult to assess program capacity and corresponding needs. The request includes positions supporting safety systems, equity efforts, research capacity, program leadership, agency management, human resources, and program operations.

While appreciating the double fill issue and a need for its resolution, the Legislative Fiscal Office (LFO) is not recommending action on the agency's request at this time. Although extensive double filling of positions does not support budget transparency, DHS has been able to meet many critical needs using the practice while still managing within its budget. This very expensive and complex budget request is more suited for work during a long legislative session, where request details and agency budget priorities can be more carefully vetted. A legislative condition for taking up this issue in 2021 could be that it is funded in the 2021-23 Governor's recommended budget; this would ensure the executive branch is committed to solving the problem and prioritizing resources accordingly.

If, however, there is a legislative desire to work on this problem during the 2020 legislative session, consideration should be given to request scalability, options for incrementally adding new positions, potential repurposing of field positions, agency assurances to limit future the use of non-budgeted positions (double fills), and requirements for agency reporting and accountability.

**Legislative Fiscal Office Recommendation:** The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means defer action on the request to the 2021 legislative session.

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Department of Human Services  
Streepey/Webb

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**Request:** Acknowledge receipt of the report and recommend an increase of \$39,920,940 General Fund, \$735,607 Other Funds expenditure limitation, \$29,659,556 Federal Funds expenditure limitation, and the establishment of 331 positions (312.50 FTE) for consideration during the 2020 Legislative Session to fund “double filled” positions in the Department of Human Services budget.

**Recommendation:** Acknowledge receipt of the report and consider the request during the 2020 Legislative Session.

**Discussion:** The Department of Human Services (DHS) experienced a variety of workload challenges over past decades that have had an impact on the number of staff required to conduct agency business. Positions facing increasing workloads include those protecting the safety of children in residential treatment programs, protecting people with disabilities who reside in licensed facilities, and others performing services critical to the agency’s mission. To address staffing capacity and to continue delivering necessary services, DHS hired more than one individual for a single budgeted position - a practice called “double filling” positions. Although double filling positions increases staffing capacity, it creates unbudgeted positions and over time can lead to a structural funding imbalance if not corrected.

Double filling positions has budget implications because only one individual’s personnel costs are included in the agency’s budget. Personnel costs related to the additional individual on a double filled position must be met through savings in other areas of the budget. If savings do not exist elsewhere, unbudgeted positions will create a budget shortfall. DHS recently made an aggressive effort to reduce the number of doubled filled positions to avoid a budget shortfall.

In July 2019, the Department had 864 “double-filled” or non-budgeted positions. After an extensive review, DHS is requesting to establish 331 positions to resolve the overall budget need. Efforts to reduce double filled positions include moving staff in double filled positions to appropriate vacant positions, making changes administratively to reclassify vacant positions to relieve double fills, and matching staff on double filled positions to new positions received in the 2019-21 Legislatively Adopted Budget.

Despite the efforts to eliminate a majority of double filled position, DHS requires additional funding and position authority to resolve the situation. The requested 331 additional positions affect most DHS divisions. By division, DHS seeks the following additional position authority: 41 positions for the Aging and People with Disabilities program, 91 positions for the Child Welfare program, 139 positions for the Central and Shared Services programs, 13 positions for the Intellectual and Developmental Disabilities program, 37 positions for the Self Sufficiency program, and 10 positions for the Vocational Rehabilitation program.

The position requests are related to double filled positions only and are separate from the new positions recommended by Alvarez & Marsal (A&M) for the Child Welfare program. Also, the requested double filled positions are separate from the new critical positions proposed by the agency in a separate request. Of the 331 double filled positions referenced above, A&M reviewed

and recommends 91 positions in the Child Welfare program and 76 of the 139 requested positions in the Central and Shared Services programs. New positions recommended by A&M and the new proposed critical positions will be requested in two separate requests.

