

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5529-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Kotek
Carrier – Senate: Sen. Bates**

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 15 – 6 – 1

House – Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Jenson, Kotek, Nathanson, Shields

– Nays: Garrard, Gilman, Richardson, G. Smith

– Exc:

Senate – Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker

– Nays: Girod, Whitsett

– Exc: Winters

Prepared By: Kelly Freels and Blake Johnson, Department of Administrative Services

Reviewed By: Sheila Baker and John Britton, Legislative Fiscal Office

Meeting Date: June 23, 2009

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Department of Human Services	-- C-8	-- 26	2007-09 2009-11

2009-11 Budget Summary*

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level (2)	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$\$ Change	% Change
General Fund	\$ 3,342,721,141	\$ 3,792,982,957	\$ 3,491,708,596	\$ 148,987,455	4.5%
General Fund Debt Service	\$ 9,235,283	\$ 24,492,122	\$ 29,365,538	\$ 20,130,255	218%
Lottery Funds	\$ 13,160,998	\$ 13,712,288	\$ 11,591,376	\$ -1,569,622	-11.9%
Other Funds	\$ 1,183,086,088	\$ 957,516,647	\$ 1,479,789,844	\$ 296,703,756	25.1%
Other Funds Debt Service	\$ 4,144,380	\$ 4,646,583	\$ 22,236,656	\$ 18,092,276	437%
Other Funds Nonlimited	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ -	-
Federal Funds	\$ 5,956,883,538	\$ 7,533,691,065	\$ 8,067,220,390	\$ 2,110,336,852	35.4%
Federal Funds Nonlimited	\$ 1,205,753,867	\$ 2,071,665,182	\$ 2,071,665,182	\$ 865,911,315	71.8%
Total	\$ 11,754,985,295	\$ 14,438,706,844	\$ 15,213,577,582	\$ 3,458,592,287	29.4%

Position Summary

Authorized Positions	10,351	10,652	11,466	1,115
Full-time Equivalent (FTE) positions	9,727.30	10,434.08	10,977.73	1,250.43

2007-09 Supplemental Appropriation

General Fund			6,070,000	6,070,000
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(1) Includes adjustments through the December 2008 meeting of the Emergency Board

(2) Essential Budget Level adjusted for the Spring 2009 Reshoot

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of Human Services (DHS) is funded with a mix of General Fund, Other Funds and Federal Fund revenues. Most of the General Fund appropriation is used to match federal dollars for programs and administration or to meet federal maintenance of effort requirements. Other Fund revenues make up about 10 percent of the total budget. These are generated from a variety of sources, including third party reimbursement and recoveries, fees and service charges, Medicaid provider taxes, and cigarette and tobacco tax receipts. Nonlimited Other Funds come from infant formula rebates in the Women, Infants and Children (WIC) program. Federal Funds, which support 67 percent of the Department's expenditures, include Medicaid, child welfare, vocational rehabilitation, the Temporary Assistance for Needy Families (TANF) block grant, and various other block and categorical grants. Nonlimited Federal Funds support the Supplemental Nutrition Assistance Program (SNAP) benefits, formerly known as Food Stamps, and the WIC program.

The approved budget anticipates the passage of House Bill 2116, which extends the existing hospital provider tax and creates an insurance premium tax. For 2009-11, these account for about \$359.4 million in Other Funds revenue and an additional \$767.6 million in federal Medicaid revenue. The department expects to receive a total of \$287.2 million from current law tobacco tax revenues for the 2009-11 biennium. The budget also includes revenue from fee increases made during the 2007-09 biennium and continued in Senate Bill 5530, as well as revenue from increased fees and civil penalties set out in House Bill 2244 (Mortuary Board fee increase), House Bill 2442 (facility licensing fees), and House Bill 2139 (facility licensing fees).

At the 2009-11 Essential Budget Level (EBL), the budget would use \$587.7 million in Federal Funds from the federal American Reinvestment and Recovery Act of 2009 (ARRA) stimulus bill. A total of \$541.9 million Federal Funds from ARRA is used to offset General Fund, as a time-limited enhanced federal match for Title XIX Medicaid and Title IV-E Foster Care and Adoptions Assistance expenditures; \$37 million in Other Funds is similarly offset. A total of \$8.5 million Federal Funds is added for certain program grants. The approved budget also uses an expected \$74.9 million in one-time federal TANF stimulus funds.

Summary of Human Services Subcommittee Action

DHS provides a broad array of social services through over 200 programs. These services are delivered to Oregonians through a network of state offices, county and local governments, private for-profit and non-profit entities, and health plans. DHS provides services to all Oregonians, but primarily serves Oregon's low income and vulnerable citizens. Those services include cash assistance, employment and training, protective services, public health, health care, mental health, vocational rehabilitation, long term care for seniors and people with physical and/or other disabilities, and alcohol and other substance abuse treatment. Senate Bill 5529 provides appropriations and expenditure limitations as follows:

Administrative Services Division:

Director's Office
Budget and Finance
Administrative Services

Children, Adults and Families:

Adult Self-Sufficiency Programs
Child Welfare and Adoptions
Vocational Rehabilitation Services

Health Services Division:

Public Health Programs
Addictions and Mental Health Services
Medical Assistance Programs

Seniors and People with Disabilities:

Senior and Physical Disability Services
Developmental Disability Services

Senate Bill 5529 also makes separate appropriations for Capital Improvement and Debt Service expenditures. DHS' Capital Construction budget is included in Senate Bill 5506.

The Joint Committee on Ways and Means Human Services Subcommittee heard agency and public testimony on the department's budget over the course of several months. The Subcommittee approved a budget, including Nonlimited funds, of \$3.5 billion General Fund, \$15.2 billion total funds, and 11,466 positions (10,977.73 FTE). This budget is 5 percent General Fund and 29.4 percent total funds higher than the 2007-09 Legislatively Approved Budget (LAB) through December 2008. It is 7.8 percent General Fund less, but 5.4 percent total funds more, than the 2009-11 EBL as repriced in spring 2009. The budget reflects continuing growth in Food Stamps, TANF cash assistance, and Oregon Health Plan caseloads attributed to Oregon's economic situation; cost increases related to improved operations and replacement of the Oregon State Hospital facility; and House Bill 2116's expansion of health care coverage for Oregon children and low-income adults and families. It also reflects significant fund shifts and program reductions to help balance the statewide budget within available revenues. A more detailed description of the major budget issues in each program area and Human Services Subcommittee actions follows.

Administrative Services Division

Administrative Services Division (ASD) consists of three operating units: Policy and Operations (including the Director's Office), Administrative Services, and Finance. This division provides overall guidance and direction to DHS. It also provides the forecasts for major caseload-driven programs; development, monitoring, and execution of the budget; fiscal and policy analysis and oversight; development of provider rates; communications; information services; human resources; contracts and procurement; and the recovery of funds that are owed to the department. These services support and benefit the entire department. In addition, parts of this division directly serve clients and/or external customers.

The Subcommittee approved a budget for Administrative Services (excluding debt service) of \$214,780,025 General Fund, \$529,668,236 total funds, and 1,154 positions (1,118.62 FTE). This is 12.4 percent General Fund and 6.3 percent total funds more than the 2007-09 LAB. It is about 3 percent less General Fund and 8.1 percent more total funds as compared to the 2009-11 EBL after reshoot adjustment.

The approved Administrative Services Division budget includes adjustments requested in the DHS re-pricing or "reshoot" of the 2009-11 EBL. Most significantly, Administrative Services reshoot changes include a \$3.5 million General Fund increase and offsetting Federal Funds and Other Funds decrease due to a projected shortfall in Federal Funds revenue under the cost allocation process related to grant funds. It also increases Administrative Services by \$2.2 million General Fund and \$2.2 million Federal Funds to acknowledge the transfer of the voluntary transportation program from the Division of Medical Assistance Programs to the Director's Office, and the transfer of administrative costs from the Seniors and People with Disabilities budget to ASD that result from Clackamas County's decision to have the state operate its program for seniors and people with physical disabilities.

The approved budget includes a number of operational reductions that total \$16.3 million General Fund, \$46.1 million total funds, and 67.50 FTE. Savings will result from staff reductions and cuts to Services and Supplies spending, reduced use of State Data Center and Attorney General services, lower fuel costs, and lower information technology expendable property spending.

In addition to the proposed reshoot adjustments and budget reductions, the Subcommittee approved four information systems projects that would:

- Upgrade the department's technology foundation to current information technology standards, creating efficiencies for staff and program providers (\$2.9 million General Fund, \$6 million total funds).

- Continue the Oregon Child Welfare Information System (OR-KIDS) that will give child welfare caseworkers a single, fully integrated child welfare system, replacing multiple outdated, inefficient systems that do not meet the needs of caseworkers and continually put Oregon's children at risk (\$6 million General Fund, \$36.7 million total funds, and 30.00 FTE). The OR-KIDS project was previously known as SACWIS, or the Statewide Automated Child Welfare Information System.
- Begin a technology upgrade for Children, Adults and Families that replaces inefficient systems for Self-Sufficiency programs (TANF, Food Stamps, Day Care, and Medicaid Support Services), and develop a Web-based data warehouse in the Public Health Division to link existing Office of Family Health child health data to support surveillance, evaluation, care coordination and referrals(\$2 million General Fund, \$15.3 million total funds, and 28.26 FTE).
- Meet minimum requirements for a payroll system for adult foster home providers to comply with the collective bargaining agreement (\$0.3 million General Fund and \$0.8 million total funds).

The approved budget funds House Bill 2009 that creates the Oregon Health Authority with \$3 million General Fund, \$6.2 million total funds, and 11.75 FTE in ASD. It also funds central services for House Bill 2116 that expands health care coverage to an estimated 80,000 children and 25,000 more adults, with \$7.5 million Other Funds (provider tax), \$7.5 million Federal Funds, and 22.50 FTE. The Subcommittee added \$1.7 million General Fund for central service workload growth associated with the CAF child welfare staffing increases.

The budget establishes 16.00 FTE to correct a technical error and establishes 13.00 FTE to support the Oregon State Hospital patient treatment and safety improvements. It includes \$0.2 million Other Funds for rent, computer hardware and software, and employee training for three measures approved by the Legislative Assembly: Senate Bill 158 - Health Care Facility Oversight; Senate Bill 161 – Hospice Agency Oversight; and House Bill 2134 – EPA lead-based paint removal. A General Fund reduction of \$5.3 million reflects the reversal by the federal Centers for Medicare and Medicaid Services (CMS) of a more restrictive rule on Medicaid Targeted Case Management. The General Fund was in the EBL budget in anticipation that the more restrictive rule would be implemented.

Children, Adults and Families

The Children, Adults, and Families (CAF) division administers self-sufficiency programs that promote independence for families and adults, with a focus on supporting people to prepare for, find, and keep jobs. The Temporary Assistance to Needy Families (TANF) program provides cash assistance, and employment and training services, for very low-income families with children. Employment Related Day Care (ERDC) helps pay child care costs for TANF recipients and other low-income families. The Supplemental Nutrition Assistance Program, formerly known as the Food Stamps program, is a federally funded benefit program to help low-income families, single adults and childless couples buy the food they need to stay healthy. CAF also assists in protecting children from abuse and neglect, helping parents care for and protect their children at home, securing foster care for those who are abused or neglected, providing residential treatment for children with special needs, arranging adoptions and supporting adoptive families. The Office of Vocational Rehabilitation Services, the designated state entity for vocational rehabilitation services for individuals with disabilities, is also part of this budget.

The Subcommittee approved a budget of \$683,858,098 General Fund, \$3,729,829,480 total funds, and 4,961 positions (4,827.01 FTE) for CAF. The approved budget is 18.8 percent General Fund and 39.3 percent total funds higher than the 2007-09 budget as of December 2008. It is 3 percent General Fund less but 2.7 percent total funds more than the updated EBL.

