

# Oregon Department of Human Services

Budget Development Meetings  
Spring 2006



# DHS Today

- Director and Deputy Directors
  - Dr. Bruce Goldberg, Director
  - Clyde Saiki, Deputy of Operations
  - Jim Scherzinger, Deputy of Finance
- Assistant Directors
  - Fariborz Pakseresht, Administrative Services
  - Ramona Foley, Children, Adult & Families
  - Dr. Allen Douma, Office of Medical Assistance Programs
  - Bob Nikkel, Office of Mental Health & Addiction Services
  - Dr. Susan Allan, Public Health
  - James Toews, Seniors & People with Disabilities
- Focusing on the right services to the right people

# 2005-07 Update

## April Special Session

- Addressed \$136 million shortfall
- Appropriated \$53 million and created a special appropriation of \$83 million

## Future Variables & Risks

- Environmental factors
- Federal Deficit Reduction Act (DRA)
- 2007 proposed federal budget
  - Targeted case management
  - TANF – caseload reduction credit
  - Medicaid provider taxes

# DHS Management Actions

- **Improving Transparency and Accountability**

- **Tracking Expenditures and Revenue**

The “Operations Review Team” led by the State Controller examined accounting processes, internal controls, banking and cash flow management and conducted a comprehensive review of the agency.

- **Fiscal Accountability**

- Established CFO position and realigned financial structure
- Established an advisory group of private sector financial and management experts

# DHS Management Actions

- **Caseload forecasting and monitoring**

- External review and process improvement
- The Caseload Workgroup continually monitors caseload actuals.

Member list:

- Four Legislators
- Legislative Fiscal Office staff
- Chief of Staff for the Speaker of the House and the Senate Presidents' offices
- Budget and Management Staff, Dept. of Administrative Services
- Department of Human Services staff

**2007 – 2009**

**Budget Development Process**

# Three major components to achieving an approved budget

## 1. **Agency Request Budget**

DHS submits budget request to Governor

-- By September 1, 2006

## 2. **Governor's Recommended Budget**

Governor submits statewide budget to Legislature

-- Approximately December 1, 2006

## 3. **Legislatively Adopted Budget**

-- Approximately July 1, 2007

# Agency Request Budget

- Budget development begins in spring of even-numbered years
- Based on existing budget, as approved through April of even-numbered year (2006)
- Adjustments are made for issues like inflation factors, service charges and mandated caseload

## **Agency Request Budget, con't.**

### **Public and Advocacy Input**

- Agency relies on more than 100 advisory groups for continuous input
- Agency is conducting budget meetings around the state to receive public input
- These combined discussions will provide input to assist the department in the development of the budget

## **Agency Request Budget, con't.**

### **Policy Packages**

The Department develops policy packages that will propose changes or additions to programs or services, create new services, or propose changes in the ability or capacity to deliver services.

## Agency Request Budget, con't.

### Reduction Options

- While not included in the actual request, each agency is required by statute to also propose areas for potential reduction.
- The purpose is to provide the Governor and the Legislature with agency priorities should reductions be necessary due to revenue or expenditure needs of the state.
- Requirement is for 10% reduction of use in General, Other and Federal fund sources.
- DHS submits initial agency budget request to Governor by September 1, 2006.

## **Governor's Recommended Budget**

- DAS analysts assess agency budget requests and make recommendations to Governor on policy decisions.
- Governor evaluates all submissions and analyst recommendations in line with his priorities and confers with the agency regarding decisions.
- Governor must submit initial recommended budget request to Legislature by December 1, 2006.

## Legislatively Adopted Budget

- Legislature convenes in early January 2007.
- Review of department's budget, with preliminary legislative hearings usually during February and March.
- Legislators invite public input through committees and hearings.
- Department's budget is finalized near the end of the session.