A detailed breakout of the double filled position request is shown below:

<b>Division</b>	<b>Unit</b>	<b>Number of Positions</b>
Aging and People with Disabilities (APD) Program	APD Delivery	13
Aging and People with Disabilities (APD) Program	APD Program Design	28
Child Welfare Program	Child Welfare Delivery	5
Child Welfare Program	Child Welfare Design	86
Central Services Program	Communications and Legislative	12
Central Services Program	DHS Budget	2
Central Services Program	Director's Office	16
Central Services Program	Human Resources	34
Intellectual and Developmental Disabilities (IDD) Program	IDD Program Delivery	1
Intellectual and Developmental Disabilities (IDD) Program	IDD Program Design	12
Shared Services Program	Imaging & Records Management	12
Central Services Program	Office of Business Information Supports	2
Central Services Program	Office of Continuous Improvement	16
Central Services Program	Office of Equity and Multicultural Services	6
Shared Services Program	Office of Payment Accuracy and Recovery	4
Central Services Program	Office of Reporting, Research, Analytics and Implementation	15
Shared Services Program	Office of Training, Investigations and Safety	4
Central Services Program	Public Records and Legal	15
Self Sufficiency Program (SSP)	SSP Oregon Health Plan	2
Self Sufficiency Program (SSP)	SSP Program Delivery	9
Self Sufficiency Program (SSP)	SSP Program Design	26
Central Services Program	Tribal Affairs	1
Vocational Rehabilitation (VR) Program	VR Program Delivery	8
Vocational Rehabilitation (VR) Program	VR Program Design	2
<b>Total Requested Positions</b>		<b>331</b>

Of the total 331 double filled positions, approximately half are recommended or supported by A&M. These 167 positions were established before or during A&M's engagement, resulting in a total cost of \$33,370,149 total funds. These proposed costs include a request for \$20,660,335 General Fund, \$185,121 Other Funds expenditure limitation, and \$12,524,693 Federal Funds expenditure limitation.

The remaining double filled positions were not in A&M's scope of work and no opinion was given. DHS is requesting 164 positions outside of A&M's recommendations resulting in a total funds impact of \$36,945,954, which is comprised of \$19,260,605 General Fund, \$550,486 Other Funds, and \$17,134,863 Federal Funds.

Some vacancies exist within the requested double filled positions, however, most vacant positions are considered critical to the agency's mission. They are currently in recruitment and are expected to be filled shortly. The Department is working with the Department of Administrative Services Chief Human Resources Office in the review and approval of the classification of the requested positions.

To avoid double filled positions in the future, DHS will apply strict guidelines for approval of temporary unbudgeted positions. These limited situations include cross training new staff when an employee is nearing retirement or the rotation of subject matter experts when required for efficient project implementation. The Department will also clearly communicate if additional staff is required to complete new initiatives or changes to service demands.

The Department is requesting an increase of \$39,920,940 General Fund, \$735,607 Other Funds expenditure limitation, \$29,659,556 Federal Funds expenditure limitation, and establishment of 331 positions (312.50 FTE) for consideration in the 2020 Legislative Session to fund its double filled positions. If these positions are not granted, the progress DHS has made on implementing the A&M recommendations will be hindered and the agency will not be able to address the deficiencies in Oregon's Child Welfare System. Additionally, by removing the need to hold positions vacant for budgetary reasons, the agency will be able to align field staff hiring with budgeted positions and enhance field capacity in programs that protect vulnerable Oregonians.



# Oregon

Kate Brown, Governor

**Department of Human Services**

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December 9, 2019

The Honorable Senator Elizabeth Steiner Hayward, Co-Chair  
The Honorable Senator Betsy Johnson, Co-Chair  
The Honorable Representative Dan Rayfield, Co-Chair  
Interim Joint Committee on Ways and Means on Human Services  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048



Re: Request for funding and position authority to effectively serve Oregon's most vulnerable residents and clear agency "double filled" positions

Dear Co-Chairpersons:

### **Nature of the Request**

DHS requests that the Committee acknowledge receipt of this report and recommend an increase of \$39,920,940 General Fund, \$735,607 Other Funds expenditure limitation, \$29,659,556 Federal Funds expenditure limitation, establishment of 331 Positions (312.50 FTE) for consideration in the 2020 Legislative Session to fund "double filled" positions in the DHS budget. This is the first of three related requests.