The approved budget includes adjustments requested to update program caseload, cost and revenue information for changes since December 2008, and makes technical adjustments and transfers to other divisions (the DHS "reshoot"). These adjustments reduced the General Fund budget by a net \$11.4 million but resulted in an increase of \$848.2 million total funds. The major reshoot adjustments reflected changes in forecast caseloads and costs, federal rule changes, and the impact of the federal American Reinvestment and Recovery Act (ARRA) stimulus bill. ARRA provides a time-limited enhanced federal match for Medicaid, and Foster Care and Adoptions Assistance expenditures, and adds one-time vocational rehabilitation funds. The most significant change since December 2008 is the huge increase in Federal Funds Nonlimited expenditures for Food Stamps benefits. These are \$856.9 million, or 79 percent, higher than the 2007-09 LAB, reflecting both higher caseloads and increased benefit levels under ARRA. For the 2009-11 biennium, the total number of Food Stamps household is expected to average 328,628 a month, up 29 percent from the average 254,832 households in the 2007-09 biennium.

DHS' spring 2009 forecast projects TANF caseloads averaging 25,234 a month, up 23.6 percent from the 2007-09 monthly average of 20,413. Monthly caseloads for Employment Related Day Care (ERDC) are forecast at 11,616 families, 15.8 percent more than the 10,032 monthly average in 2007-09. The Subcommittee approved a total of \$131.7 million General Fund for caseload growth in TANF, and revenue shortfalls in child welfare, program support, and administrative costs that result from the combination of rapidly growing program caseloads and capped Other and Federal Funds revenues for CAF's programs. These costs were not part of the updated EBL. The \$131.7 million General Fund increase is offset by administrative and program reductions, and federal TANF stimulus funds, as described below.

The Subcommittee approved the following reductions, totaling \$82.7 million General Fund and 36 positions (44.77 FTE):

- Reduce administrative Personal Services costs by four percent and Services & Supplies by two percent (\$1.9 million General Fund)
- Adjust the staffing standard for Pre-Supplemental Security Income (SSI) cases (\$0.2 million General Fund and three positions [3.00 FTE])
- Eliminate all cost of living adjustments for program service providers (\$7.6 million General Fund)
- Continue the TANF "job quit" penalty put in place as part of 2007-09 biennium reductions (\$2.6 million General Fund and four positions [4.00 FTE])
- Continue reduced Post-TANF payments at \$100 per month until October 2010, when payment will be further reduced to \$50 per month (\$5.2 million General Fund)
- Continue the 185 percent FPL income eligibility limit recently established for TANF Non-needy Caretakers [\$14.3 million General Fund and 29 positions (31.03 FTE)]
- Reduce JOBS employment and training services (\$10 million General Fund)
- Continue the 2007-09 elimination of ERDC for self-employed clients (\$2 million General Fund and 0.87 FTE)
- Continue the 2007-09 elimination of the reduced client co-payment in the first month of ERDC (\$4.2 million General fund and 0.46 FTE)
- Beginning July 1, 2010, restrict new ERDC participants to families who have received TANF within 24 months of the application for ERDC assistance (\$25.6 million General Fund and 3.45 FTE)
- End funding for the federal IV-E Waiver for Substitute Care when the current waiver expires January 31, 2010 (\$1.1 million General Fund)

- Reduce one-time Foster Care payments and Other Medical Program expenditures by 50 percent (\$6.3 million General Fund)
- Reduce Post Adoption Services by 30 percent (\$0.1 million General Fund)
- Phase out Personal Care in Subsidized Guardianship (\$0.2 million General Fund)

The Subcommittee approved using an estimated \$74.9 million in one-time federal TANF stimulus funds to cover a portion of the increased cash assistance and support services costs in TANF Basic and JOBS; maintain ERDC eligibility at 185 percent FPL for all families through June 2010; keep the TANF unemployed two-parent (UN) program through the full biennium; maintain pre-TANF payments for living expenses; continue enhanced grants for Pre-SSI/SSDI clients; and continue funding for the Family Support and Connections program. The \$74.9 million estimate assumes program expenditures for pre-SSI and post-TANF programs will be restructured by October 2009 to align the expenditures to the base year used to calculate the amount of stimulus funding. This will allow the program to better demonstrate eligible expenditures for drawing down federal stimulus funds; however, the realignment is expected to negatively affect Oregon's calculated federal work participation rate. The \$74.9 million estimate also assumes cash assistance and related qualifying expenditures based on caseloads projected in the spring 2009 forecast. If TANF caseloads increase above that level, Oregon could receive up to \$8.5 million more federal stimulus funds to help cover those costs.

Given the level of TANF program reductions anticipated in the approved budget, the Subcommittee directed the following budget note:

Budget Note

The 2009-11 budget for the Temporary Assistance to Needy Families (TANF) program will require program changes to continue services to needy Oregonians within the budgeted resources, to address federal program requirements such as maintenance of effort (MOE) and federal work participation rates, and to maximize available federal revenues. The Department of Human Services is to review these issues within the context of the 2009-11 legislatively adopted budget, and report to the 2010 legislative session on the impact of the program changes on services and service delivery, federal program requirements, and federal revenues.

The budget uses an additional \$3.8 million in Child Care and Development Fund dollars (CCDF Other Funds) to help maintain current ERDC client co-payment rates and maximum provider payment levels at the 75th percentile of the 2006 market rate. This \$3.8 million is a one-time supplement to the CCDF subsidy funds received by DHS from the Employment Department, from funding that would have otherwise been transferred to the State Commission on Children and Families for the 2009-11 biennium. It is the Subcommittee's intent that this funding return to the Commission for the 2011-13 biennium.

The Subcommittee approved a total of \$9.2 million Other Funds, \$8.6 million Federal Funds and 186 positions (153.30 FTE) for CAF staffing to support House Bill 2116's Health Care for All Oregon Children initiative and the Oregon Health Plan Standard program expansion. The costs will be covered with provider tax Other Funds and matching Medicaid funds.

CAF's EBL budget included \$21 million General Fund to backfill an expected \$21 million Federal Funds reduction due to a proposed federal rule that would have restricted the use of Medicaid Targeted Case Management funds. CAF now expects the federal rule will not be put in place, so the Subcommittee eliminated the \$21 million General Fund and restored the Federal Funds in the budget.

Child welfare program caseloads are forecast to increase by 3.6 percent overall from 2007-09 to 2009-11, from a monthly average of 22,568 cases to 23,376 cases. Foster care and other out-of-home care is expected to decrease by about seven percent (from 8,315 cases to 7,710 cases), with child in-home cases up slightly. Adoption Assistance and Subsidized Guardianship is expected to increase by almost 12 percent over 2007-09, up from 11,378 cases to 12,751 cases. The approved budget adds \$8.9 million General Fund and \$5.6 million Federal Funds to add 130 child welfare staff (116.20 FTE), to increase staff coverage to 85 percent of the workload staffing standard. This is expected to improve timely response to child protective services cases and increase the number of monthly caseworker visits with children in foster care.

In response to federal concerns about the use of Medicaid Personal Care services for family foster care, CAF redesigned its foster care reimbursement methodology. The Subcommittee approved \$13.4 million General Fund, \$1.1 million Other Funds, and \$16.3 million Federal Funds to support this rate redesign. The overall increase will bring Oregon's base foster care rates from the bottom 25 percent nationally to within the top 25 percent, and will increase consistency in rate-setting statewide. Although the new methodology is variable depending on each child's situation, CAF estimates that 84-89 percent of children placed with foster families will have some increase in their total monthly reimbursement, while 11-16 percent will have a decrease. The approved funding level also anticipates higher adoption assistance subsidies based on the higher foster care rates.

CAF's current federal Title IV-E (Foster Care and Adoption Assistance) waiver, which supports innovative child welfare programs, will end in January 2010. Although the budget does not include General Fund to continue the existing waiver after its expiration or support new federal funding, the Subcommittee encouraged CAF to apply for a new waiver and, if the application is successful, to include any General Fund match request in a departmental budget rebalance during the 2009-11 interim.

The Subcommittee approved a budget note related to transportation issues for children in foster care:

Budget Note

The Children, Adult and Families (CAF) Division shall reserve \$700,000 in system of care flexible funds for the 2009-11 biennium to fulfill the requirements of providing transportation for children in foster care pursuant to ORS 339.133(5). CAF is encouraged to coordinate with the Oregon Department of Education and local school districts to identify cost-effective transportation options and to leverage state, federal and any other funds available for school transportation. Additionally, CAF shall work with stakeholders to develop a policy option package for 2011-13 to address the school transportation needs of children and youth in substitute care.

In Vocational Rehabilitation Services, the approved budget continues the Order of Selection, which requires the program to prioritize its services and maintain a wait list of individuals it cannot serve. The wait list is currently at about 4,000 individuals. The Subcommittee added \$2.2 million General Fund to maximize the program's ability to match available federal funding in the 2009-11 biennium. The Subcommittee intends that the program manage its expenditures to meet federal maintenance of effort requirements in federal fiscal years 2009 and 2010, and draw down federal funds that will help it continue program services in the 2011-13 biennium after the one-time \$6.2 million infusion of federal ARRA stimulus funds has been spent. If additional Federal Funds expenditure limitation is needed for this biennium, CAF is to include that need in a departmental budget rebalance during the 2009-11 interim.

Health Services

The Health Services (HS) program area provides policy and program support for benefits and services that help keep Oregonians healthy. Health Services is comprised of three operating divisions: Public Health Division, Addictions and Mental Health Division, and Division of Medical Assistance Programs.

The Public Health Division (PHD) consists of six offices: the State Public Health Director, Environmental Health, Family Health, Disease Prevention and Epidemiology, State Public Health Laboratories, and Community Health & Health Planning. It provides a wide diversity of services to improve and protect the health of all Oregonians. It manages more than 100 prevention-related programs that halt the spread of disease, protect against environmental hazards, and promote healthy behaviors (e.g., smoking cessation and better nutrition). Much of the work is carried out by local county health departments that are supported in their work by division staff.

The Addictions and Mental Health Division (AMH) administers a variety of alcohol and other drug abuse prevention and treatment programs, manages the Oregon State Hospital (OSH) and oversees a variety of residential and non-residential community mental health programs.

The Division of Medical Assistance Programs (DMAP) consists of the Oregon Health Plan, the Children's Health Insurance Program (CHIP), payments to the federal government on behalf of dually-eligible Medicare and Medicaid clients for Medicare Part D prescription drug benefits ("the clawback"), and Medicaid payments for Medicare deductibles, coinsurance, and copayments for eligible low-income Oregonians. A program which pays for Medicare premiums for individuals who are not eligible for the Oregon Health Plan was transferred from the DMAP budget to the Seniors and People with Disabilities (SPD) budget. SPD has been managing this program for some time, but the program budget had been embedded within DMAP. This transfer aligns the budget with the administration of the program.

The Subcommittee approved separate budgets for each operating division for a total Health Services budget of \$1,642,890,161 General Fund, \$7,596,314,670 total funds, and 3,282 positions (2,965.66 FTE). This is 2.5 percent General Fund and 33.8 percent total funds higher than the 2007-09 budget for Health Services, and a 11.2 percent General Fund decrease, but 11.5 percent total funds increase, from the reshoot EBL. The approved budget includes adjustments to the 2009-11 EBL requested by DHS to reflect program and revenue changes, caseload forecast modifications, and technical adjustments identified since December 2008 (the DHS "reshoot"). The DHS reshoot request, which includes \$343 million in federal stimulus funds used to backfill General Fund, increased the EBL by \$144.2 million total funds, but reduced the General Fund need by \$188.5 million. A brief review of the reshoot adjustments, most of which were approved by the Subcommittee, is included in each operating division's discussion below. The Subcommittee made other adjustments to each division's budget, including a variety of program reductions and additions, also discussed below.

Public Health Division

The Subcommittee-approved budget for the Public Health Division for the 2009-11 biennium is \$513 million total funds, which is about 1.6 percent more than the 2007-09 LAB, but slightly less (0.2 percent) than the reshoot EBL. The approved General Fund budget of \$49.6 million is about 8.1 percent below the reshoot EBL and about 1.2 percent less than the 2007-09 LAB.

