Oregon
Tina Kotek, Governor

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Date: November 3, 2025

To: Joint Interim Committee on Ways and Means Co-Chairs: Senator Kate Lieber and Representative Tawna Sanchez.
From: Fred Steele, Jr., Agency Director
Subject: OLTCO 5% General Fund Reduction Plan

Purpose

This memo outlines how the Office of the Long-Term Care Ombudsman (OLTCO) will meet the required 5% General Fund reduction target for the 2025–27 biennium while continuing to uphold statutory responsibilities, maintain service delivery, and protect Oregon's most vulnerable residents.

Agency Overview

Agency's statutory mission: The mission of the agency is to protect individual rights, promote independence, and ensure quality of life for Oregonians living in long-term care and residential facilities and for Oregonians with decisional limitations.

The OLTCO provides independent, resident-directed advocacy through three programs:

- LTCO (Long-Term Care Ombudsman Program) – Advocates for residents in licensed long-term care facilities.
- RFO (Residential Facilities Ombudsman) – Serves individuals with intellectual and developmental disabilities or mental health needs living in licensed or certified settings.
- OPG (Oregon Public Guardian) – Provides guardianship and conservatorship for adults who lack the capacity to make decisions and have no other resource.

The agency is primarily supported by General Fund dollars, with limited Other and Federal Funds. Maintaining resident advocacy and protection remains OLTCO's highest priority.

Reduction Summary

Program	2025–27 LAB (GF)	5% Target	Proposed Reduction
LTCO	$5,725,984	$286,299	$286,299
RFO	$2,898,503	$144,925	$144,925
OPG	$7,692,172	$384,609	$384,609
RFO–QCF	$230,502	$11,525	$11,525
Total	$16,547,161	$827,358	$827,358

Reduction Approach

OLTCO applied a strategic, least-impact methodology to achieve the 5% target. The agency prioritized:

- Vacancy savings
- Limiting discretionary and nonessential spending
- Shifting training to internal or no-cost platforms
- Reducing non-critical travel while maintaining resident and client visits, though with some impact to such visits

No layoffs or program eliminations are included in the proposed reductions.

Program-Level Reductions & Impacts

- LTCO: Travel, training, and retirement-vacancy management ($286K). Reductions impact resident visits and advocacy provided by volunteers and staff.
- RFO: Vacancy management and reduced professional service contracts ($145K). Reductions will impact ability to temporarily expand visits and resident supports.
- OPG: Travel, training, and DOJ costs ($385K). DOJ reductions will impact ability for new very vulnerable adults to receive guardianship services.
- RFO–QCF: Fewer on-site visits ($12K).

Impact & Risk Mitigation

- No loss of statutorily-mandated services
- Minimal loss of client/consumer supports
- Slight delays in nonessential travel and training activities
- Vacancy-related workload temporarily absorbed by existing staff who are already working at maximum capacity
- OLTCO will monitor impacts quarterly and reallocate within existing limitations as needed and if possible within reduced budget

Conclusion

OLTCO's reduction options achieve the full 5% General Fund target of $827,358 through controlled vacancy savings and discretionary cost reductions. These adjustments will impact services to vulnerable Oregonians, but will also preserve the agency's ability to meet statutory mandates, maintain advocacy services statewide, and uphold its mission to protect the rights, safety, and dignity of Oregon's vulnerable adults.

Sincerely,

Fred Steele, Jr., Agency Director

Cc: Amanda Beitel, Legislative Fiscal Officer
The agency's assigned LFO analyst
The agency's assigned CFO analyst should be copied