### **Agency Action**

The Oregon Department of Human Services (DHS) serves people across the lifespan, keeping them safe and helping them reach their potential. The DHS strategic vision is to create a person-centered delivery system that provides services in a seamless and integrated manner, across the entire continuum of life, and in strong partnership with other public, private and community organizations. This request is an important step in achieving that vision, by addressing long-standing challenges that have hindered the agency's ability to move forward in a strategic way.

DHS is a nearly \$12.5 billion organization with more than 9,000 staff in hundreds of locations that serve 1.5 million Oregonians through programs and services aimed at safety, well-being, and independence. DHS delivers services through five main program areas: Self-Sufficiency, Child Welfare, Aging and People with

*"Assisting People to Become Independent, Healthy and Safe"*

## Disabilities, the Office of Developmental Disabilities Services, and Vocational Rehabilitation.

When DHS and the Oregon Health Authority split in 2009, DHS was left without many key positions and resources to support its mission. In addition, DHS has adapted to changing needs mid-Legislative sessions to minimize disruptions in service and respond to various crisis situations. To continue serving Oregonians as smoothly and efficiently as possible, DHS had to hire people when there were not available budgeted positions. To meet workload demands and gaps in services, two or more people have been hired on the same position number, resulting in “double fills” or non-budgeted positions. While the use of double fills has allowed the agency to address immediate needs, it has complicated the budget for DHS programs. In order to improve transparency, the agency is requesting the establishment of the positions and will appropriately limit using non-budgeted positions in the future.

This letter is part one of a three-part request to obtain funding and position authority for a well-built organization that has the infrastructure, people, data and outcomes necessary to best support our communities.

The department has already made significant progress in reducing non-budgeted positions. Since July 2019, staff have reduced the potential position request by 62 percent (from 864 to 331) by:

- Moving employees from non-budgeted positions onto budgeted positions as they became available.
- Submitting finance packages to DAS to reclassify vacant positions to meet the current needs.
- Matching non-budgeted positions with new, budgeted positions received in the 2019-21 Legislatively approved budget.
- Developing a strategy to eliminate, non-budgeted positions related to the implementation of the Integrated Eligibility System through attrition. (This strategy does not require additional funding but addresses the need for short-term capacity as staff are trained on the new system to ensure customer service and benefits are not disrupted.)

However, there are still 331 double fills that cannot be resolved without legislative action. These positions are throughout DHS in mission-critical areas including:

- Positions that provide critical support for the safety of children in residential treatment programs and seniors and people with disabilities who live in licensed facilities.
- Department units focused on equitable outcomes for Oregonians, including ensuring positive relationships with Oregon's Tribes and complying with the Indian Child Welfare Act (ICWA).
- Research and data staff to help the agency make more data-informed decisions and improve outcomes.
- Program management and senior leadership staff members, including seven Cabinet-level positions, to improve oversight, accountability and drive toward outcomes and improvements for programs and customers.
- Positions that provide critical support to the agency's workforce, including recruitment, retention and performance management.
- Positions supported by Alvarez & Marsal (A&M), the crisis management firm hired as part of Governor Brown's Executive Order 19-03, addressing immediate issues in child welfare and DHS operations. These positions are critical to Child Welfare operations and were either established during A&M's engagement or created before A&M's arrival. This package includes 67 positions recommended by A&M and 100 supported by A&M. Other A&M recommended positions are in package two. The rest of the positions in package one and three are DHS priorities but were outside the scope of work for A&M.