The reshoot adjustments for PHD decreased the total funds budget by \$10.7 million, but did not change the General Fund budget. The adjustments included Other Funds and Federal Funds limitation changes to reflect the latest divisional revenue projections, as well as impacts in 2009-11 from changes made in 2007-09 after the base budget calculation had already been completed.

The Subcommittee approved the following reductions totaling \$4.4 million General Fund and 7 positions (6.00 FTE):

- Reduce administrative Personal Services costs by four percent and Services and Supplies by two percent (\$0.6 million General Fund)
- Eliminate cost-of-living increases (\$1.1 million General Fund)
- Consolidate Health Systems Planning into the Office of Health Policy and Research (\$0.3 million General Fund and three positions [3.00 FTE])
- Remove General Fund for the Health Care Delivery Grant (\$0.5 million General Fund)
- Eliminate funding for the Juvenile Diabetes database (\$0.2 million General Fund and two positions [1.00 FTE])
- Further reduce administrative costs across all Public Health offices (\$0.3 General Fund)
- Eliminate Ambulance Database coordinator (\$0.2 million General Fund and one position [1.00 FTE])
- Reduce the Safe Drinking Water Program (\$0.5 million General Fund)
- Change Communicable Disease testing funding (\$0.4 million General Fund reduction and a \$0.4 million Other Funds increase)
- Reduce operational support (\$0.2 million General Fund and one position [1.00 FTE])

The Subcommittee added \$0.8 million Other Funds limitation for two policy option packages related to other bills expected to be passed by the legislature. House Bill 2244 (POP 366) contains a fee increase for the Mortuary Board, and Senate Bill 5530 (POP 376) is the fee ratification bill for Public Health fees that were administratively established or increased during the 2007-09 biennium, and approved by the Department of Administrative Services. Additionally, \$1.6 million Other Funds limitation was added for School-based Health Centers and \$5 million Other Funds limitation was added for Community Health Center grants for vulnerable and underserved children. The Other Funds revenue for the above additions is generated from the one percent premium assessment established by House Bill 2116.

Finally, the Subcommittee reduced tobacco tax Other Funds expenditure limitation by \$0.7 million to match the Office of Economic Analysis forecast of tobacco tax allocated to the Tobacco Prevention and Education Program (TPEP). The divisional budget contains \$13.225 million of Other Funds expenditure limitation that is supported with tobacco tax revenue.

Additions and Mental Health Division

The approved \$945.9 million total funds budget for AMH is 23 percent higher than the 2007-09 legislatively approved budget and 1.1 percent higher than the EBL after reshoot adjustments. General Fund in the approved budget is 21.9 percent more than the 2007-09 LAB and 3.2 percent more than the 2009-11 reshoot EBL.

The reshoot adjustments for AMH totaled \$22.7 million, including \$5.2 million General Fund and 97 positions (149.38 FTE). The adjustments included the continuing costs for higher Oregon State Hospital (OSH) staffing levels that were added during the 2007-09 biennium, higher caseload costs for mandated civilly committed patients, and the replacement of federal revenue reductions with General Fund for OSH. These

were partially offset by caseload savings in the Juvenile and Community Mental Health Psychiatric Security Review Board (PSRB) programs as well as higher Federal Funds generated from the enhanced Federal Medical Assistance Percentage in the federal ARRA stimulus package.

The Subcommittee approved the following reductions, totaling \$13.3 million General Fund:

- Reduce administrative Personal Services costs by four percent and Services and Supplies by two percent (\$1.9 million General Fund)
- Eliminate cost-of-living increases (\$10.4 million General Fund)
- Reduce Supported Employment Services (\$1 million General Fund)

In addition, the Subcommittee reduced Alcohol and Drug abuse prevention programs by about \$2.9 million General Fund. Part of the reduction (about \$0.6 million) is offset with additional Other Funds revenue that division budget staff was able to identify. Also, the Subcommittee directed DHS to retain all funding for the Oregon Partnership suicide line, and reduced the cut to prevention programs by \$40,000 General Fund. It reduced the Gambling Addiction Treatment & Prevention program by 15.5 percent below the EBL by removing \$2.1 million in Lottery Funds, and added one position (1.00 FTE) for the community liaison approved in Senate Bill 529. Senate Bill 529 requires DHS to establish a position that would serve as a community liaison when it attempts to develop new community-based PSRB placements.

During its hearings on the AMH budget, the Subcommittee discussed the need for increased staffing at the Oregon State Hospital prompted by a U.S. Department of Justice investigation under the Civil Rights of Institutionalized Persons Act, as well as the need to increase community-based mental health treatment services to reduce demand for state hospital-level services. Because of limited resources, the Subcommittee did increase OSH staffing levels for the 2009-11 biennium and, for the most part, maintained (but could not increase) community-based mental health services. As a result, the Subcommittee approved funding for two policy option packages for OSH (POPs 188 & 198) for a total of \$35.2 million General Fund, \$36.1 million total funds, and 527 positions (280.69 FTE).

The Subcommittee spent time considering how physical and mental health care could be better integrated in Oregon; several members met with stakeholders to discuss possible implementation plans for integration pilot programs. In response to these efforts, the Subcommittee approved the following budget note:

Budget Note

The Department of Human Service is directed to implement two or three demonstration projects with willing local mental health authorities, mental health organizations, fully capitated health plans, federally qualified health clinics and mental health, addiction and health cared providers in the communities, to develop an integrated management and service delivery system including physical health and addictions and mental health treatment and recovery services, by June 30, 2011. DHS shall report on progress on implementing these demonstration projects at the last scheduled Emergency Board or Joint Committee on Ways and means meeting prior to the 2011 legislative session.

The Subcommittee also approved the following budget note to address issues around equitable funding for county mental health services:

Budget Note

The Department of Human Services Addictions and Mental Health Division is directed to work with local mental health authorities and stakeholders to develop an equitable formula and distribution method for Regional Acute Psychiatric Inpatient Treatment funds for all Oregon counties. DHS shall report to the Emergency Board or Joint Committee on Ways and Means by February 2010 on this new method and include a cost estimate for implementation.

Division of Medical Assistance Programs (DMAP)

The Subcommittee approved a 2009-11 budget for DMAP of \$973.5 million General Fund, \$6,137.5 million total funds, and 201 positions (192.79 FTE). General Fund in the approved budget is about 6.8 percent less than the 2007-09 LAB and about 18.6 percent less than the 2009-11 EBL after reshoot adjustments, while the total funds budget is about 39.3 percent higher than the 2007-09 LAB and about 14.4 percent higher than the 2009-11 reshoot EBL.

In addition, Senate Bill 5529 makes a supplemental General Fund appropriation of \$6,067,000 to DMAP for the 2007-09 biennium. This amount will be used to replace reduced tobacco tax revenue, anticipated in the Department of Administrative Services' May 2009 forecast of 2007-09 revenue.

The reshoot adjustments for DMAP increased the total funds budget by \$132.3 million, but reduced the General Fund budget by \$193.7 million. The DMAP reshoot adjustments were driven by two main factors. First, the spring 2009 caseload forecast for the Oregon Health Plan (OHP) increased by nearly 35,500 average monthly cases — most of them within the OHP Temporary Assistance for Needy Families (TANF) caseload. This increased caseload requires the addition of \$209.7 million total funds (\$64.1 million General Fund). Second, the higher Federal Medical Assistance Percentage (FMAP) rate, authorized by Congress in the American Recovery and Reinvestment Act (ARRA), reduces General Fund need by \$285.1 million. This General Fund is replaced with federal Medicaid funds.

The DMAP budget also reflects a variety of reductions that help balance the overall state budget. The reductions do not affect eligibility for the OHP because changes to Medicaid eligibility would make the state ineligible to receive the ARRA FMAP increase. Consequently, most of the reductions affect provider reimbursement, and in two instances, affect the benefits (vision and dental) some OHP clients receive.

The Subcommittee approved the following reductions totaling \$113.7 million General Fund:

- Reduce the reimbursement for hospitals paid under a diagnostic related grouping (DRG) system that is embedded within the managed care capitation rate to 76 percent of actuarially determined cost (\$58.4 million General Fund). Hospitals may work with the Director of the DHS to replace the General Fund portion of four percent of the actuarially determined cost with additional provider tax.
- Reduce Personal Services costs by four percent and Services & Supplies by two percent (\$0.7 million General Fund)
- Allow prior authorization for non-mental health Fee for Service drugs and create a voluntary Preferred Drug List for mental health drugs (\$4.4 million General Fund)
- Develop a Durable Medical Equipment sole source contract for particular types of medical equipment (\$0.1 million General Fund)
- Reduce Oregon Health Plan dental and vision services for non-pregnant adults (\$9.1 million General Fund)

- Reduce the expenditure trend for Federally Qualified Health Centers and Rural Health Centers (\$1.1 million General Fund)
- Expand electronic communications with providers and third-party liability and recovery efforts (\$11.2 million General Fund)
- Eliminate Fee for Service cost-of-living increases (\$1.9 million General Fund)
- Reduce managed care capitation rates by 3.75 percent (\$26.8 million General Fund)
- Remove a proposed staff position, included in the DHS reshoot request, to support a change from six months of eligibility for children in the OHP and CHIP to 12 months (\$0.05 million General Fund)

The Subcommittee also added \$11.7 million General Fund to backfill an expected shortfall in tobacco tax revenue during the 2009-11 biennium.

The approved DMAP budget reflects a variety of changes related to hospital provider taxes and an assessment on health insurance premiums. The current hospital and Medicaid managed care provider taxes will sunset on September 30, 2009. These two sources of revenue were used during the 2007-09 biennium to fund the OHP Standard program. To replace this revenue for OHP Standard, and to increase access to medical care for children, the Legislature passed House Bill 2116 earlier in the session. House Bill 2116 expanded the hospital provider tax, created a new one percent premium assessment on specific health insurers, and established the Health Care for All Oregon Children program. The hospital tax will be used to double enrollment in the OHP Standard program from about 25,000 to 50,000 average monthly cases. The premium assessment will be used to expand coverage through the Health Care for All Oregon Children program. Consequently, the approved budget for DMAP also includes Other Funds expenditure limitation of \$356.1 million, \$767.7 million Federal Funds expenditure limitation, and 17 new positions (17.00 FTE) for the Health Care for All Oregon Children program and the expansion of the OHP Standard program.

In addition to the expansions of OHP Standard and health coverage for children, some of the hospital provider tax revenue is used in the approved budget to provide additional support for the Oregon Health and Science University (\$12.5 million Other Funds) and the Oregon Health Network (\$2 million Other Funds). This latter project is also funded with a grant from the Federal Communications Commission and will promote a tele-health network throughout Oregon to support and improve health care delivery and health care education.

The approved budget reflects the use of \$116.4 million of current provider tax ending balances to replace General Fund in the DMAP budget. The \$116.4 million is the anticipated amount of remaining funds after all the current provider taxes are collected and expenditures paid under the existing provider tax agreement.

During its hearings on the DMAP budget, the Subcommittee expressed interest in promoting more primary and preventive care for OHP clients. As a result, it approved the following budget note:

Budget Note

The Department of Human Services (DHS) is directed to explore effective strategies that could be employed in the Oregon Health Plan managed care rate-setting process to encourage reimbursement for primary care services at the levels that fully represent the value of those services in current and future health care delivery models. The department shall report to the Emergency Board or the Joint Committee on Ways and Means, no later than December 31, 2009, on implementation strategies, including cost, and the likely effectiveness of those strategies in providing reimbursement to fully value primary care services.

Seniors and People with Disabilities

The Seniors and People with Disabilities (SPD) program administers services that help keep seniors and people with disabilities as independent as possible. Services funded in this program area include Medicaid long-term care, Oregon Project Independence, the federal Older Americans Act, direct financial assistance through the Oregon Supplemental Income Program (OSIP), and case management. SPD and Area Agency on Aging (AAA) staff located in local offices around Oregon manage these programs. Medicaid long-term care services are delivered through contracts with in-home care workers; community-based care such as assisted living facilities, residential care facilities, and adult foster homes; and skilled nursing facilities. Comprehensive residential, case-management, support and vocational services for people with developmental disabilities are provided by DHS staff and contracted with community programs. The SPD budget also now includes the funding for a program that pays for Medicare premiums for individuals who are not eligible for the Oregon Health Plan, a program previously part of the Division of Medical Assistance Programs budget.