OLTCO

2025-27 Biennium

				2025-27 LAB	**16,316,659**	**-**	**230,502**	**-**	**-**	**16,547,161**						

Detail of Reductions to 2025-27 Legislatively Adopted Budget

1	2	3	4	5	6	7	8	10	11	12	13	14	15	16	17
Priority (ranked most to least preferred)		**Agency**	**SCR or Activity Initials**	**Program Unit/Activity Description**	**GF**	**LF**	**OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**Gov. Reduction Target Yes / No**	**One-Time Yes / No**	**Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.**
Dept	**Prgm/ Div**														
1	LTCO	OLTCO	LTCO	Other Services & Supplies	78,150					$ 78,150				Y	This will reduce case/complaint investigation support, whether through volunteer supports or for an additional temporary Deputy Ombudsman staff to visit Oregonians in care and investigate cases/complaints.
2	RFO	OLTCO	RFO	Personal Services	72,462					$ 72,462				Y	Vacancy savings that would have otherwise been used for other program supports, including additional temporary staff to provide direct advocacy supports for vulnerable Oregonians served by the program.
3	OPG	OLTCO	OPG	Employee Training	34,641					$ 34,641				Y	Reduces important continuing education opportunities for staff.
4	LTCO	OLTCO	LTCO	Out-of-State Travel	2,351					$ 2,351				Y	Eliminates attendance at national ombudsman and advocacy conferences, impacting networking and policy exchange opportunities.
5	LTCO	OLTCO	LTCO	Employee Recruitment	4,505					$ 4,505				Y	Eliminates ability to pay for recruitment outreach if it became necessary.
6	LTCO	OLTCO	LTCO	Expendable Property $250-$5000	2,587					$ 2,587				Y	Delays purchase of small office or field equipment.
7	OPG	OLTCO	OPG	Expendable Property $250-$5000	7,797					$ 7,797				Y	Delays replacement of non-critical technology and office assets
8	LTCO	OLTCO	LTCO	In-State Travel	39,000					$ 39,000				Y	Eliminates one of our annual in person annual trainings for our 110 volunteers across the state during this biennium. This is an important training and retention activity for our volunteers, which ultimately impacts residents in long-term care.
9	LTCO	OLTCO	LTCO	Employee Training	10,000					$ 10,000				Y	Reduces professional development and continuing education opportunities
10	OPG	OLTCO	OPG	Employee Recruitment	7,368					$ 7,368				Y	Eliminates ability to pay for recruitment outreach if it became necessary.
11	OPG	OLTCO	OPG	In-State Travel	28,722					$ 28,722				Y	Limits staff travel for trainings and outreach but maintains essential client visits.
12	LTCO	OLTCO	LTCO	Agency Prog Related S&S	6,557					$ 6,557				Y	Cuts discretionary program expenses for outreach and engagement for volunteer recruitment.
13	OPG	OLTCO	OPG	Professional Services	59,538					$ 59,538				Y	Prevents OPG from engaging any consultants or other professionals during the current biennium if that became needed
14	OPG	OLTCO	OPG	Other Care of Protected Persons	15,000					$ 15,000				Y	Reduces discretionary care costs for protected persons under OPG guardianship.
15	OPG	OLTCO	OPG	IT expendable Property	27,994					$ 27,994				Y	Delays IT upgrades
16	OPG	OLTCO	OPG	Attorney General Legal Fees	11,244					$ 11,244				Y	Legal representation is foundational for the program and necessary for all guardianship cases, but to achieve a 2.5% reduction some AG costs will need to be cut.

OLTCO

2025-27 Biennium

					2025-27 LAB	16,316,659	-	230,502	-	-	16,547,161					
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Dept	**Prgm/ Div**															
17	RFO	OLTCO	RFO	Personal Services		21,796					$ 21,796				Y	Vacancy savings that would have otherwise been used for other program supports, including additional temporary staff to provide direct advocacy supports for vulnerable Oregonians served by the program.
18	RFO	OLTCO	RFO	Professional Services		50,667					$ 50,667				Y	Limits external consultant use, with some impact on administrative efficiency.
19	OPG	OLTCO	OPG	Professional Services		25,000					$ 25,000				Y	Eliminates paid intern to provide support services to the program and individuals served by guardianship, while training future workforce.
20	LTCO	OLTCO	LTCO	Expendable Property $250-$5000		7,413					$ 7,413				Y	Delays purchase of small office or field equipment.
21	LTCO	OLTCO	LTCO	Employee Training		15,000					$ 15,000				Y	Reduces continuing education and professional development for volunteers and staff, thus impacting program integrity
22	LTCO	OLTCO	LTCO	IT professional service		4,505					$ 4,505				Y	Reduces ability to address needed updates to electronic case reporting program.
23	LTCO	OLTCO	LTCO	Agency Prog Related S&S		11,000					$ 11,000				Y	Nearly eliminates paid volunteer recruitment efforts that are necessary for offsetting natural volunteer attrition, which will directly impact visits and investigations for vulnerable adults living in long-term care.
24	LTCO	OLTCO	LTCO	IT expendable Property		5,000					$ 5,000				Y	Reduces replacement of laptops and field technology tools.
25	LTCO	OLTCO	LTCO	In-State Travel		9,905					$ 9,905				Y	Further reducing in-state travel will result in fewer in-person visits to long-term care residents – which would be devastating to vulnerable adults in licensed care.
26	LTCO	OLTCO	LTCO	IT expendable Property		10,000					$ 10,000				Y	Defers replacement of laptops and field technology tools.
27	LTCO	OLTCO	LTCO	Deputy Position #1140060 – Hold vacancy following 12/31/26 retirement		80,327					$ 80,327				Y	Hold position vacant for six months post-retirement (12/31/26) to achieve $80,327 GF savings. This reduction holds the deputy position vacant for six months following retirement, generating savings through delayed recruitment. During the vacancy, oversight responsibilities will be temporarily redistributed among existing staff to maintain core operations without service disruption, but Oregonians in Eastern Oregon counties will be directly impacted by this retirement without immediateoy filling the position.