DHS is performing this critical work, but in order to finance these 331 double fills, the agency has left authorized positions vacant. By holding these positions vacant, important work is not getting done. This has impacted field-related work in program areas and additional modernization projects in central office.

In the future, as workloads increase and shift due to Legislatively assigned duties, the changing needs of the people we serve and implementation of new regulations, DHS will request positions needed to accomplish new bodies of work. DHS will manage vacancies by assessing agency need before filling positions to ensure positions are aligned to meet the most current and prominent needs of the agency. There will be strict exceptions for temporary approval of non-budgeted positions, such as bringing on replacements for retiring staff early to allow for cross-training. Another example may be the implementation of initiatives such as Integrated Eligibility where subject matter experts are rotated onto a specific project to prepare for implementation.



### Combined Ask

The three packages are detailed below. NOTE: All pricings are based on the 2017-2019 compensation package as the 2019-2021 compensation package has not been released yet. These numbers will increase when the new compensation plan is released. This letter relates to **Package 1**.

### **Package 1: Clears current double-fills**

Positions	FTE	General Fund	Other Funds	Federal Funds	Total
331	312.50	\$39,920,940	\$735,607	\$29,659,556	\$70,316,103

### **Package 2: Creates new positions recommended or supported by Alvarez & Marsal**

	FTE	General Fund	Other Funds	Federal Funds	Total
90 Positions	68.15	\$8,551,386	\$55,762	\$4,418,335	\$13,025,483
Infrastructure	0	\$5,780,000	\$0	\$2,738,096	\$8,518,096
TOTAL	68.15	\$14,331,386	\$55,762	\$7,156,431	\$21,543,579

### **Package 3: Creates new positions (unrelated to Alvarez & Marsal work)**

Positions	FTE	General Fund	Other Funds	Federal Funds	Total
38	33.19	\$3,138,271	\$154,498	\$2,519,456	\$5,812,225

### **Total**

	FTE	General Fund	Other Funds	Federal Funds	Total
459 Positions	413.84	\$51,610,597	\$945,867	\$36,597,347	\$89,153,811
Infrastructure	0	\$5,780,000	\$0	\$2,738,096	\$8,518,096
TOTAL	413.84	\$57,390,598	\$945,867	\$39,335,444	\$97,671,907

**Action Requested:** In Package 1, DHS requests that the Committee acknowledge receipt of this report, and recommend an increase of \$39,920,940 General Fund, \$735,607 in Other Funds expenditure limitation, \$29,659,556 in Federal Funds expenditure limitation and establish 331 Positions (312.50 FTE).

**Legislation Affected:**

Program	Legislation impacted	Fund Type	Requested Funding
Central Services/SAEC	ch 668 1(1)	General	\$15,743,234
Central Services/SAEC	ch 668 2(1)	Other	\$363,182
Central Services/SAEC	ch 668 3(1)	Federal	\$12,847,282
SSP/VR	ch 668 1(2)	General	\$4,785,304
SSP/VR	ch 668 2(2)	Other	\$192,965
SSP/VR	ch 668 3(2)	Federal	\$5,890,892
CW	ch 668 1(3)	General	\$12,864,552
CW	ch 668 2(3)	Other	\$15,874
CW	ch 668 3(3)	Federal	\$5,467,552
APD/IDD	ch 668 1(4)	General	\$6,527,850
APD/IDD	ch 668 2(4)	Other	\$163,586
APD/IDD	ch 668 3(4)	Federal	\$5,453,830

If you have questions, please contact Eric Moore at 503-884-4701.

Sincerely,



Eric Luther Moore  
DHS Chief Financial Officer

cc: Laurie Byerly, Legislative Fiscal Office  
Ken Rocco, Legislative Fiscal Office  
George Naughton, Department of Administrative Services  
Tamara Brickman, Department of Administrative Services  
Ali Webb, Department of Administrative Services  
Mike Streepey, Department of Administrative Services