

5 Percent Reductions Exercise

Presented to
Joint Interim Committee on Ways & Means Subcommittee on Human Services

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Reduction Exercise Target

- 5 percent of OHA's 2025–27 Legislatively Adopted Budget state funds is approximately \$914 million.
 - \$312 million General Fund
 - \$1 million Lottery Funds
 - \$601 million Other Funds



OHA's Approach

OHA's Vision



Strategic Context

- OHA is currently conducting an agency-wide strategic prioritization process.
- This process will:
 - Guide and inform current and future budget decisions
 - Identify which investments are most central to OHA's core obligations and strategic goals
 - Guide how OHA may repurpose resources toward new federal unfunded mandates where relevant
 - Determine which can be deferred or scaled back with the least harm
- This work is expected to be complete at the end of 2025. Its early thinking has shaped OHA's approach to this reduction exercise.

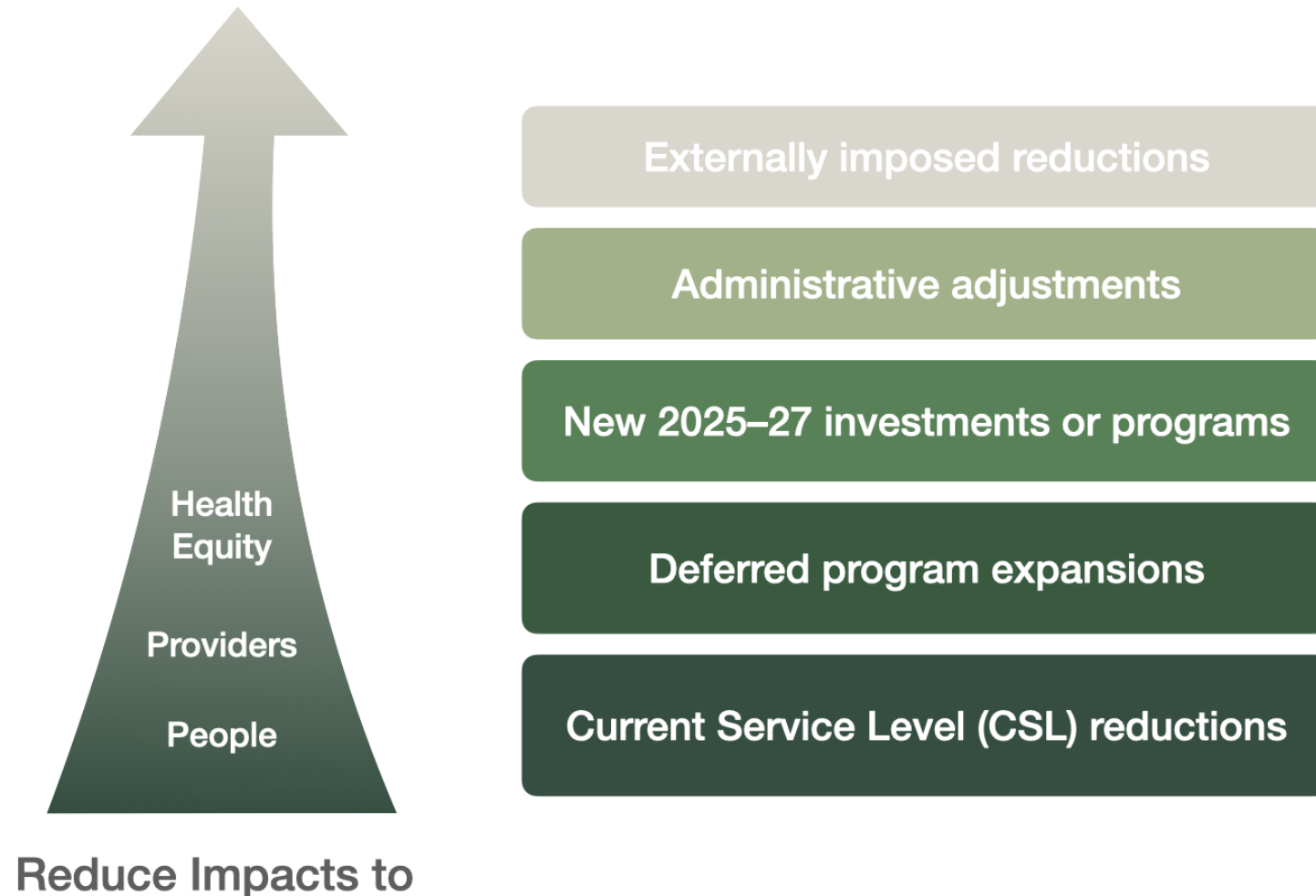
Structured Framework

- OHA applied a structured framework to identify potential reductions in response to the legislative request.
 - Alignment with core statutory responsibilities
 - Consequences for health equity
 - Preserving progress towards priority initiatives
 - Protection of the Oregon State Hospital and Mink-Bowman compliance
 - Relative recency of investment
 - Ability to defer or slow expansion
 - Feasibility of administrative savings