OLTCO

2025-27 Biennium

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Detail of Reductions to 2025-27 Legislatively Adopted Budget

1	2	3	4	5	6	7	8	10	11	12	13	14	15	16	17
Priority (ranked most to least preferred)		**Agency**	**SCR or Activity Initials**	**Program Unit/Activity Description**	**GF**	**LF**	**OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**Gov. Reduction Target Yes / No**	**One-Time Yes / No**	**Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.**
Dept	**Prgm/ Div**														
28	OPG	OLTCO	OPG	Attorney General Legal Fees	167,304					$ 167,304				Y	Tihs equates to a 24% cut to the OPG's budget for legal representation. This would significantly impact the program's ability to help additional highly vulnerable adults through public guardianship, as new petitions are the most expensive AG costs. These cuts would leave multiple highly vulnerable adults at high risk of serious harm or death due to a lack of a guardian to assist them. Despite OPG having open caseload capacity, we would not be able pay for the legal costs of petitioning.
QCF	RFO	OLTCO	RFO-QCF	In-State Travel			5,762			$ 5,762				Y	Reduces discretionary in-state travel, limiting visits to critical facilities only. Remote engagement and virtual meetings will be used where feasible to maintain case coverage.
QCF	RFO	OLTCO	RFO-QCF	In-State Travel			5,763			$ 5,763				Y	Reduces discretionary in-state travel, limiting visits to critical facilities only. Remote engagement and virtual meetings will be used where feasible to maintain case coverage.
				TOTAL	**815,833**	**-**	**11,525**	**-**	**-**	**$ 827,358**	**0**	**0.00**			

OLTCO

2025-27 Biennium

Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
		Program Establishment / Expansion													
Agency	SCR	Biennium	Effective Date	Authorization	Program Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Implementation Status
OLTCO	OPG	2021–2023	7/1/2024	HB 5019	6 new FTE for caseload expansion and intake screening; improved triage and case capacity	2,198,203						$ 2,198,203	6		Fully implemented – all positions filled and active
OLTCO	OPG	2023-2025	7/1/2023	SB 1507	Additional 5 FTE added mid-biennium to improve regional coverage and capacity	1,598,043						$ 1,598,043	5		Fully implemented - (mid biennium funding for LD positions)
OLTCO	OPG	2025–2027	7/1/2025	HB 5020	5 FTE made permanent; full biennium funding to sustain expanded operations	1,970,628						$ 1,970,628			Fully Implemented – 2024 5 LD positions made permanent
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				TOTAL		**5,766,874**	**-**	**-**	**-**	**-**	**-**	**$ 5,766,874**	**11**	**0.00**	

Instructions

Column (5) - Authorization should identify the source of the new program or program expansion, which could include enabling legislation, approved policy option package, or administrative establishment.
Column (6) - Program description should include a summary of the program and the expansion (if applicable), including any partner state agencies.
Column (16) - Current status of program implementation should be summarized, including any future budget requests anticipated upon full program implementation.