The Subcommittee approved a General Fund budget of \$949,516,994, a total funds budget of \$3,305,499,684 and 2,069 positions (2,066.44 FTE) for SPD. This budget is 2.3 percent General Fund less but 14.5 percent total funds higher than the 2007-09 budget as of December 2008. Without the impact of the enhanced Federal Medical Assistance Percentage (FMAP) from the federal stimulus bill, the General Fund budget would be 20.9 percent above the 2007-09 level. The approved budget is 6.4 percent General Fund and 4.9 percent total funds lower than the 2009-11 adjusted EBL.

The approved budget includes the adjustments requested in the DHS reshoot for caseloads, costs, and revenue changes since December 2008. The reshoot adjustments in SPD reduced the General Fund budget by \$220.8 million and the Other Funds budget by \$17.3 million, but added \$171.7 million Federal Funds and 100 positions (101.80 FTE). The most significant adjustment was to reduce General Fund by \$225.5 million and Other Funds by \$0.2 million, and increase the Federal Funds budget by \$225.7 million, based on the impact of the increased FMAP authorized in the ARRA stimulus package. The reshoot position increases are primarily the result of two counties returning programs to the state: Umatilla County returned its Community Developmental Disabilities Program (CDDP) to SPD late in the 2007-09 biennium, adding nine positions (9.00 FTE) but resulting in a small savings in SPD's budget; Clackamas County Area Agency on Aging (AAA) returned its Medicaid long-term care program to SPD effective July 1, 2009, adding 112 positions (112 FTE) and \$2.5 million General Fund costs to SPD's budget.

The updated EBL budget reflects the spring 2009 caseload forecasts and resulting budget adjustments. In-home caseloads are projected to be about one percent higher, increasing from an average of 10,516 cases during the 2007-09 biennium to 10,643 cases in the 2009-11 biennium. Caseloads in community-based care -- which includes assisted living facilities, residential care facilities and foster care homes -- are expected to average 11,218 cases in the 2009-11 biennium, five percent above the average 10,679 cases in the 2007-09 biennium. The number of clients in nursing facility care, however, is expected to be about four percent less in 2009-11, down to 4,855 average monthly cases from 5,050 cases in 2007-09.

Nursing facility costs are lower than projected in December 2008, as are the on-going costs for the enhanced Certified Nursing Assistant (CNA) staffing standard add-on (which is continued for the 2009-11 biennium at 2.31 hours per resident day). The lower costs and caseloads overall result in less provider tax revenue. Long-term care estate recoveries are also down because of the overall housing and economic slump. The approved budget adjusts for the loss of provider tax and estate recoveries Other Funds by adding offsetting General Fund.

In Developmental Disability Services, the approved budget reflects an average caseload of 17,900 persons receiving services, up 3.4 percent overall from the 17,316 cases in 2007-09. In the 2009-11 biennium, 7,000 persons are expected to receive Staley support services through local brokerages, with 10,900 receiving intensive in-home or residential (“comprehensive”) services.

The Subcommittee approved various savings and program reductions to the reshoot EBL totaling a net \$70.1 million General Fund and \$172.9 million total funds, with a reduction of 76 positions (40.56 FTE). These include:

- Roll-up of December 2008 rebalance actions not included in EBL, with a net savings of \$0.1 million General Fund and 11 positions (10.06 FTE), but an added \$1.5 million total funds. This continues savings related to home care workers compensation administration and increased federal grant funding received in 2007-09, but eliminates positions and FTE phased-out in 2007-09 at Eastern Oregon Training Center.
- \$5.8 million General Fund and \$11.6 million total funds in program savings from lower-than-expected Juvenile Psychiatric Services Review Board costs, use of third-party insurance to offset costs for medically fragile children’s in-home intensive services, and lower expenditures for the Oregon Supplemental Income Program (OSIP).
- Reduced costs for staff and program providers generally will save \$32.8 million General Fund and \$87.3 million total funds. Cost of living adjustments are eliminated. Personal Services and Services and Supplies costs, excluding institutions and direct care staff, are reduced by four percent and two percent, respectively. A six-month hiring freeze, with exception of select direct care positions, will be implemented for state operated group homes and Transfer Area Agency on Aging staff. SPD will also cut General Fund staff support to various advisory boards and commissions.
- Limiting certain administrative and property expenses as part of nursing facility allowable costs is expected to reduce nursing facility rates by \$8.7 million General Fund and \$29.5 million total funds. However, the resulting \$1.5 million loss of provider tax revenues requires \$1.5 million General Fund backfill, so the net General Fund savings is \$7.3 million. SPD also will continue to review entries into nursing facilities, which helps diverts Medicaid clients to more independent and less expensive in-home and community care settings where appropriate (\$2.2 million General Fund, \$10.5 million total funds savings).
- Eliminating the \$7 million Homecare Union Benefits Board (HUBB) reserve and monthly payments to the reserve fund will save \$3.9 million General Fund and \$3 million total funds after the state repays the federal share of the reserve funds. The training budget for home care workers will be reduced by half (\$1.35 million General Fund) based on past expenditure levels.
- The Developmental Disabilities (DD) Family Support program will be reduced by about one-third by reducing services to higher income families. The Employment and Community Inclusion program will be reduced, as will DD special projects (training). General Fund expenditures from the DD housing fund are reduced; the Fairview Housing Trust Fund itself is untouched. The Eastern Oregon Training Center, already slated to close during the 2009-11 biennium, will close by October 2009, with the remaining 20 clients transferred to community settings. These reductions save an estimated \$15.5 million General Fund, \$30.1 million total funds, and 65 positions (30.50 FTE).
- General Fund support for the Retired Senior Volunteer Program (RSVP) and the Senior Health Insurance Benefit Assistance outreach program will be eliminated (\$1.1 million General Fund).

The Subcommittee continued the Oregon Project Independence (OPI) program with \$10 million total funds. During the 2007-09 biennium, the OPI program was financed with \$13 million in senior property tax deferral funds transferred from the Department of Revenue to the OPI Fund, but no funds are projected to be transferred to OPI during 2009-11 because of the current general economic and housing downturn. The \$10 million budget level anticipates the use of \$3.2 million Other Funds from senior property tax deferral funds transferred during the 2007-09 biennium but not yet spent, and \$6.8 million General Fund. This \$6.8 million includes \$841,816 General Fund added in EBL reshoot for other program impacts if OPI were discontinued, \$972,258 from House Bill 3065's Oregon Supplemental Income Program administrative savings, and \$4,984,892 additional General Fund. The \$10 million total funds for OPI is down 23 percent from the 2007-09 funding level. The Subcommittee directed the following budget note:

Budget Note

The Seniors and People with Disabilities Division is to work with its local offices, Area Agencies on Aging, and other program stakeholders to review how Oregon Project Independence services, given the limited funds available, can be delivered more effectively as part of Oregon's long-term care system. The agency is to report to the appropriate interim policy committee, before January 1, 2010, on this review, any changes proposed or implemented as a result of the review, any potential administrative savings, and the number of persons expected to be served in the Oregon Project Independence program within the 2009-11 program funding allocation.

The Subcommittee also made adjustments to redirect House Bill 3065's \$1 million General Fund administrative savings to Oregon Project Independence as described above; added \$301,937 Other Funds, \$301,914 Federal Funds and four positions (3.00 FTE) for House Bill 2442's Quality Care Fund; and added \$450,000 Other Funds for anticipated revenues from House Bill 2139's facility licensing fees, which will cover costs associated with court appointment of a trustee to operate care facilities with serious or immediate financial issues that create risk to patients in the facility.

The following budget note relating to in-home care workers was approved:

Budget Note

The Department of Human Services shall evaluate the total population of workers providing in-home care and make an explicit determination of who should be under the purview of the Home Care Commission pursuant to Oregon Constitution Article XV, section 11, ORS 410.600 and ORS 656.039(5)(a). The Department of Human Services shall share that determination with the appropriate interim legislative committees by October 2009.

Capital Improvements

The Subcommittee approved \$0.6 million General Fund for capital improvements at the Oregon State Hospital. This is \$0.5 million below the 2007-09 funding level for these expenditures.

Debt Service

The approved budget includes \$29.4 million General Fund and \$22.2 million Other Funds for debt service. The 2009-11 EBL for debt service on past Certificate of Participation (COPs) issuances is \$24.5 million General Fund and \$4.6 million Other Funds. This debt service is for information system projects, lab equipment and the Oregon State Hospital facility replacement project. New debt service approved by the Subcommittee includes \$2.9 million General Fund to continue the Oregon Child Welfare Information System (OR-KIDS) and \$2.0 million General Fund for the CAF and PHD technology system. The budget also adds \$17.6 million Other Funds for the Oregon State Hospital facility replacement project. In 2009-11, the debt service will be paid with Other Funds from capitalized interest from the COP proceeds; in future biennia, the debt service on the project financing will be a General Fund obligation.

Summary of Performance Measure Action

See attached Legislatively Adopted 2009-11 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5529-A

Department of Human Services
Kelly Freels and Blake Johnson -- (503) 378-3119 and 3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>2009-11 APPROPRIATIONS/LIMITATIONS</u>									
2007-09 Legislatively Approved Budget at Dec 2008 *	\$3,351,956,424	\$13,160,998	\$1,187,230,468	\$40,000,000	\$5,956,883,538	\$1,205,753,867	\$11,754,985,295	10,351	9,727.30
2009-11 ORBITS printed Essential Budget Level (EBL)*	\$4,232,552,182	\$13,712,288	\$1,079,143,952	\$40,000,000	\$6,922,214,458	\$1,242,362,895	\$13,529,985,775	10,187	9,919.58
<u>RESHOOT ADJUSTMENTS (from EBL)</u>									
TOTAL RESHOOT ADJUSTMENTS (from EBL)	(\$415,077,103)	\$0	(\$116,980,722)	\$0	\$611,476,607	\$829,302,287	\$908,721,069	465	514.50
2009-11 Reshoot Essential Budget Level (EBL)*	\$3,817,475,079	\$13,712,288	\$962,163,230	\$40,000,000	\$7,533,691,065	\$2,071,665,182	\$14,438,706,844	10,652	10,434.08
<u>SUBCOMMITTEE ADJUSTMENTS (from EBL)</u>									
TOTAL SUBCOMMITTEE ADJUSTMENTS	(\$296,400,945)	(\$2,120,912)	\$539,863,270	\$0	\$533,529,325	\$0	\$774,870,738	814	543.65
TOTAL SUBCOMMITTEE 2009-11 RECOMMENDATION *	\$3,521,074,134	\$11,591,376	\$1,502,026,500	\$40,000,000	\$8,067,220,390	\$2,071,665,182	\$15,213,577,582	11,466	10,977.73
% Change from 2007-09 Leg Approved Budget	5.05%	-11.93%	26.52%	0.00%	35.43%	71.81%	29.42%	10.77%	12.85%
% Change from 2009-11 Essential Budget Level	-16.81%	-15.47%	39.19%	0.00%	16.54%	66.75%	12.44%	12.56%	10.67%
<u>2007-09 SUPPLEMENTAL APPROPRIATION/LIMITATION</u>									
Health Services - Tobacco Tax revenue replacement	\$6,067,000	\$0	\$0	\$0	\$0	\$0	\$6,067,000	0	0.00
TOTAL 2007-09 SUPPLEMENTAL APPROPRIATION	\$6,067,000	\$0	\$0	\$0	\$0	\$0	\$6,067,000	0	0.00

* Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5529-A

Department of Human Services - Administrative Services Division
 Kelly Freels -- (503) 378-3119

