

Legislative Fiscal Office

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828



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To: Human Services Subcommittee

From: Gregory Jolivette, Legislative Fiscal Office

Date: June 17, 2021

Subject: SB 5529 – Oregon Department of Human Services - Central Services, Shared Services, State Assessments and Enterprise-wide Costs Work Session Recommendations

Oregon Department of Human Services – Central Services, Shared Services, State Assessments and Enterprise-wide Costs, and Debt Service

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
General Fund	277,829,524	444,204,896	405,146,850	461,327,287
Other Funds	171,431,298	320,979,237	209,734,018	219,211,699
Federal Funds	287,054,275	377,368,530	312,461,309	348,859,610
Total Funds	736,315,097	1,142,552,663	927,342,177	1,029,398,596
Positions	970	951	909	1,025
FTE	913.13	928.37	903.36	1,017.69

Attached is the 2021-23 Legislative Fiscal Office recommended budget for the Central Services, Shared Services, and State Assessments and Enterprise-wide Costs (SAEC) programs. The LFO recommended total funds budget is 20.0% above the 2019-21 legislatively approved budget and 12.8% above the 2021-23 current service level (CSL). The General Fund budget is 64.1% higher than 2019-21.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

Package 084 – June Special Session. For Shared Services, this package provides \$0.2 million Other Fund limitation and one position in the Office of Training and Investigation Services. For SAEC, it provides \$0.2 million General Fund, which is the funding for the Shared Service position.

Package 087 - August Special Session. For Central Services, this package provides \$5.2 million General Fund, \$0.3 million Other Funds, \$3.1 million Federal Funds and 35 permanent positions (34.25 FTE) authorized in the 2020 Second Special Session. This

includes nine permanent positions (9.00 FTE) in Human Resources, three permanent positions (3.00 FTE) in the Director's Office and two permanent positions (2.00 FTE) in the Public Affairs Office, as recommended by Alvarez and Marsal (child welfare crisis team contractor) to address deficiencies in the Child Welfare program. In addition, 21 permanent positions (20.25 FTE) were transferred to Central Services from Shared Services as part of the Human Resources Center reorganization. For Shared Services, this package reduces Other funds limitation by \$4.5 million and results in a net decrease of 12 positions (11.25 FTE), reflecting a combination of new positions and transfers to other divisions within the agency and to the Oregon Health Authority. For SAEC, this package increases General Fund by \$0.5 million, reduces Other Funds by \$0.2 million and reduces Federal Funds by \$2.3 million for the net funding related to positions transferring into and out of Shared Services.

Package 088 – September E-Board. For SAEC, this package increases Other Funds limitation by \$7.2 million for waived case management costs. This change will allow the agency to track personal service costs in a manner that will generate additional federal funds.

Package 095 - GB Fall Reshoot. For Central Services, this package reduces General Fund by \$0.1 million, Other Funds by \$2,746 and Federal Funds by \$0.1 million due to transferring one permanent position (1.00 FTE) from the Central Services division to the Office of Health, Safety and Emergency Management within the Shared Services division. In addition, the package includes a technical adjustment reflecting the transfer of postage and handling from the Director's Office to the SAEC division. In Shared Services, this package increases expenditures by \$0.5 million Other Funds for budgetary actions requested in the December 2020 Rebalance. For SAEC, it increases General Fund by \$3.0 million, Other Funds by \$0.3 million and Federal Funds by \$1.8 million which is primarily related to the technical adjustment reflecting the transfer of postage and handling from the other parts of ODHS.

Package 099 - Microsoft 365. This package adjusts the Services and Supplies budget in SAEC due to the Microsoft 365 consolidation at the Department of Administrative Services.

Package 105 - HR Staffing. This package provides \$7.5 million General Fund, \$3.2 million Federal Funds, and 39 permanent positions (39.00 FTE) to assist with agency recruitment, completing pay equity assessments, providing training and legal compliance, supporting labor negotiations and handling workforce management issues. This package is meant to provide additional budget for its double-filled positions.

Package 107- Diversity Equity and Inclusion. This package provides \$3.8 million General Fund, \$18,336 Other Funds, and \$0.8 million Federal funds and seven permanent positions (5.74 FTE) to advance equity initiatives to provide more equitable, accessible service delivery to communities of color and historically disadvantaged groups. This includes rebranding the agency in a variety of ways, providing greater language access within the Office of Development Disabilities Services, increasing capacity for equity expertise, and the implementation of strategies within the Office of Equity and Multicultural Services.

Package 125 - EAU Business Process Change. This package funds the SAEC costs associated with adding positions in the Shared Services division Estate Administration Unit (EAU) to implement business process changes to increase estate recovery and assist in clearing the Surviving Spouse and Pending backlog.

Package 128 - Emergency management. This package provides funding for SAEC costs associated with adding positions in the Shared Services Occupational Health, Safety and Emergency Management Program to enhance the agency's ability to prepare for disasters by collaborating with other state agencies, elected officials, non-governmental organizations, stakeholders, employees and the public.

Package 206 - Integrated Eligibility. This package funds permanent resources for the Oregon Department of Human Services and the Oregon Health Authority to support the transition from the IE project to the integrated ONE program through the 2021-23 biennium and into future biennia. The request includes funding for 20 permanent positions (20.00 FTE), contracting costs and general Services and Supplies expenditures. The new positions will provide staffing for the Virtual Eligibility Center, system testing, the Helpdesk, and administrative support.

Package 801 - LFO Analyst Adjustments. This package provides \$2.4 million General Fund, \$5.0 million Other Funds, \$1.0 million Federal Funds and 20 positions (20.19) FTE for various technical adjustments, and position and postage transfers.

The LFO recommends the Subcommittee approve a 2021-23 ODHS Central, Shared, and State Enterprise-wide Costs budget of:

\$461,327,287	General Fund
\$219,211,699	Other Funds
\$348,859,610	Federal Funds
1,025	Positions
1,017.69	FTE

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.

Performance Measures

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

Recommended Changes

The Central, Shared, and Enterprise-wide Costs budget is part of SB 5529, which is the budget bill for the entire Oregon Department of Human Services. The recommended amendments to SB 5529 will be presented after work sessions are completed on all parts of the budget.