



DHS News
Oregon Department of Human Services

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FACT SHEET: THE CONTENT

Oregon Department of Human Services Re-shoot for 2005-07 Biennium

(Note: The information below regarding re-shoot of the Governor's Recommended Budget (GRB) does not reflect any adjustments being made in the Senate and House budget proposals. It is also important to note the issues identified in this fact sheet may be resolved through the House and Senate budgets. Budget impacts not identified in the GRB could also emerge when the re-shoot of the House and Senate budgets is completed.)

Re-shoot estimate: Budget analysts from the Department of Human Services and Department of Administrative Services Budget and Management (BAM) worked with the Governor's office to re-estimate the department's needs for the upcoming biennium. This re-shoot is based on the most current caseload and program data available.

The estimate was completed this week and calculates an additional \$66.2 million General Fund (GF) need to meet current programs included for DHS in the Governor's Recommended Budget (GRB). This represents an overall increase of 2.7 percent. This re-shoot revises the GRB only and does not reflect the Senate or House budgets or other DHS budget issues (see below).

What comprises the re-estimate: The \$66.2 million General Fund re-estimate includes:

- changes in the mandatory caseload forecasts relating to people in long-term care served through DHS Seniors and People with Disabilities and people eligible for Medical Assistance programs,
- corrections to funding for Oregon Project Independence,
- revised estimates for administrative restructuring in the Home Care Workers Program,
- revised estimates for adult relative foster care,
- shortfall in tobacco tax revenue, and other re-estimation of actions proposed by the Governor.

Other significant items that impact the DHS budget for 2005-07:

- **“Non-mandatory” caseloads:** The department faces a \$25.4 million shortfall relating to growth in program caseloads considered “non-mandatory”* by state definition for budgeting purposes, which include:
 - Temporary Assistance for Needy Families (TANF) Grants: The department has a need to fund 1,100 more families than anticipated in this program that provides cash assistance to low- and zero-income families to enable them to help care for their children and become employed.
 - Employment Related Day Care (ERDC): This program provides a subsidy to low-income working families to help pay for day-care for their children. As many as 989 children could lose services if funding is not available.
 - Residential Treatment: Approximately 90 emotionally, socially and behaviorally disturbed children would no longer be able to access the residential treatment they need if additional funding is not available.
- **JOBS program revenue backfill:** An increase of \$3.2 million in General Fund is needed to backfill Other Fund limitation removed in the November 2004 rebalance. This investment is estimated to result in caseload savings during 2005-07 of \$2.0 million GF and \$5.1 million savings for the 2007-09 biennium; the net cost is \$1.2 million General Fund for the 2005-07 biennium.
- **Medicaid Upper Payment Limit (MUPL):** DHS continues its negotiations with the federal government regarding funding issues around repayment of (MUPL) funds. It is likely this issue will be resolved in the near future.
- **Tobacco Use Reduction Account (TURA):** This revenue is statutorily dedicated to use for the reduction and prevention of tobacco use. During the 2003 legislative session, approximately \$10 million was shifted by the Legislature to be used to partially fund the Oregon Health Plan. The Governor’s 2005-07 budget proposal anticipates continuation of this policy decision. If the current legislative body determines to not continue this action, an additional \$10 million General Fund would be necessary to fund the OHP program levels proposed by the Governor.

* Two of these “Non-mandatory” caseloads (TANF and ERDC) require use of state funds to supplement federal block grants received in order to be in compliance with federal obligations. Failure to meet these obligations would result in significant federal penalties.

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