

**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 13, 2019
Subject: HB 5026 – Department of Human Services - Intellectual and Developmental Disabilities Work Session Recommendations

Department of Human Services – Intellectual and Developmental Disabilities

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 LFO Recommended
General Fund	750,571,318	880,476,687	997,381,374	1,054,908,231
Other Funds	39,769,895	28,113,603	28,964,390	28,651,532
Federal Funds	1,592,951,485	1,810,396,130	1,883,854,298	2,002,687,787
Total Funds	2,383,292,698	2,718,983,420	2,910,200,062	3,086,247,550
Positions	958	914	913	920
FTE	893.69	909.70	912.42	918.94

Attached is the 2019-21 Legislative Fiscal Office (LFO) recommended budget for the for the Intellectual and Developmental Disabilities (IDD) program. The General Fund budget is \$174.4 million or 19.8% above the 2017-19 legislatively approved budget and a 5.8% increase over the 2019-21 current service level (CSL). The total funds budget is an increase of \$367.3 million or 13.5% over the 2017-19 biennium and a 6.1% increase from the 2019-21 CSL.

The recommended budget includes the following key budget actions or components:

- Package 801 makes budget adjustments for caseload and cost per case changes tied to the spring 2019 caseload forecast; these net out to an increase of \$13.5 million General Fund (\$28.2 million total funds). The largest component of caseload change is a 7% increase in adult in home support services. A change in the Federal Medical Assistance Percentage (FMAP; federal share decreases from 63.33% to 61.35%) drives a \$0.8 million swing from

Federal Funds to General Fund. To access matching federal dollars on local Community Developmental Disability Program (CDDP) administrative costs and spend additional Developmental Disability Council revenues, Federal Funds expenditure limitation is increased by \$7.6 million.

- To make General Fund available for program needs, the following budget reductions are recommended (Package 801):
 - Reducing General Fund expenditures by \$3,000,000 for the receipt of enhanced federal match for the program’s payment and reporting system (eXPRS). Initially, this reduction was assumed for the 2017-19 budget, but approval from the Centers for Medicare and Medicaid Services (CMS) has taken longer than expected.
 - Reducing the budget for community housing maintenance by \$320,083 (10%).
 - Reducing job coaching hours by \$2,000,000 to reflect actual usage of those services.
- Also, in Package 801, for CDDPs and brokerages, the recommendation includes an increase of almost \$13 million General Fund (\$22.9 million total funds) to add 149.55 FTE under a newly updated workload model that captures complex case management activities and effort required to use the new assessment tool, the Oregon Needs Assessment. The funding provided is \$10 million General Fund less that the level requested by the agency, due to limited General Fund availability. An adjustment to the workload model for Children’s services provided by DHS staff adds \$648,831 total funds and 3 positions (3.00 FTE).
- Adds \$30.0 million General Fund (\$91.8 million total funds) for provider rates; the expectation is that providers will use this funding to will help bring the wage of direct support professionals as close as possible to \$15.00 per hour by the end of the 2019-21 biennium (Package 801).
- SB 274 expands eligibility for support service by a brokerage to individuals with developmental disabilities from 18 years of age and older to 14 years of age and older. To make this transition, the budget includes \$536,188 totals funds and 3 positions (2.64 FTE); two limited duration positions to train brokerage staff on aspects of case management for children and one permanent full-time position for quality assurance work (Package 801).
- Package 802 includes an investment from a \$50 million General Fund behavioral health funding plan; this is also related to SB 1 and recommendations made by the Children and Youth with Specialized Needs workgroup:
 - Adds \$4.9 million General Fund (\$15.4 million total funds) to provide enhanced foster care services to about 140 youth; this effort also has 1 position (0.88 FTE) associated with it. Another component of the package is development of small group home settings for 12 youth.

Adjustments to Current Service Level

See attached “HB 5026 Work Session” spreadsheet.

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 DHS Intellectual and Developmental Disabilities preliminary budget of:

\$	1,054,908,231	General Fund
\$	28,651,532	Other Funds
\$	2,002,687,787	Federal Funds
	920	Positions
	918.94	FTE

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5026. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5026, 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 HB 5026, which is the budget bill for the entire Department of Human Services. The recommended amendments to HB 5026 will be presented after work sessions are completed on all parts of the budget.