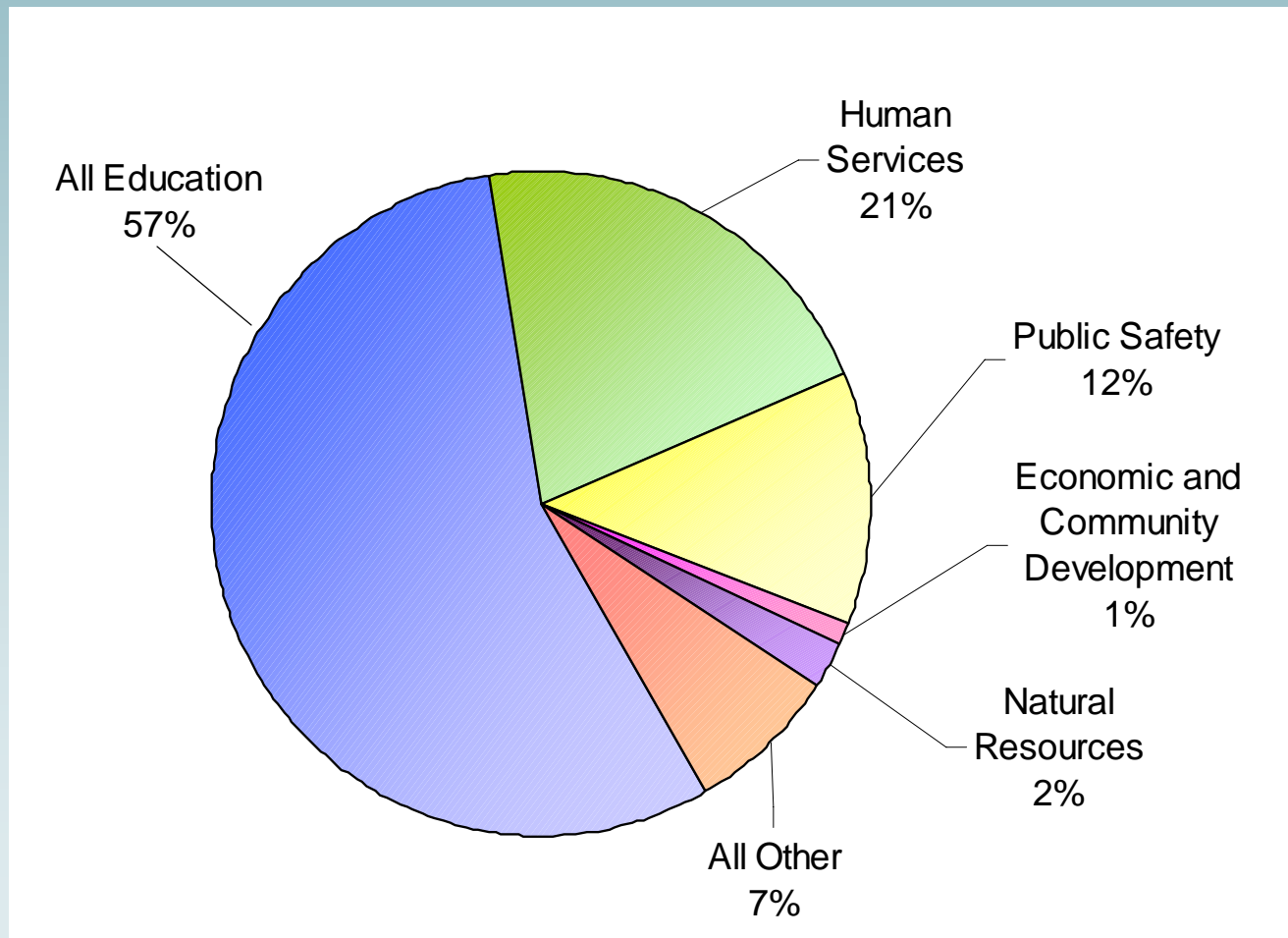
# Budget Overview

## What drives the budget?

- Population/caseload – aging and other demographics
- Inflation (especially medical)
- Economy – unemployment, poverty
- Social problems – alcohol and drug abuse, homelessness
- Policy decisions – state and federal
- Available revenue