Rationale Categories

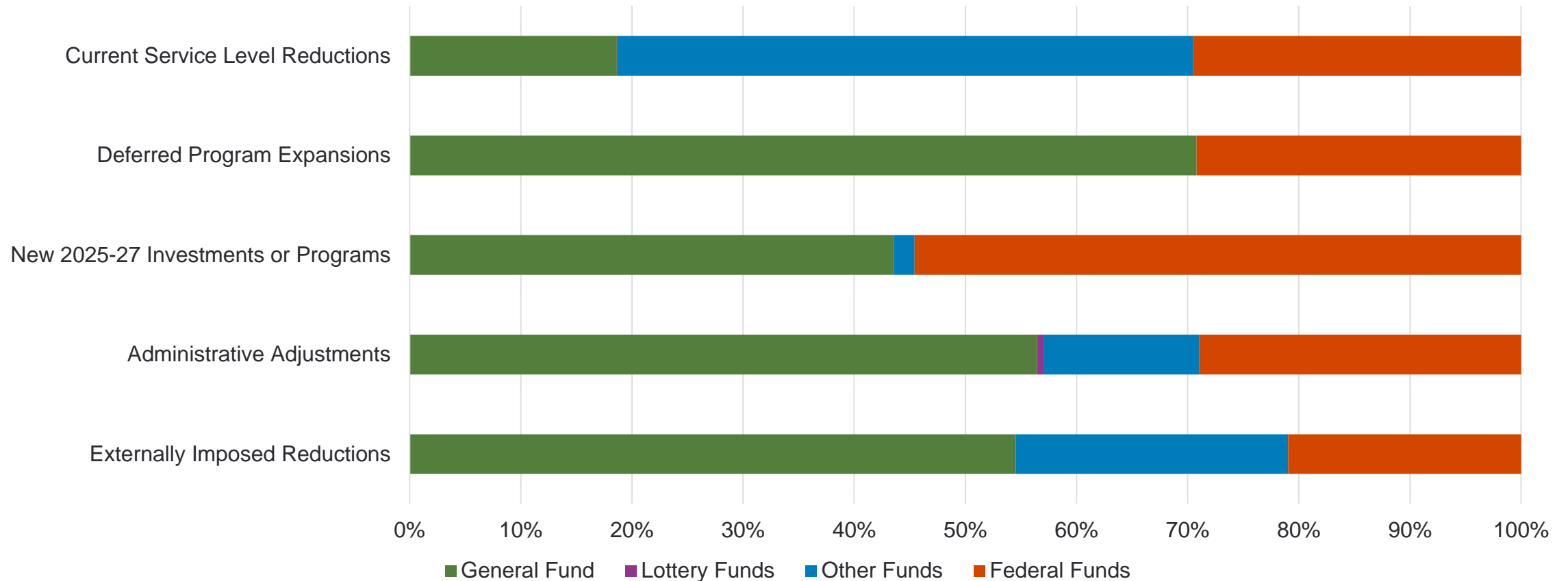
- OHA developed five rationale categories to inform the reductions exercise.
 1. Externally imposed reductions
 2. Administrative adjustments
 3. New 2025-27 investments or programs
 4. Deferred program expansions
 5. Current Service Level (CSL) reductions

Rationale Framework



Proposed Reductions by Rationale Category

Figures in millions



Proposed Reduction Totals by Rationale Category

(dollars in millions)

	GF	LF	OF	FF	Total Funds	Pos.	FTE
Externally imposed reductions	(13.8)	-	(6.2)	(5.3)	(25.4)	-	-
Administrative adjustments	(20.1)	(0.2)	(5.0)	(10.3)	(35.6)	-	-
New 2025-27 investments or programs	(58.3)	-	(2.5)	(73.0)	(133.8)	(5)	(4)
Deferred program expansions	(8.0)	-	-	(3.3)	(11.4)	(21)	(13)
Current Service Level (CSL) reductions	(211.4)	(1.0)	(587.2)	(334.4)	(1,134.1)	(150)	(75)
Total	(311.7)	(1.3)	(600.9)	(426.4)	(1,340.3)	(176.0)	(91.9)

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