

**Legislative  
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**Joint Committee on  
Ways and Means**

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**To:** Human Services Subcommittee

**From:** Tom MacDonald, Legislative Fiscal Office

**Date:** June 12, 2019

**Subject:** SB 5525 – Oregon Health Authority - Public Health Division  
Work Session Recommendations

**Oregon Health Authority – Public Health Division**

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 LFO Recommended
General Fund	39,805,881	65,325,147	73,292,764	92,315,337
Other Funds	154,540,730	196,801,605	192,218,213	218,382,068
Other Funds NL	25,249,525	40,000,000	40,000,000	40,000,000
Federal Funds	211,115,309	248,100,646	262,783,627	276,733,458
Federal Funds NL	81,902,469	102,729,051	102,729,051	102,729,051
<b>Total Funds</b>	<b>512,613,914</b>	<b>652,956,449</b>	<b>671,023,655</b>	<b>730,159,914</b>
Positions	784	771	739	763
FTE	760.59	741.37	731.11	753.89

Attached are the recommendations from the Legislative Fiscal Office (LFO) for the Public Health Division budget within the Oregon Health Authority. LFO recommends a total funds budget of \$730.2 million for Public Health, which represents an 11.8 percent increase from the 2017-19 legislatively approved budget. The recommended General Fund budget is \$92.3 million, which represents a 41.3 percent increase from 2017-19. The change in General Fund is largely due to increased support for Public Health Modernization, new funding for a voluntary universal home visiting program, and the backfill of declining medical marijuana revenue. The following summarizes the key changes in the recommended budget:

- *Public Health Modernization* - adds \$10 million General Fund in addition to the \$5 million General Fund included in the 2017-19 budget to advance Public Health Modernization activities. The additional investment will increase communicable disease prevention and response activities, support efforts to improve health equity, increase emergency response planning, and help develop tribal modernization plans, among other key modernization priorities (Package 405).

- *Universal Home Visiting* - includes \$4.7 million, of which \$2.9 million is General Fund, to implement a new voluntary universal nurse home visiting program for families with newborns. In order for coverage of these services to be available for all Oregon families, Senate Bill 526 (2019) requires health benefit plans offered in Oregon to reimburse the cost of the newborn home visiting services without any cost-sharing. For those who do not have health care through the commercial market, OHA is seeking a Medicaid State Plan Amendment for these services to be available to families who receive health care through the Oregon Health Plan. The Public Health Division will design the program consistent with the Family Connects home visiting model and implement it over a three-biennia period.
- *Medical Marijuana Revenue Decline* - includes \$5.5 million General Fund to backfill declining medical marijuana revenue used to support local public health authorities. In the past, this revenue had been used to replace General Fund in several core public health programs, including support for local public health authorities, Drinking Water Services, Emergency Medical Services, and others. Laws passed during the 2015, 2016 and 2017 legislative sessions related to recreational marijuana have significantly reduced medical marijuana program revenue. In 2017-19, the Legislature approved \$12.1 million General Fund to mitigate this issue across multiple Public Health programs, leaving state support for local public health authorities as the last non-medical marijuana program to still have a budget dependent on this revenue stream (Package 417).
- *Fee Adjustments* - increases Other Funds expenditure limitation related to revised Drinking Water Services fees (SB 27), increased Food, Pool, and Lodging fees (SB 28), and the establishment of a waiver application fee through the administrative rules process for the Toxic Free Kids program (Packages 418, 419, 420).
- The recommended budget also includes vacancy savings of \$216,586 General Fund and recognizes a decrease of \$266,426 in tobacco tax revenue available for tobacco prevention and cessation programs based on the May 2019 revenue forecast (Package 801).

### **Adjustments to Current Service Level**

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

LFO recommends the Subcommittee approve a 2019-21 Public Health Division preliminary budget of:

\$	92,315,337	General Fund
\$	218,382,068	Other Funds
\$	276,733,458	Federal Funds
\$	40,000,000	Nonlimited Other Funds
\$	102,729,051	Nonlimited Federal Fund

763 Positions  
753.89 FTE

**Accept** LFO Recommendation:

**MOTION:** I move the LFO recommendation to SB 5525. (VOTE)

**OR**

**Change** LFO Recommendation:

**MOTION:** I move the LFO recommendation to SB 5525, with modifications. (VOTE)

### **Performance Measures**

All agency performance measures will be presented for approval as part of the final action on the OHA budget.

### **Recommended Changes**

The Public Health budget is part of SB 5525, which is the budget bill for the entire Oregon Health Authority. The recommended amendments to SB 5525 will be presented after work sessions are completed on all parts of the budget.