# 2005-07 Legislatively Approved Budget (LAB) General and Lottery Funds

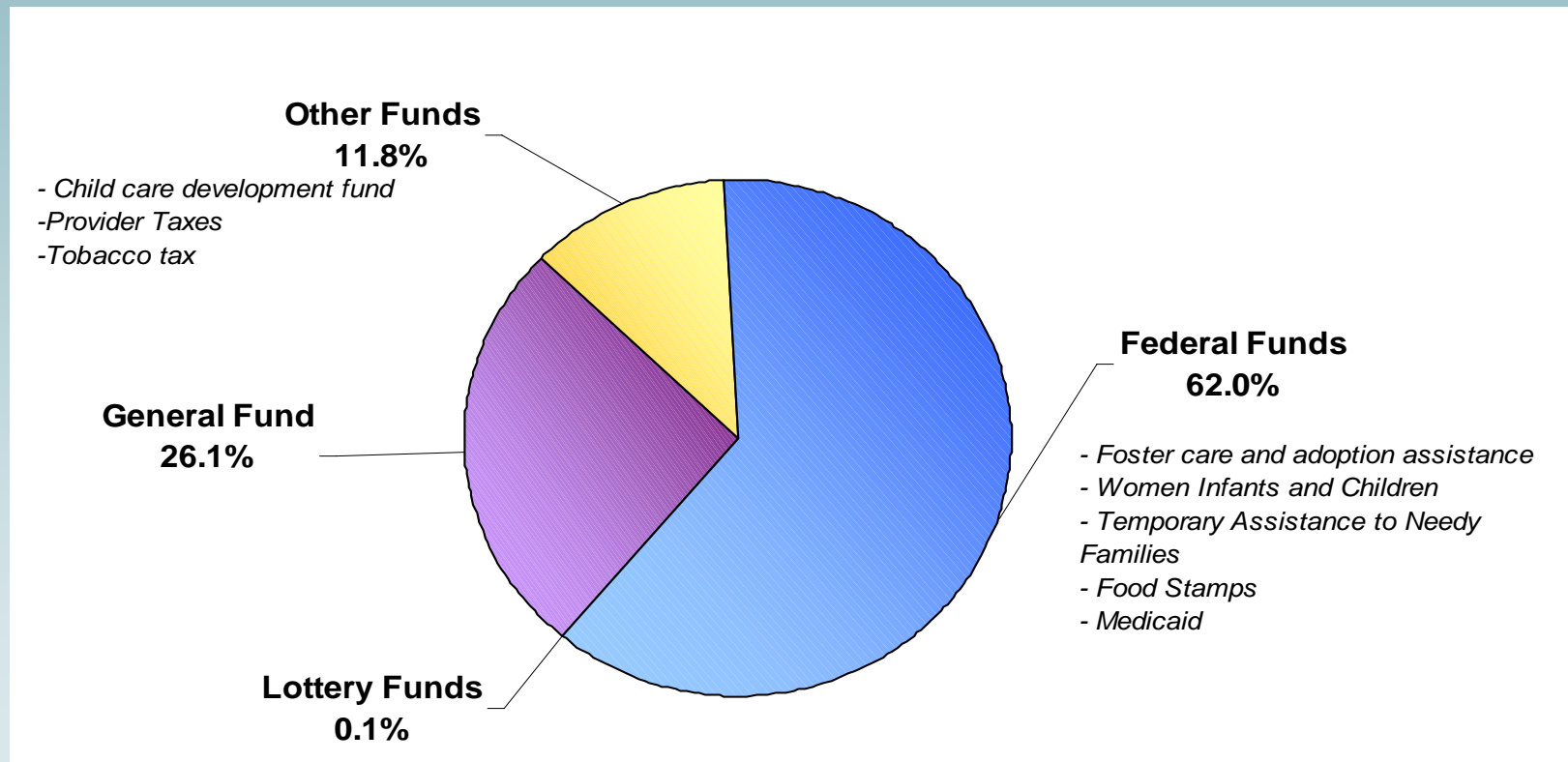
\$12.2 billion



# Major DHS Revenue Sources

2005-07 \*

\$9.9 Billion Total Funds

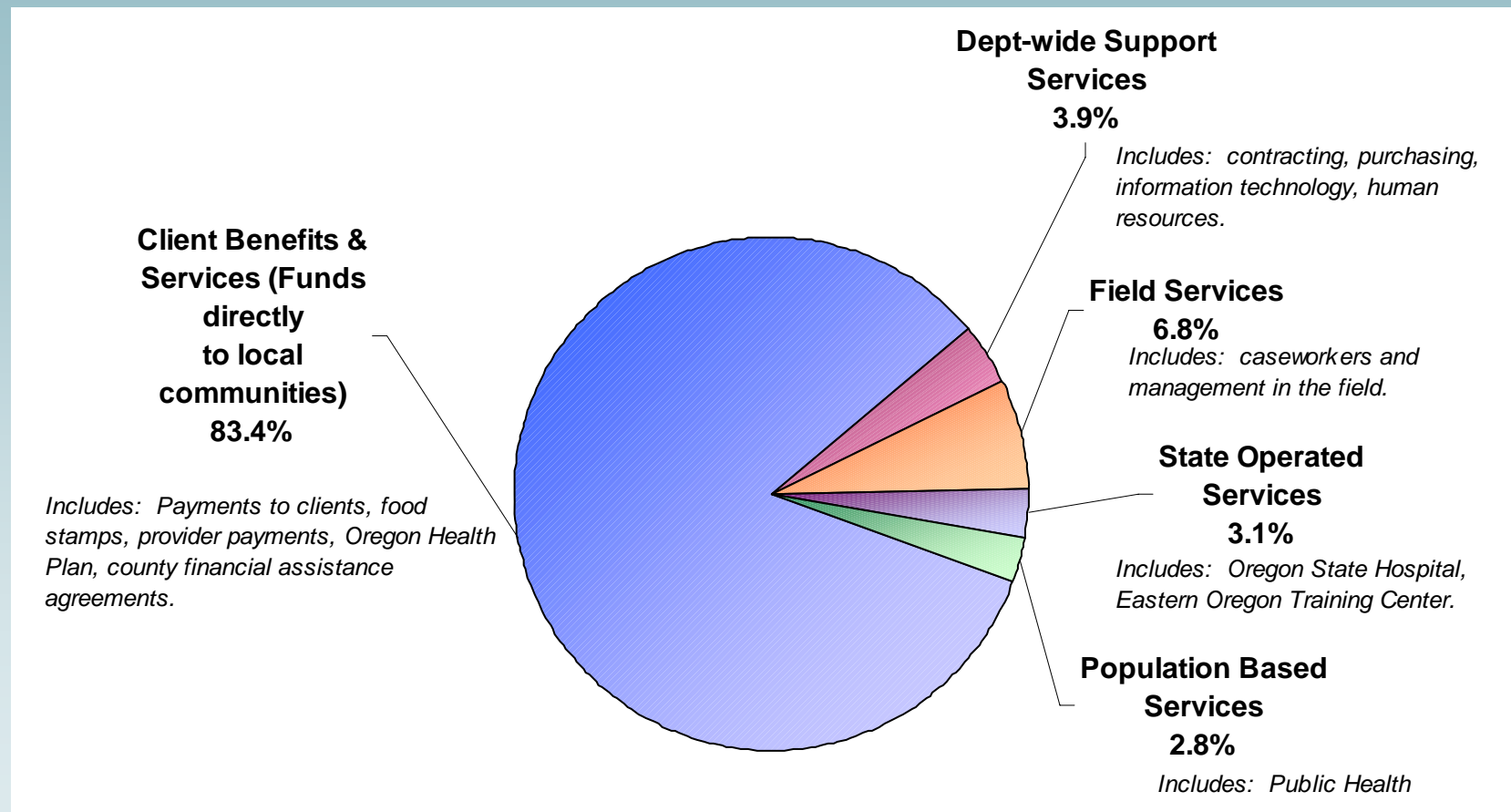


\* As of April 2006 Special Session

# DHS Total Funds Expenditures by Area

2005-07 \*

