



ODHS Spring 2023 Rebalance

2021-23 Biennium

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Overview: General Fund

ODHS is projecting a **\$91,054,824 General Fund net savings.**



Program	Rebalance Request
Aging and People with Disabilities	\$ (41,021,547)
Office of Developmental Disabilities Services	\$ (54,063,391)
Child Welfare	\$ (11,022,962)
Self-Sufficiency Programs	\$ 7,053,076
Vocational Rehabilitation	-
Other including debt service	\$ 8,000,000
Total General Fund	\$ (91,054,824)

Aging and People with Disabilities

Net savings:

\$41 million
General Fund

Net decrease:

\$91 million
Federal Funds Limitation

Major General Fund savings:

- **\$31.4 million** – ARPA-HCBS 10 percent spending plan
 - States have until March 31, 2025 to use one-time ARPA funding on HCBS. ODHS will need to continue spending in 2023-25 to meet required maintenance of effort.
- **\$5.2 million** – Healthier Oregon Program caseload decrease
- **\$2.2 million** – 1115 Medicaid Waiver

Office of Developmental Disabilities Services

Net savings:

\$54.1 million

General Fund

Net increase:

\$29 million

Federal Funds Limitation

Net challenge:

\$25.9 million

General Fund

Major General Fund savings:

- **\$63.2 million** – ARPA-HCBS 10 Percent Spend Plan
- **\$12.2 million** – Participation update

Major General Fund challenges:

- **\$14.3 million** – Cost per case increases for children and adults
- **\$11.6 million** – Spring 2023 caseload update

Child Welfare

Net savings:

\$11 million
General Fund

Net decreases:

\$0.17 million
Other Funds Limitation

\$3.9 million
Federal Funds Limitation

Major General Fund savings:

- **\$5.9 million** – Spring 2023 caseload forecast update. Main decreases in caseload are:
 - Regular foster care (2.6 percent decrease)
 - Residential treatment (7.6 percent decrease)
 - FOCUS supports (9.2 percent decrease)
- **\$5.1 million** – One-time program savings

Self-Sufficiency Programs

Net challenge:

\$7.1 million
General Fund

- The net challenge is attributable to the **2.8 percent TANF caseload increase** reflected in the spring 2023 caseload update.
- Although TANF fell in 2020 and 2021 due to the enhanced Unemployment Insurance program, it is now higher than before the pandemic for both one-parent and two-parent households.
- The usual increase in exits for seasonal employment hasn't occurred in the past few years, a pattern we expect to continue.

Central Services

Net challenge:

\$8 million
General Fund

- The net challenge is attributable to spending associated with the **humanitarian mission** since early fall 2022.
- The mission, carried out through a partnership with CBOs, local government and education partners, provides wraparound services to individuals and families arriving from the southern border.
- The funding is needed to cover the cost of the current services for the remainder of the 2021-23 biennium.

Potential risks: Broader context



Economic trends
impacting
employment
and cost of
living



Increases in
immigration
driven by
changes in the
global **political
and economic
environment**



**Interstate
migration**



**Public health
crises**



**Federal
policies** that
impact the
people we
serve,
including
immigrants



**Federal
regulations
and penalties**
related to
maintenance
of effort and
participation
requirements

Potential risks: Oregon context



Legislative actions
impacting cost drivers



Hybrid work structure and other trends impacting **workload models and classification structures**



Retiring legacy **IT systems** and transitions to new systems



Questions?