**OREGON HEALTH AUTHORITY: PUBLIC HEALTH  
SB 5525 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
<b>2019-21 Legislatively Approved Budget (As of June 2019)</b>	65,325,147	-	196,801,605	248,100,646	40,000,000	102,729,051	652,956,449	771	741.37	
<b>2019-21 Current Service Level</b>	73,292,764	-	192,218,213	262,783,627	40,000,000	102,729,051	671,023,655	739	731.11	
<b>2019-21 Governor's Budget</b>	83,264,280	-	221,767,860	277,647,023	40,000,000	102,729,051	725,408,214	764	751.11	
<b>2019-21 LFO RECOMMENDED BUDGET</b>	92,315,337	-	218,382,068	276,733,458	40,000,000	102,729,051	730,159,914	763	753.89	

**2019-21 LFO RECOMMENDED BUDGET ADJUSTMENTS**

<b>1 2019-21 Current Service Level Estimate</b>	73,292,764	-	192,218,213	262,783,627	40,000,000	102,729,051	671,023,655	739	731.11	
<b>2 LFO Recommendations of Existing Packages</b>										
3 Pkg 081: September 2018 Eboard actions	245,621	-	-	-	-	-	245,621	1	1.00	Drinking Water Services program
4 Pkg 095: December 2018 Rebalance										
5 WIC information system grant	-	-	-	960,879	-	-	960,879	-	-	
6 Opioid response grant	-	-	-	382,464	-	-	382,464	-	-	
7 HITECH Meaningful Use grant	-	-	-	9,531,620	-	-	9,531,620	-	-	
8 Return Willowa county PH status to OHA	134,663	-	-	-	-	-	134,663	-	-	
9 Immunization program limitation adjustment	-	-	10,367,177	-	-	-	10,367,177	-	-	
10 Limitation and position true-ups	-	-	7,205,693	321,530	-	-	7,527,223	8	8.50	
11 Technical adjustments and transfers	521,349	-	64,952	575,646	-	-	1,161,947	1	1.00	
12 Pkg 401: Universal Home Visiting	2,856,925	-	-	1,834,405	-	-	4,691,330	4	3.00	SB 526 and Medicaid State Plan Amendment
13 Pkg 405: Public Health Modernization	10,000,000	-	-	343,287	-	-	10,343,287	6	5.28	
14 Pkg 417: State Support for Local Public Health	5,480,601	-	(5,480,601)	-	-	-	-	-	-	Backfill declining medical marijuana revenue
15 Pkg 418: Drinking Water Services fees	-	-	1,853,297	-	-	-	1,853,297	5	5.00	SB 27 fee restructure
16 Pkg 419: Food, Pool, & Lodging fees	-	-	64,450	-	-	-	64,450	-	-	SB 28 fee increases
17 Pkg 420: Toxic Free Kids program	-	-	111,511	-	-	-	111,511	-	-	Waiver application fee
18										
<b>19 Other Recommended Adjustments</b>										
20 Pkg 801: LFO Analyst Adjustments										
21 CARE Assist true-up	-	-	11,606,406	-	-	-	11,606,406	-	-	
22 OMMP limitation adjustment	-	-	878,280	-	-	-	878,280	-	-	
23 Vacancy savings	(216,586)	-	-	-	-	-	(216,586)	-	-	
24 Tobacco tax - May 2019 forecast	-	-	(266,426)	-	-	-	(266,426)	-	-	
25 Technical adjustments and transfers	-	-	(240,884)	-	-	-	(240,884)	(1)	(1.00)	
26										
<b>27 Total Adjustments from CSL</b>	<b>19,022,573</b>	<b>-</b>	<b>26,163,855</b>	<b>13,949,831</b>	<b>-</b>	<b>-</b>	<b>59,136,259</b>	<b>24</b>	<b>22.78</b>	
28										
<b>29 TOTAL 2019-21 Recommended Budget</b>	<b>92,315,337</b>	<b>-</b>	<b>218,382,068</b>	<b>276,733,458</b>	<b>40,000,000</b>	<b>102,729,051</b>	<b>730,159,914</b>	<b>763</b>	<b>753.89</b>	

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
30										
31	<b>Change from 2017-19 Approved</b>	26,990,190	-	21,580,463	28,632,812	-	77,203,465	(8)	12.52	
32	<b>Change from 2019-21 CSL Estimate</b>	19,022,573	-	26,163,855	13,949,831	-	59,136,259	24	22.78	
33	<b>Change from 2019-21 Governor's Budget</b>	9,051,057	-	(3,385,792)	(913,565)	-	4,751,700	(1)	2.78	
34										
35	<b>% Change from 2017-19 Approved</b>	41.3%		11.0%	11.5%	0.0%	11.8%	-1.0%	1.7%	
36	<b>% Change from 2019-21 CSL Estimate</b>	26.0%		13.6%	5.3%	0.0%	8.8%	3.2%	3.1%	
37	<b>% Change from 2019-21 Governor's Budget</b>	10.9%		-1.5%	-0.3%	0.0%	0.7%	-0.1%	0.4%	