**DEPARTMENT OF HUMAN SERVICES: INTELLECTUAL AND DEVELOPMENTAL DISABILITIES
HB 5026 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2017-19 Legislatively Approved Budget (As of December 2018)	880,473,687	-	28,113,603	1,810,396,130	-	-	2,718,983,420	914	909.70	
2019-21 Current Service Level	997,381,374	-	28,964,390	1,883,854,298	-	-	2,910,200,062	913	912.42	
2019-21 Governor's Budget	988,557,917	-	34,959,435	1,892,467,815	-	-	2,915,985,167	924	895.94	
2019-21 LFO RECOMMENDED BUDGET	1,054,908,231	-	28,651,532	2,002,687,787	-	-	3,086,247,550	920	918.94	

1 2019-21 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

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3 2019-21 Current Service Level Estimate	997,381,374	-	28,964,390	1,883,854,298	-	-	2,910,200,062	913	912.42	
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5 LFO Recommendations for Existing Packages										None
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7 Other Recommended Adjustments

8 Pkg 801: LFO Analyst Adjustments

9 Caseload/Cost Per Case	13,544,710	-	-	28,216,179	-	-	41,760,889	-	-	Adult in home support services ↑ 7% from fall
10 Federal Medical Assistance Percentage	814,943	-	7,225	(822,168)	-	-	-	-	-	Fed Share ↓ from 63.33% to 61.36%
11 Add Expenditure Limitation/Revenue	-	-	-	7,573,892	-	-	7,573,892	-	-	FF match on CDDP admin/DD Council FF Rev ↑
12 Enhanced Medicaid Match for eXPRS	(3,000,000)	-	-	3,000,000	-	-	-	-	-	Contingent on CMS approval
13 Reduce Community House Contract by 10%	(320,083)	-	(320,083)	-	-	-	(640,166)	-	-	Maintenance and repair; bonds on 5 homes end
14 Reduce Job Coaching Hours	(2,000,000)	-	-	(2,000,000)	-	-	(4,000,000)	-	-	Usage less than anticipated
15 Workload model update - CDDPs/Brokerages	12,953,834	-	-	9,976,858	-	-	22,930,692	-	-	↑108.25 FTE CDDPs, ↑ 41.30 FTE Brokerages
16 Workload model update - Children's Services	324,939	-	-	323,892	-	-	648,831	3	3.00	2 ONA Assessor and 1 Case Manager
17 Rate Increase for IDD Providers	30,000,000	-	-	61,815,942	-	-	91,815,942	-	-	Goal = close to \$15.00/hour by end of biennium
18 Implement SB 274; Brokerages Serve Age 14↑	268,514	-	-	267,674	-	-	536,188	3	2.64	2 limited duration pos; 1 permanent pos

19 Pkg 802: \$50 M Behavioral Health Invest

20 Youth with IDD/Behavioral Health Needs	4,940,000	-	-	10,481,220	-	-	15,421,220	1	0.88	Enhanced FC for 140 youths/12 group home slots
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DEPARTMENT OF HUMAN SERVICES: INTELLECTUAL AND DEVELOPMENTAL DISABILITIES
 HB 5026 WORK SESSION

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
21 Total adjustments LFO Rec from CSL	57,526,857	-	(312,858)	118,833,489	-	-	176,047,488	7	6.52	
22										
23 TOTAL 2019-21 LFO Recommended Budget	1,054,908,231	-	28,651,532	2,002,687,787	-	-	3,086,247,550	920	918.94	
24										
25 \$ Change from 2017-19 Approved	174,434,544	-	537,929	192,291,657	-	-	367,264,130	6	9.24	
26 % Change from 2017-19 Approved	19.81%		1.91%	10.62%			13.51%	0.66%	1.02%	
27 \$ Change from 2019-21 CSL Estimate	57,526,857	-	(312,858)	118,833,489	-	-	176,047,488	7	6.52	
28 % Change from 2019-21 CSL Estimate	5.77%		-1.08%	6.31%			6.05%	0.77%	0.71%	
29 \$ Change from 2019-21 Governor's Budget	66,350,314	-	(6,307,903)	110,219,972	-	-	170,262,383	(4)	23.00	
30 % Change from 2019-21 Governor's Budget	6.71%		-18.04%	5.82%			5.84%	-0.43%	2.57%	