\$9.9 Billion Total Funds

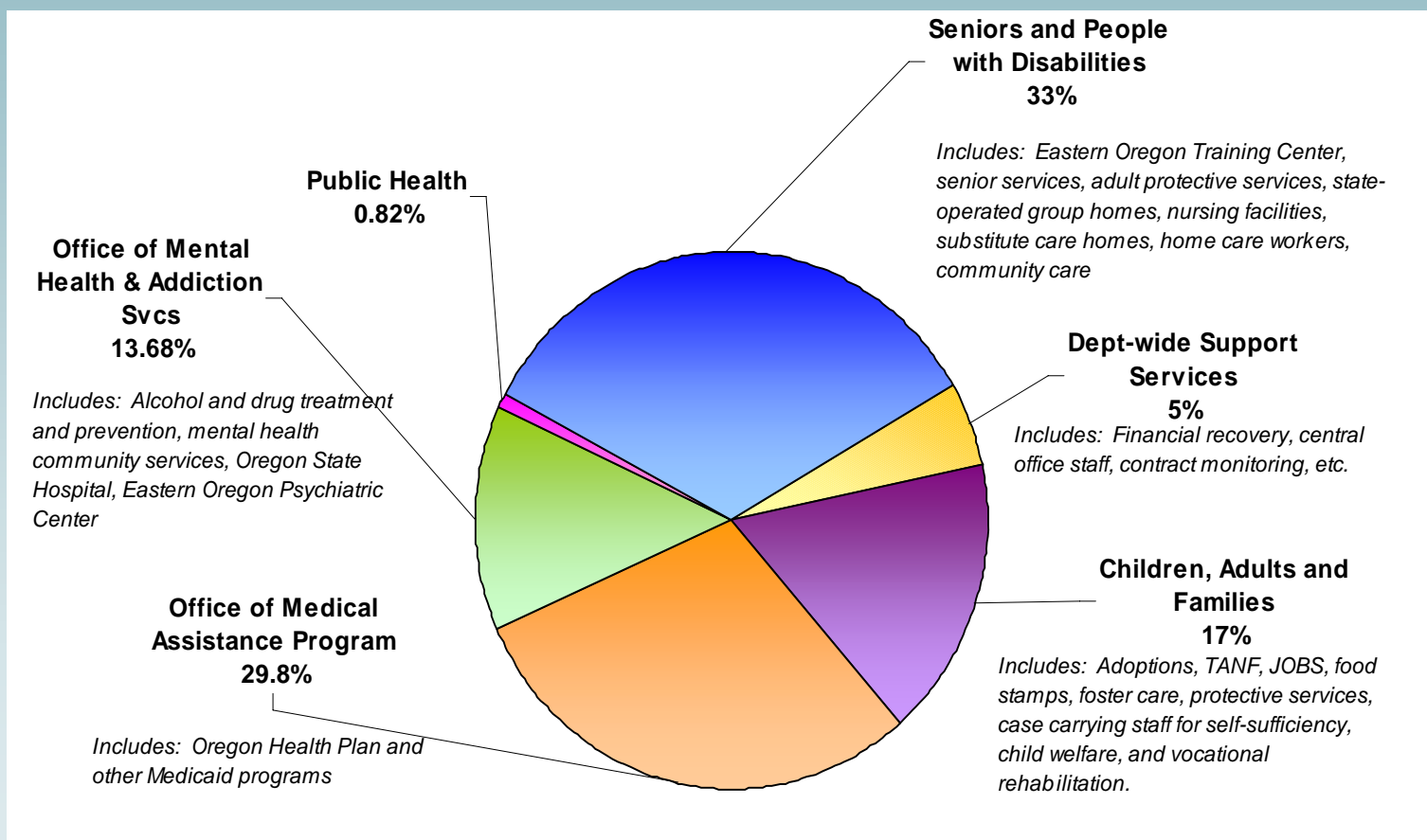


\* As of April 2006 Special Session

# DHS General Fund by Cluster

2005-07 \*

\$2.6 Billion General Fund



\* As of April 2006 Special Session

# Breakout Groups

- CAF
- OMAP
- OMHAS
- Public Health
- SPD

# Strengthening Our Investment in Human Services

- Where should additional resources be invested?
- What could we be doing differently or more efficiently?
- Are there things we shouldn't be doing?

**Thank you!**

**Follow-up questions, comments or ideas  
may be sent to the department at:**

**[dhs.budget-input@state.or.us](mailto:dhs.budget-input@state.or.us)**