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2007-09 Legislatively Approved Budget at Dec 2008 *	\$191,108,032	\$0	\$48,370,616	\$0	\$258,745,735	\$0	\$498,224,383	1,156	1,119.92
2009-11 ORBITS printed Essential Budget Level (EBL)*	\$215,820,093	\$0	\$31,145,431	\$0	\$239,143,123	\$0	\$486,108,647	1,088	1,056.21
RESHOOT ADJUSTMENTS (from EBL)									
Realignment of budget costs with federal cost allocation plan	3,485,570	0	(1,124,171)	0	(2,361,399)	0	0	0	0.00
Turnover of DD Program from Umatilla County	75,080	0	0	0	74,566	0	149,646	1	1.00
Community Mental Health Program - caseload savings in Mandated PSRB program	(86,103)	0	0	0	(31,410)	0	(117,513)	0	0.00
TANF Revenue Shortfall	0	0	0	0	(534,828)	0	(534,828)	0	0.00
Total Technical Adjustments - Nets to zero for DHS	2,201,646	0	(280)	0	2,182,243	0	4,383,609	(1)	(1.00)
TOTAL RESHOOT ADJUSTMENTS	\$5,676,193	\$0	(\$1,124,451)	\$0	(\$670,828)	\$0	\$3,880,914	0	0.00
2009-11 Reshoot Essential Budget Level (EBL)*	\$221,496,286	\$0	\$30,020,980	\$0	\$238,472,295	\$0	\$489,989,561	1,088	1,056.21
SUBCOMMITTEE ADJUSTMENTS (from EBL)									
Reduce State Data Center Charges	(1,000,000)	0	(44,444)	0	(1,177,777)	0	(2,222,221)	0	0.00
Reduce Services & Supplies for EBL Roll-up	(607,825)	0	(9,730)	0	(677,415)	0	(1,294,970)	0	0.00
Reduce Budgeted Fuel Costs	(250,000)	0	0	0	0	0	(250,000)	0	0.00
Eliminated Mandated Caseload in EBL	(1,445,304)	0	0	0	(1,373,086)	0	(2,818,390)	0	0.00
Reduce AG use by 10%	(205,641)	0	(15,742)	0	(192,814)	0	(414,197)	0	0.00
Reduce IT Expendable Property by 10%	(515,647)	0	(303,070)	0	(982,056)	0	(1,800,773)	0	0.00
Reduce Staff and S&S for OHPR/OHFB by 10%	(424,188)	0	(269,321)	0	(26,840)	0	(720,349)	(2)	(1.25)
Reduce Staff and S&S for BPA by 13%	(1,012,431)	0	(304,531)	0	(1,173,042)	0	(2,490,004)	0	(2.25)
Reduce Staff and S&S for OFS by 10%	(1,076,849)	0	(47,859)	0	(1,268,289)	0	(2,392,997)	0	0.00
Reduce Staff and S&S for Director's Office by 10%	(1,032,264)	0	(45,878)	0	(1,215,778)	0	(2,293,920)	(1)	(0.75)
Reduce Staff and S&S for OHPR/OHFB by + 10%	(424,188)	0	(619,207)	0	(163,987)	0	(1,207,382)	(2)	(1.25)
Reduce Staff and S&S for BPA to total of 20%	(699,659)	0	(31,096)	0	(824,042)	0	(1,554,797)	0	(1.25)
Reduce Staff and S&S for OFS by + 10%	(1,076,849)	0	(47,859)	0	(1,268,289)	0	(2,392,997)	0	(6.00)
Red. Staff and S&S for Director's Office by + 10%	(1,032,263)	0	(45,878)	0	(1,215,776)	0	(2,293,917)	(3)	(2.25)
Reduce Staff and S&S for AS Offices by 5%	(6,737,193)	0	(299,431)	0	(7,934,916)	0	(14,971,540)	(30)	(26.25)
POP 109 (Adjusted) - Core IT Services	(6,737,193)	0	(299,431)	0	(7,934,916)	0	(14,971,540)	(30)	(26.25)
POP 308 - OR Kids IT Project	2,877,126	0	119,880	0	2,997,007	0	5,994,013	0	0.00
POP 328 (Adjusted) - CAF & PHD IT System	3,079,947	0	14,425,915	0	16,346,714	0	33,852,576	30	30.00
POP 379 (Adjusted) - Provider Payment System	0	0	9,135,000	0	4,150,000	0	13,285,000	29	28.26
POP 188 (Corrected) - OSH Staffing	306,000	0	76,500	0	382,500	0	765,000	0	0.00
LFO - Oregon Health Authority CC Budget - see POP 389	3,923,576	0	0	0	0	0	3,923,576	13	13.00
	3,000,000	0	901,591	0	2,260,689	0	6,162,280	14	11.75

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
POP 505 - Healthy Kids Program (HB 2116)	0	0	6,046,555	0	6,022,529	0	12,069,084	23	22.50
HB 2116 - OHP Standard Expansion	0	0	1,500,000	0	1,498,000	0	2,998,000	6	5.40
Transfer Health Planning Pos from PHD	0	0	272,629	0	0	0	272,629	3	3.00
POP 149 - Public Health Support - Existing Grants	0	0	2,168,020	0	1,408,338	0	3,576,358	16	16.00
POP 316 - Health Care Facility Oversight (SB 158)	0	0	95,605	0	0	0	95,605	0	0.00
POP 326 - Hospice Agency Oversight (SB 161)	0	0	12,412	0	0	0	12,412	0	0.00
POP 346 - EPA Lead-based paint removal (HB 2134)	0	0	71,202	0	0	0	71,202	0	0.00
CAF additional positions - cost allocation to ASD	1,695,437	0	0	0	1,076,617	0	2,772,054	0	0.00
Targeted Case Management Fed Rule Recision	(5,280,293)	0	0	0	5,280,293	0	0	0	0.00
Co-chairs add-back	8,000,000	0	0	0	0	0	8,000,000	0	0.00
HB 3065 - OSIP Process Efficiency	(40,560)	0	0	0	(40,560)	0	(81,120)	0	0.00
TOTAL SUBCOMMITTEE ADJUSTMENTS	(\$6,716,261)	\$0	\$32,441,832	\$0	\$13,953,104	\$0	\$39,678,675	66	62.41
SUBCOMMITTEE RECOMMENDATION *	\$214,780,025	\$0	\$62,462,812	\$0	\$252,425,399	\$0	\$529,668,236	1,154	1,118.62
% Change from 2007-09 Leg Approved Budget	12.39%	0.00%	29.13%	0.00%	-2.44%	0.00%	6.31%	-0.17%	-0.12%
% Change from 2009-11 Essential Budget Level	-0.48%	0.00%	100.55%	0.00%	5.55%	0.00%	8.96%	6.07%	5.91%

* Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5529-A

Department of Human Services - Children, Adults and Families
Blake Johnson -- (503) 378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2007-09 Legislatively Approved Budget at Dec 2008 *	\$575,896,338	\$0	\$127,656,851	\$0	\$870,895,262	\$1,103,024,816	\$2,677,473,267	4,416	4,216.70
2009-11 ORBITS printed Essential Budget Level (EBL)*	\$716,614,815	\$0	\$131,064,642	\$0	\$809,918,597	\$1,139,633,844	\$2,797,231,898	4,428	4,352.47
RESHOOT ADJUSTMENTS (from EBL)									
Federal Stimulus Adjustments:									
Enhanced Medicaid FMAP	(3,147,851)	0	0	0	3,147,851	0	0	0	0.00
Enhanced IV-E Foster Care and Adoptions Assistance	(7,601,032)	0	0	0	7,601,032	0	0	0	0.00
Basic 110 Vocational Rehabilitation funds	0	0	0	0	6,181,100	0	6,181,100	0	0.00
FMAP, IV-E rate updated (non-stimulus)	(37,709)	0	0	0	37,709	0	0	0	0.00
Caseload forecast adjustments:									
Food Stamp caseload increase	0	0	0	0	0	706,718,308	706,718,308	0	0.00
Substitute Care caseload decrease	(6,150,806)	0	(1,389,608)	0	(15,794,234)	0	(23,334,648)	0	0.00
Adoptions caseload increase	593,953	0	(25,603)	0	(810,444)	0	(242,094)	0	0.00
Staffing for mandatory Food Stamps, Medicaid eligibility	17,163,388	0	0	0	17,063,878	0	34,227,266	255	251.81
Fund shift staffing for cost allocation, capped funds	6,142,149	0	0	0	(6,142,149)	0	0	0	0.00
IV-B Family Preservation grant match, FF limitation	116,337	0	0	0	349,312	0	465,649	0	0.00
Casey Family Foundation grant limitation	0	0	185,000	0	99,615	0	284,615	0	0.00
Medicaid Infrastructure Grant limitation	0	0	0	0	615,000	0	615,000	0	0.00
Update, correct EBL budget									
December 2008 rebalance Sub Care Personal Care	142,633	0	0	0	(142,633)	0	0	0	0.00
Correct Food Stamp NL-FF in base	0	0	0	0	0	122,583,979	122,583,979	0	0.00
Reverse 050 package adjustment for Medicaid BRS	(18,508,830)	0	0	0	18,508,830	0	0	0	0.00
Correct FF limitation entry error	0	0	0	0	1,000,000	0	1,000,000	0	0.00
Package 070 Revenue Shortfalls	0	0	(386,253)	0	(14,122,064)	0	(14,508,317)	0	0.00
Technical adjustments	(145,539)	0	(16,126)	0	(131,600)	0	(293,265)	(3)	(3.00)
	<u>(\$11,433,307)</u>	<u>\$0</u>	<u>(\$1,632,590)</u>	<u>\$0</u>	<u>\$17,461,203</u>	<u>\$829,302,287</u>	<u>\$833,697,593</u>	<u>252</u>	<u>248.81</u>
2009-11 Reshoot Essential Budget Level (EBL)*	<u>\$705,181,508</u>	<u>\$0</u>	<u>\$129,432,052</u>	<u>\$0</u>	<u>\$827,379,800</u>	<u>\$1,968,936,131</u>	<u>\$3,630,929,491</u>	<u>4,680</u>	<u>4,601.28</u>
SUBCOMMITTEE ADJUSTMENTS (from EBL)									
Fund POP 184 Non-EBL Issues									
Self-Sufficiency non-mandated caseload growth	106,430,897	0	0	0	0	0	106,430,897	0	0.00
Child Welfare/ Program Support revenue shortfall backfill	13,998,725	0	0	0	0	0	13,998,725	0	0.00
Revenue shortfall backfill non-mandated caseload to ASD	11,308,049	0	0	0	0	0	11,308,049	0	0.00
Update Pkg 050 Medicaid Targeted Case Management rule	(21,006,522)	0	0	0	21,006,522	0	0	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Use TANF stimulus funds for TANF, JOBS caseload growth; maintain selected programs									
Offset GF caseload growth in TANF Basic/JOBS	(30,501,915)	0	0	0	30,501,915	0	0	0	0.00
Use TANF in base budget JOBS program	(10,000,000)	0	0	0	10,000,000	0	0	0	0.00
Maintain pre-TANF payments for living expenses	(393,946)	0	0	0	393,946	0	0	0	0.00
Maintain TANF unemployed two-parent (UN) program	(12,286,468)	0	0	0	12,286,468	0	0	0	0.00
Maintain enhanced grant for Pre-SSI/SSDI clients	(2,068,116)	0	0	0	2,068,116	0	0	0	0.00
Maintain Family Support and Connections	(765,825)	0	0	0	765,825	0	0	0	0.00
Maintain ERDC all families 185% FPL through June 2010	(15,457,371)	0	0	0	15,457,371	0	0	0	0.00
Use one-time CCDF funds to maintain ERDC client copayment levels and provider payment rates	(3,851,919)	0	3,851,919	0	0	0	0	0	0.00
Other budget reductions:									
Manage Personal Services budget for 4% reduction	(1,293,096)	0	(35,100)	0	(2,001,546)	0	(3,329,742)	0	0.00
Reduce administrative Services & Supplies budget by 2%	(672,768)	0	(9,518)	0	(1,155,372)	0	(1,837,658)	0	0.00
Adjust staffing standard for Pre-SSI cases	(200,503)	0	0	0	(198,957)	0	(399,460)	(3)	(3.00)
Eliminate program provider Cost of Living Adjustments	(7,555,870)	0	(716,706)	0	(13,629,437)	0	(21,902,013)	0	0.00
Reduce program costs with TANF Job Quit Penalty	(2,601,603)	0	(364,180)	0	(4,151,291)	0	(7,117,074)	(4)	(5.96)
Post-TANF payment reductions	(5,183,038)	0	0	0	0	0	(5,183,038)	0	0.00
185% FPL limit TANF NonNeedy Caretaker households	(14,265,698)	0	(198,932)	0	(2,022,727)	0	(16,487,357)	(29)	(31.03)
Reduce JOBS Services by \$10 million	(10,000,000)	0	0	0	0	0	(10,000,000)	0	0.00
Eliminate ERDC for self-employed clients	(1,977,924)	0	(5,880)	0	(47,971)	0	(2,031,775)	0	(0.87)
Eliminate reduced co-pay in first month of ERDC	(4,166,581)	0	54,440	0	657,847	0	(3,454,294)	0	(0.46)
Limit ERDC to only families leaving TANF July 2010	(25,559,601)	0	(612,269)	0	10,265,589	0	(15,906,281)	0	(3.45)
Reduce child welfare Other Medical Program by 50%	(3,004,199)	0	(12,649)	0	0	0	(3,016,848)	0	0.00
Reduce one-time foster care payments by 50%	(3,353,818)	0	0	0	0	0	(3,353,818)	0	0.00
Reduce Post Adoptions Services program by 30%	(82,345)	0	0	0	(240,108)	0	(322,453)	0	0.00
Phase out Personal Care in Subsidized Guardianship	(169,728)	0	0	0	(284,208)	0	(453,936)	0	0.00
End IV-E Waiver at January 31, 2010 expiration	(1,143,773)	0	(83,212)	0	(2,274,403)	0	(3,501,388)	0	0.00
Foster Care rate redesign for Substitute Care, Adoptions	13,404,246	0	1,076,012	0	16,332,983	0	30,813,241	0	0.00
SB 630 Task Force limitation, LD position authority	0	0	88,255	0	47,522	0	135,777	1	1.00
HB 2116 Health Care for All Oregon Children	0	0	4,531,031	0	4,026,867	0	8,557,898	75	71.09
HB 2116 OHP Standard expansion	0	0	4,624,000	0	4,593,000	0	9,217,000	111	82.21
Child Welfare staffing to 85% of workload standard	8,930,606	0	0	0	5,638,237	0	14,568,843	130	116.20
Vocational Rehabilitation GF to fully match available FF	2,166,694	0	0	0	0	0	2,166,694	0	0.00
TOTAL SUBCOMMITTEE ADJUSTMENTS	(\$21,323,410)	\$0	\$12,187,211	\$0	\$108,036,188	\$0	\$98,899,989	281	225.73
SUBCOMMITTEE RECOMMENDATION	\$683,658,098	\$0	\$141,619,263	\$0	\$935,415,988	\$1,968,936,131	\$3,729,829,480	4,961	4,827.01
% Change from 2007-09 Leg Approved Budget	18.75%	0.00%	10.94%	0.00%	7.41%	78.50%	39.30%	12.34%	14.47%
% Change from 2009-11 Essential Budget Level	-4.57%	0.00%	8.05%	0.00%	15.50%	72.77%	33.34%	12.04%	10.90%

* Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5529-A

Department of Human Services - Health Services
 Blake Johnson -- (503) 378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2007-09 Legislatively Approved Budget at Dec 2008 *	\$1,602,671,996	\$13,160,998	\$810,741,934	\$40,000,000	\$3,109,278,487	\$102,729,051	\$5,678,582,466	2,763	2,441.50
2009-11 ORBITS printed Essential Budget Level (EBL)*	\$2,038,973,943	\$13,712,288	\$727,197,320	\$40,000,000	\$3,746,298,314	\$102,729,051	\$6,668,910,916	2,630	2,508.70
RESHOOT ADJUSTMENTS (from EBL)									
Additions and Mental Health									
Package 081 June 2008 Roll-up of OSH Staffing	2,660,359	0	0	0	0	0	2,660,359	22	22.00
Package 082 September 2008 Roll-up of OSH Staffing	21,137,086	0	0	0	0	0	21,137,086	168	168.00
Higher Caseload for Mandated Civil Program	9,846,941	0	0	0	19,984,499	0	29,831,440	0	0.00
Less Federal Revenue for OSH	3,828,931	0	198,906	0	(4,027,837)	0	0	0	0.00
Less FF Disproportionate Share Hospital at OSH	5,338,853	0	0	0	(5,338,853)	0	0	0	0.00
Enhanced Federal Medical Assistance Percentage (FMAP) - Federal Stimulus Package	(21,382,562)	0	0	0	21,382,562	0	0	0	0.00
Base FMAP change	(67,238)	0	0	0	67,238	0	0	0	0.00
Juvenile PSRB Caseload reduction	(3,172,398)	0	0	0	(6,194,856)	0	(9,367,254)	0	0.00
Lower Community Mental Health Caseload for PSRB forensic clients	(12,905,621)	0	0	0	(8,129,829)	0	(21,035,450)	(93)	(40.22)
Total Technical Adjustments - Net zero for DHS	(47,866)	0	(4,119)	0	(5,470)	0	(57,455)	0	(0.40)
Package 070 - Revenue Shortfall	0	0	(70,452)	0	(409,523)	0	(479,975)	0	0.00
Division of Medical Assistance Programs									
December 2008 rebalance adjustments rolled to 2009-11 Caseload increases using Spring 2009 forecast	7,315,218	0	(1,680,965)	0	5,751,317	0	11,385,570	2	0.76
Correction of error in essential budget level - more expenditure limitation for CHIP	64,096,745	0	0	0	145,642,169	0	209,738,914	0	0.00
COIHS Lawsuit Settlement	0	0	0	0	5,000,000	0	5,000,000	0	0.00
Position request for workload increase from moving from 6 mos. eligibility to 12 mos. for children.	1,000,000	0	0	0	0	0	1,000,000	0	0.00
Hospital Settlements' Correction: Previously used OF settlement revenue in lieu of GF for OHP Plus; Should have been credited to OHP Standard.	50,668	0	0	0	50,335	0	101,003	1	1.00
Medicaid Prompt Pay Compliance Officer Position	9,032,526	0	(9,032,526)	0	0	0	0	0	0.00
FQHC Wrap around payments projected to increase	27,647	0	0	0	81,547	0	109,194	1	0.75
Additional OF and FF for CAWEM Prenatal Program	12,451,305	0	0	0	30,001,673	0	42,452,978	0	0.00
TTx March forecast is less than December 08 Fcst	0	0	5,047,114	0	8,110,400	0	13,157,514	0	0.00
Federal Stimulus FMAP Change	11,465,211	0	(11,465,211)	0	0	0	0	0	0.00
Impact of Base FMAP Change	(284,427,428)	0	(37,011,007)	0	321,438,435	0	0	0	0.00
Maternity & MHO Rate Update	(461,399)	0	0	0	461,399	0	0	0	0.00
Clawback Rate adjustment	(9,372,688)	0	0	0	(22,156,924)	0	(31,529,612)	0	0.00
Total Technical Adjustments - Net Zero for DHS	(3,318,319)	0	0	0	0	0	(3,318,319)	0	0.00
Remove Excess OF and FF Expenditure Limitation	(669,890)	0	804,794	0	0	0	134,904	0	0.00
True-up TTx Budget Rev. to March 2009 Forecast	(934,461)	0	16,126	0	(948,400)	0	(1,866,735)	3	3.00
	0	0	(49,425,864)	0	(73,485,200)	0	(122,911,064)	0	0.00
	0	0	8,796,241	0	0	0	8,796,241	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Public Health Division									
070 Revenue Shortfall	0	0	(861,018)	0	0	0	(861,018)	0	0.00
084 Limitation Clean Up - from GRB	0	0	2,847,132	0	(4,708,864)	0	(1,861,732)	0	0.00
084 Staffing Needs - from GRB	0	0	610,424	0	393,461	0	1,003,885	9	9.00
Immunization Insured Client Billable Program	0	0	1,500,000	0	0	0	1,500,000	0	0.00
Reduce FF expenditure limitation for Federal Preparedness Grants	0	0	0	0	(10,000,000)	0	(10,000,000)	0	0.00
Reduce Tobacco Tax for Tobacco Prev. Educ. Program to reflect less TTx revenue. (12/2008 to 3/2009)	0	0	(528,000)	0	0	0	(528,000)	0	0.00
TOTAL RESHOOT ADJUSTMENTS	(\$188,508,380)	\$0	(\$90,258,425)	\$0	\$422,959,279	\$0	\$144,192,474	113	163.89
2009-11 Reshoot Essential Budget Level (EBL)*	\$1,850,465,563	\$13,712,288	\$636,938,895	\$40,000,000	\$4,169,257,593	\$102,729,051	\$6,813,103,390	2,743	2,672.59
<u>SUBCOMMITTEE ADJUSTMENTS (from EBL)</u>									
Additions and Mental Health									
Manage Personal Services budget for 4% reduction	(613,130)	(34,790)	(15,920)	0	(236,096)	0	(899,936)	0	0.00
Reduce Services & Supplies by 2%	(1,270,408)	(40,586)	(45,564)	0	(349,352)	0	(1,705,910)	0	0.00
Eliminate COLA increases within DHS control	(10,403,625)	0	(432,352)	0	(6,820,968)	0	(17,656,945)	0	0.00
Reduce Supported Employment Services	(1,000,000)	0	0	0	0	0	(1,000,000)	0	0.00
Reduce Alcohol & Drug Prevention	(2,982,634)	0	0	0	0	0	(2,982,634)	0	0.00
Partially correct overstatement of A&D Prevention reduction	0	0	344,684	0	257,727	0	602,411	0	0.00
POP 188 New Facility Staffing for OSH	25,784,491	0	496,578	0	275,365	0	26,556,434	357	202.26
POP 198 Continuous Improvement Plan for OSH	9,442,130	0	0	0	94,542	0	9,536,672	170	78.43
111 & 112 - Reduce Gambling Addiction Treatment & Prevention by 15% - Lottery Funds	0	(2,045,536)	0	0	0	0	(2,045,536)	0	0.00
Oregon Partnership suicide line	40,000	0	0	0	0	0	40,000	0	0.00
SB 529 Housing liaison position authority	0	0	0	0	0	0	0	1	1.00
Division of Medical Assistance Programs									
Reduce Hospital component within capitation rate to 76% from 100%; Buy back GF with higher PTx	(58,378,226)	0	5,805,935	0	(118,868,917)	0	(171,441,208)	0	0.00
Manage Personal Services budget for 4% reduction	(371,282)	0	(42,310)	0	(448,852)	0	(862,444)	0	0.00
Reduce Services & Supplies by 2%	(306,424)	0	(86,754)	0	(733,174)	0	(1,126,352)	0	0.00
Allow prior authorization for non-mental health FFS drugs; voluntary PDL for mental health drugs	(4,419,390)	0	2,072,996	0	(5,373,456)	0	(7,719,850)	0	0.00
Create DME point of sale sole source contract	(104,484)	0	0	0	(244,354)	0	(348,838)	0	0.00
Reduce OHP Adult Dental except for Pregnant Women	(4,500,000)	0	0	0	(10,525,042)	0	(15,025,042)	0	0.00
Limit OHP Plus & Standard Adult Vision Services	(4,585,364)	0	(39,139)	0	(10,365,783)	0	(14,990,286)	0	0.00
Actions to reduce projected expenditure trend for FQHCs/RHCs.	(1,102,834)	0	0	0	(2,579,416)	0	(3,682,250)	0	0.00
Expanded electronic communication with providers	(40,000)	0	0	0	(40,000)	0	(80,000)	0	0.00
Transformation effort - expand 3rd party liability and recovery efforts	(11,178,000)	0	0	0	(18,822,000)	0	(30,000,000)	0	0.00
Eliminate discretionary FFS COLA	(1,877,753)	0	(137,664)	0	(4,551,693)	0	(6,567,110)	0	0.00
Reduce Capitation Rates by 3.7%.	(26,801,576)	0	(2,325,512)	0	(65,979,567)	0	(95,106,655)	0	0.00
Further Reduction to TTx Revenue (March to May Fcst)	11,747,000	0	(11,747,000)	0	0	0	0	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Remove Graduate Medical Education funds from Capitation; Replace GF for OHSU portion with PTx. GME will go to hospitals from DHS.	(4,295,000)	0	4,295,000	0	0	0	0	0	0.00
OHSU Intergovernmental transfer replacement	0	0	12,528,338	0	0	0	12,528,338	0	0.00
Oregon Health Network - electronic medical records support	0	0	2,000,000	0	0	0	2,000,000	0	0.00
Use current Provider tax ending balance in lieu of General Fund	(116,400,000)	0	116,400,000	0	0	0	0	0	0.00
Health Care for All Oregon Children (HB 2116)	0	0	44,824,034	0	105,729,455	0	150,553,489	12	12.00
OHP Standard Coverage Expansion (HB 2116)	0	0	182,570,000	0	415,706,000	0	598,276,000	4	4.00
Provider Tax Administration (HB 2116)	0	0	84,000	0	81,000	0	165,000	1	1.00
Hospital Provider Tax Enhanced Reim. (HB 2116)	0	0	100,067,000	0	230,208,000	0	330,275,000	0	0.00
Medicaid Managed Care Tax (Premium Tax) Enhanced Reimbursement (HB 2116)	0	0	9,722,000	0	15,852,000	0	25,574,000	0	0.00
Remove proposed staffing position for 6 to 12 mos. eligibility for children	(50,668)	0	0	0	(50,335)	0	(101,003)	(1)	(1.00)
Home care agency reimbursement	457,571	0	0	0	1,070,213	0	1,527,784	0	0.00
Public Health Division									
Manage Personal Services budget for 4% reduction	(504,604)	0	0	0	0	0	(504,604)	0	0.00
Reduce Services & Supplies by 2%	(147,556)	0	0	0	0	0	(147,556)	0	0.00
Eliminate COLA increases within DHS control	(1,099,505)	0	0	0	(3,835,269)	0	(4,934,774)	0	0.00
Consolidate Health Systems Planning in OHPR	(300,469)	0	33,881	0	0	0	(266,588)	(3)	(3.00)
No GF for Health Care Delivery Grant (Feb 2008 Add)	(500,000)	0	0	0	0	0	(500,000)	0	0.00
Eliminate Funding for Juvenile Diabetes Database	(216,000)	0	0	0	0	0	(216,000)	(2)	(1.00)
Further Reduce Admin. Across all PHD offices	(300,000)	0	0	0	0	0	(300,000)	0	0.00
Eliminate Ambulance Database Coordinator	(197,662)	0	0	0	0	0	(197,662)	(1)	(1.00)
Reduce Communicable Disease Testing	(400,000)	0	400,000	0	0	0	0	0	0.00
Reduce Operational Support	(200,000)	0	0	0	0	0	(200,000)	(1)	(1.00)
POP 366 - Mortuary Board Fee Increase (HB 2244)	0	0	250,440	0	0	0	250,440	0	0.00
POP 376 - SB 5530 Ratification of Fee Increases	0	0	574,189	0	0	0	574,189	0	0.00
POP 505 - Healthy Kids School-based health centers (HB 2116)	0	0	1,380,000	0	0	0	1,380,000	0	0.00
Community Health Center grants for vulnerable and underserved children (HB 2116)	0	0	5,000,000	0	0	0	5,000,000	0	0.00
Administrative Costs for Healthy Kids community health center grants (HB 2116)	0	0	181,391	0	0	0	181,391	2	1.38
Remove empty Tobacco Tax limitation to match forecast	0	0	(219,685)	0	0	0	(219,685)	0	0.00
Further reduce Tobacco Tax limitation to reflect lower May TTx revenue forecast	0	0	(481,000)	0	0	0	(481,000)	0	0.00
Reduce Safe Drinking Water Program	(500,000)	0	0	0	0	0	(500,000)	0	0.00
TOTAL SUBCOMMITTEE ADJUSTMENTS	(\$207,575,402)	(\$2,120,912)	\$473,457,566	\$0	\$519,450,028	\$0	\$783,211,280	539	293.07
SUBCOMMITTEE RECOMMENDATION *	\$1,642,890,161	\$11,591,376	\$1,110,396,461	\$40,000,000	\$4,688,707,621	\$102,729,051	\$7,596,314,670	3,282	2,965.66
% Change from 2007-09 Leg Approved Budget	2.51%	-11.93%	36.96%	0.00%	50.80%	0.00%	33.77%	18.78%	21.47%
% Change from 2009-11 Essential Budget Level	-19.43%	-15.47%	52.70%	0.00%	25.16%	0.00%	13.91%	24.79%	18.22%

* Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5529-A

**Department of Human Services - Seniors and People with Disabilities
Kelly Freels -- (503) 378-3119**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2007-09 Legislatively Approved Budget at Dec 2008 *	\$971,881,457	\$0	\$196,316,687	\$0	\$1,717,964,054	\$0	\$2,886,162,198	2,016	1,949.18
2009-11 ORBITS printed Essential Budget Level (EBL)*	\$1,235,487,891	\$0	\$185,089,976	\$0	\$2,126,854,424	\$0	\$3,547,432,291	2,041	2,002.20
RESHOOT ADJUSTMENTS (from EBL)									
Federal Stimulus Adjustments:									
Enhanced Medicaid FMAP	(225,471,047)	0	(191,184)	0	225,662,231	0	0	0	0.00
Older Americans Act for Nutrition, Senior Employment	0	0	0	0	1,255,585	0	1,255,585	0	0.00
Caseload forecast adjustments:									
APD In Home caseloads	10,479,038	0	920,445	0	(3,086,836)	0	8,312,647	0	0.00
APD Community Facilities (ALFs, residential care, adult foster homes, PACE)	8,571,188	0	0	0	19,995,750	0	28,566,938	0	0.00
APD Nursing Facilities	(9,747,219)	0	(6,776,670)	0	(43,127,444)	0	(59,651,333)	0	0.00
APD Other Services	(3,479,098)	0	428,127	0	(1,100,977)	0	(4,151,948)	0	0.00
DD Local Authority	(2,238,935)	0	0	0	(10,036,470)	0	(12,275,405)	0	0.00
DD Support Services	(5,917,029)	0	0	0	(407,837)	0	(6,324,866)	0	0.00
DD Comprehensive Services	5,974,233	0	0	0	(2,836,070)	0	3,138,163	0	0.00
Caseload forecast growth mandatory programs state staff, Transfer AAA funding	821,574	0	0	0	816,621	0	1,638,195	6	5.28
Oregon Project Independence EBL adjustments:									
OPI Other Funds reduced per DOR notification. Leaves \$3,201,034 OF in EBL	0	0	(4,571,799)	0	0	0	(4,571,799)	0	0.00
Expected effect of 09-11 OPI program phaseout on in-home, other services caseloads	841,816	0	150,787	0	1,834,057	0	2,826,660	0	0.00
Update, correct EBL budget for other issues:									
Spring 2009 rebalance: Umatilla DD program return	(22,219)	0	0	0	(54,643)	0	(76,862)	9	9.00
Spring 2009 rebalance: Clackamas APD program return	2,523,116	0	0	0	(20,611)	0	2,502,505	112	112.00
APD Nursing Facility Provider Tax Revenue Decrease	4,793,652	0	(4,793,652)	0	0	0	0	0	0.00
APD Nursing Facility Long Term Care Recoveries Decrease	613,165	0	(613,165)	0	0	0	0	0	0.00
APD CNA Rate Adjustment from \$4.83 down to \$3.44 to achieve 2.31 HPRD	(1,820,149)	0	0	0	(3,060,009)	0	(4,880,158)	0	0.00
APD Nursing Facility Rate Final 2008 Cost Reports	(7,736,450)	0	0	0	(13,009,621)	0	(20,746,071)	0	0.00
DD Housing Program -- group home maintenance and repair	2,596,387	0	842,914	0	0	0	3,439,301	0	0.00
Eastern Oregon Training Center funding, positions	0	0	0	0	0	0	0	(28)	(25.88)
GRB ORBITS entry corrections	(519,852)	0	(2,655,363)	0	0	0	(3,175,215)	0	0.00
	0	0	(6,710,095)	0	0	0	(6,710,095)	0	0.00
Technical adjustments	(1,073,780)	0	4,399	0	(1,096,773)	0	(2,166,154)	1	1.40
TOTAL RESHOOT ADJUSTMENTS	(\$220,811,609)	\$0	(\$23,965,256)	\$0	\$171,726,953	\$0	(\$73,049,912)	100	101.80
2009-11 Reshoot Essential Budget Level (EBL)*	\$1,014,676,282	\$0	\$161,124,720	\$0	\$2,298,581,377	\$0	\$3,474,382,379	2,141	2,104.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS (from EBL)									
Correct Reshoot EBL for December 2008 Rebalance actions	(86,965)	0	0	0	1,604,350	0	1,517,385	(11)	(10.06)
Juvenile Psychiatric Services Review Board savings	(1,781,801)	0	0	0	(2,188,432)	0	(3,970,233)	0	0.00
Children In-Home Intensive Services 3rd party insurance	(1,524,597)	0	0	0	(3,609,592)	0	(5,134,189)	0	0.00
Oregon Supplemental Income Program (OSIP) underspending	(2,500,000)	0	0	0	0	0	(2,500,000)	0	0.00
Manage Personal Services budget for 4% reduction	(2,460,786)	0	(194,364)	0	(2,924,242)	0	(5,579,392)	0	0.00
Reduce services and supplies Admin budget by 2%	(315,882)	0	(49,246)	0	(295,384)	0	(660,512)	0	0.00
State Operated Community Program group home hiring freeze	(61,396)	0	0	0	(145,360)	0	(206,756)	0	0.00
Transfer AAA, APD field structure hiring freeze	(312,500)	0	0	0	(312,500)	0	(625,000)	0	0.00
Reduce boards and commissions GF support	(274,249)	0	0	0	0	0	(274,249)	0	0.00
Eliminate COLA for Aged and Physically Disabled, Developmentally Disabled	(29,393,844)	0	(844,781)	0	(49,742,817)	0	(79,981,442)	0	0.00
Diversion/transition of Nursing Facility clients	(2,230,049)	0	(874,368)	0	(7,349,927)	0	(10,454,344)	0	0.00
Nursing Facility Allowable Cost Limitation adjustment for property, admin expenses, net of provider tax impact	(7,292,868)	0	(1,451,803)	0	(20,722,257)	0	(29,466,928)	0	0.00
Eliminate HomeCare Union Benefits Board reserve	(2,800,000)	0	7,000,000	0	(4,200,000)	0	0	0	0.00
Eliminate Homecare Union Benefits Board reserve excess monthly payment	(1,108,500)	0	0	0	(1,891,500)	0	(3,000,000)	0	0.00
Reduce Home Care Worker training budget by 50%	(1,350,000)	0	0	0	0	0	(1,350,000)	0	0.00
Reduce and restructure DD Family Support program	(6,000,000)	0	0	0	0	0	(6,000,000)	0	0.00
Reduce DD Employment and Community Inclusion Program	(2,065,522)	0	0	0	(4,890,270)	0	(6,955,792)	0	0.00
Reduce DD housing General Fund	(2,500,000)	0	0	0	0	0	(2,500,000)	0	0.00
Reduce DD special projects (training)	(1,227,200)	0	0	0	(772,800)	0	(2,000,000)	0	0.00
Earlier closure of Eastern Oregon Training Center	(3,757,675)	0	0	0	(8,896,561)	0	(12,654,236)	(65)	(30.50)
Eliminate Senior Health Insurance Benefits Assistance program pass-through	(825,346)	0	0	0	0	0	(825,346)	0	0.00
Eliminate Retired Senior Volunteer Program General Fund	(275,000)	0	0	0	0	0	(275,000)	0	0.00
Oregon Project Independence									
Redirect \$841,816 GF reshoot expected effect of program end on in-home, other svcs	0	0	(150,787)	0	(1,834,057)	0	(1,984,844)	0	0.00
Redirect HB 3065 administrative savings to OPI	972,258	0	0	0	0	0	972,258	0	0.00
Add GF to bring program to \$10 million total funds	4,984,892	0	0	0	0	0	4,984,892	0	0.00
HB 3065 OSIP administrative savings	(972,258)	0	0	0	(40,560)	0	(1,012,818)	0	0.00
HB 2442 Quality Care Fund	0	0	301,937	0	301,914	0	603,851	4	3.00
HB 2139 Expedited trustee fund for troubled facilities	0	0	450,000	0	0	0	450,000	0	0.00
TOTAL SUBCOMMITTEE ADJUSTMENTS	(\$65,159,288)	\$0	\$4,186,588	\$0	(\$107,909,995)	\$0	(\$168,882,695)	(72)	(37.56)
SUBCOMMITTEE RECOMMENDATION *	\$949,516,994	\$0	\$165,311,308	\$0	\$2,190,671,382	\$0	\$3,305,499,684	2,069	2,066.44
% Change from 2007-09 Leg Approved Budget	-2.30%	0.00%	-15.79%	0.00%	27.52%	0.00%	14.53%	2.63%	6.02%
% Change from 2009-11 Essential Budget Level	-23.15%	0.00%	-10.69%	0.00%	3.00%	0.00%	-6.82%	1.37%	3.21%

* Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5529-A

Department of Human Services - Capital Improvement
 Kelly Freels and Blake Johnson -- (503) 378-3119 and 3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2007-09 Legislatively Approved Budget at Dec 2008 *	\$1,163,318	\$0	\$0	\$0	\$0	\$0	\$1,163,318	0	0.00
2009-11 ORBITS printed Essential Budget Level (EBL)*	\$1,163,318	\$0	\$0	\$0	\$0	\$0	\$1,163,318	0	0.00
<u>RESHOOT ADJUSTMENTS (from EBL)</u>									
TOTAL RESHOOT ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0.00
2009-11 Reshoot Essential Budget Level (EBL)*	\$1,163,318	\$0	\$0	\$0	\$0	\$0	\$1,163,318	0	0.00
<u>SUBCOMMITTEE ADJUSTMENTS (from EBL)</u>									
TOTAL SUBCOMMITTEE ADJUSTMENTS	(\$500,000)	0	0	0	0	0	(\$500,000)	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$663,318	\$0	\$0	\$0	\$0	\$0	\$663,318	0	0.00
% Change from 2007-09 Leg Approved Budget	-42.98%	0.00%	0.00%	0.00%	0.00%	0.00%	-42.98%	0.00%	0.00%
% Change from 2009-11 Essential Budget Level	-42.98%	0.00%	0.00%	0.00%	0.00%	0.00%	-42.98%	0.00%	0.00%

* Excludes Capital Construction Expenditures

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5529-A

Department of Human Services - Debt Service
 Kelly Freels and Blake Johnson -- (503) 378-3119 and 3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2007-09 Legislatively Approved Budget at Dec 2008 *	\$9,235,283	\$0	\$4,144,380	\$0	\$0	\$0	\$13,379,663	0	0.00
2009-11 ORBITS printed Essential Budget Level (EBL)*	\$24,492,122	\$0	\$4,646,583	\$0	\$0	\$0	\$29,138,705	0	0.00
RESHOOT ADJUSTMENTS (from EBL)									
None									
TOTAL RESHOOT ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0.00
2009-11 Reshoot Essential Budget Level (EBL)*	\$24,492,122	\$0	\$4,646,583	\$0	\$0	\$0	\$29,138,705	0	0.00
SUBCOMMITTEE ADJUSTMENTS (from EBL)									
POP 378 - OSH Replacement Project - Next Phase	0	0	17,590,073	0	0	0	17,590,073	0	0.00
POP 308 - OR Kids IT Project	2,879,218	0	0	0	0	0	2,879,218	0	0.00
POP 328 (Adjusted) - CAF & PHD IT System	1,994,198	0	0	0	0	0	1,994,198	0	0.00
TOTAL SUBCOMMITTEE ADJUSTMENTS	\$4,873,416	\$0	\$17,590,073	\$0	\$0	\$0	\$22,463,489	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$29,365,538	\$0	\$22,236,656	\$0	\$0	\$0	\$51,602,194	0	0.00
% Change from 2007-09 Leg Approved Budget	217.97%	0.00%	436.55%	0.00%	0.00%	0.00%	285.68%	0.00%	0.00%
% Change from 2009-11 Essential Budget Level	19.90%	0.00%	378.56%	0.00%	0.00%	0.00%	77.09%	0.00%	0.00%

* Excludes Capital Construction Expenditures

LEGISLATIVELY ADOPTED 2009-11 KEY PERFORMANCE MEASURES

AGENCY NAME: DEPARTMENT OF HUMAN SERVICES

Mission: Assisting people to become independent, healthy and safe.

#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
1	COMPLETION OF ALCOHOL AND DRUG TREATMENT – The percentage of engaged clients who complete alcohol and other drug (AOD) abuse treatment and are not abusing AOD.		Approved KPM	64	65.5	65.5
2	ALCOHOL & DRUG TREATMENT EFFECTIVENESS – The percentage of adults employed after receiving Alcohol and Drug treatment.		Approved KPM	70.2	73	74
3	ALCOHOL & DRUG TREATMENT EFFECTIVENESS – The percentage of parents who have their children returned to their custody after receiving alcohol and drug treatment.		Approved KPM	43.3	55	55
4	ALCOHOL & DRUG TREATMENT EFFECTIVENESS – The percentage of children whose school performance improves after receiving alcohol and drug treatment.		Approved KPM	68.6	71	71.5
5	8TH GRADER USE OF ALCOHOL - The % of 8th graders who have used alcohol within the past 30 days.		Approved KPM	30.9	29	28
6	8TH GRADER USE OF ILLICIT DRUGS - The % of 8th graders who have used illicit drugs within the past 30 days.		Approved KPM	15.9	14.5	14
7	CHILD MENTAL HEALTH SERVICES - The % of children receiving mental health services who are suspended or expelled from school.		Approved KPM	11	9.5	9
8	ADULT MENTAL HEALTH SERVICES - The % of adults receiving mental health services who report improved functional outcomes as a result of those services.		Approved KPM	56	58	59
9	MENTAL HEALTH CLIENT LEVEL OF FUNCTIONING – The percentage of mental health clients who maintain or improve level of functioning following treatment.		Approved KPM	92.8	95	95

AGENCY NAME: DEPARTMENT OF HUMAN SERVICES

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#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
10	GAMBLING TREATMENT EFFECTIVENESS - The % of adults who gamble much less or not at all 180 days after ending problem gambling treatment.		Approved KPM	74.8	75.5	76
11	OSH RESTRAINT RATE - Number of restraints per thousand patient hours at Oregon State Hospital.		Approved KPM	0.344	0.12	0
12	OSH LENGTH OF STAY - Average length of stay for civil commitments at Oregon State Hospital.		Approved KPM	185	177	175
13	VOCATIONAL REHABILITATION SERVICES EMPLOYMENT – The percentage of Office of Vocational Rehabilitation Services (OVRs) consumers with a goal of employment who are employed.		Approved KPM	64.1	66	66
14	TANF FAMILY STABILITY – The percentage of children entering foster care who had received Temporary Assistance to Needy Families (TANF) cash assistance within the prior two months.		Approved KPM	25.8	22	22
15	TANF RE-ENTRY - The percentage of Temporary Assistance for Needy Families (TANF) cases who have not returned within 18 months after exit due to employment.		Approved KPM		71	72
16	FOOD STAMP UTILIZATION - The ratio of Oregonians served by food stamps to the number of low-income Oregonians.		Approved KPM	67.9	70	71
17	FOOD STAMP ACCURACY - The % of accurate food stamp payments.		Approved KPM		94	94
18	ENHANCED CHILD CARE - The % of children receiving care from providers who are receiving the enhanced rate for child care subsidized by DHS.		Approved KPM		60	63
19	ABSENCE OF REPEAT MALTREATMENT - The % of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.		Approved KPM	93.3	94.1	94.1

AGENCY NAME: DEPARTMENT OF HUMAN SERVICES

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#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
20	TIMELINESS AND PERMANENCY OF CHILD REUNIFICATION - Composite measure of exits to reunification less than 12 months; median stay; entry cohort reunification in less than 12 months; and re-entries to foster care in less than 12 months.		Approved KPM	115.1	122.6	122.6
21	TIMELY ADOPTION – The median number of months from date of latest removal from home to finalized adoption.		Approved KPM	33.3	29.6	29.6
22	TIMELINESS OF FOSTER CARE RELATED ADOPTIONS - Composite measure including exits to adoption in less than 24 months and KPM #21 median length of stay; final adoptions and legal freedom within 6 months for children in foster care 17 months or longer; and legally free children adopted in less than 12 months.		Approved KPM	100.3	104.4	104.4
23	PREVENTIVE SERVICES FOR OHP CHILDREN - The utilization rate of preventive services for children birth through 10 years old covered by OHP.		Approved KPM	1.88		
24	PREVENTIVE SERVICES FOR OHP YOUTH AND ADULTS - The utilization rate of preventive services for youth and adults 11 years old and older covered by OHP.		Approved KPM	0.39		
25	ADEQUACY OF PRENATAL CARE FOR OHP CLIENTS - The % of pregnant OHP clients who received an adequate number of prenatal care visits while on OHP.		Approved KPM	59.4		
26	ACS HOSPITALIZATIONS OF OHP CLIENTS - The rate of ambulatory care sensitive condition hospitalizations of Oregon Health Plan clients.		Approved KPM	22		
27	TEEN SUICIDE – The rate of suicides among adolescents per 100,000.		Approved KPM	9.8	8.4	8.4
28	TEEN PREGNANCY – The number of female Oregonians ages 15 – 17, per 1,000 who are pregnant.		Approved KPM	27.2	22	22

AGENCY NAME: DEPARTMENT OF HUMAN SERVICES

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#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
29	INTENDED PREGNANCY – The percentage of births where mothers report that the pregnancy was intended.		Approved KPM	60.6	63.8	63.8
30	EARLY PRENATAL CARE - The % of low-income women who initiated prenatal care in the first 3 months of pregnancy compared to non low-income women.		Approved KPM	69.7	74	76
31	TOBACCO USE – Tobacco use among adults.		Approved KPM	17	15	15
31	TOBACCO USE – Tobacco use among youth.		Approved KPM	9	8	7.5
31	TOBACCO USE – Tobacco use among pregnant women.		Approved KPM	12.3	10.8	10.8
32	CIGARETTE PACKS SOLD – Number of cigarette packs sold per capita.		Approved KPM	53.4	48	46
33	CHILD IMMUNIZATIONS – The percentage of 24 – 35 month old children who are adequately immunized.		Approved KPM	71.5	77	77
34	INFLUENZA VACCINATIONS FOR SENIORS – The percentage of adults aged 65 and over who receive an influenza vaccine.		Approved KPM	73.1	76.5	77
35	SAFETY NET CLINIC USE – The percentage of uninsured Oregonians served by safety net clinics.		Approved KPM	18.3	19	18
36	HIV/AIDS - The proportion of reported HIV/AIDS cases interviewed by a local or state public health professional and offered assistance with partner notification and referral to HIV treatment.		Approved KPM	21		
37	PEOPLE WITH DISABILITIES IN COMMUNITY SETTINGS – The percentage of individuals with developmental disabilities who live in community settings of five or fewer.		Approved KPM	97.5	97.2	97.2
38	DEVELOPMENTAL DISABILITIES SUPPORT SERVICES - % of eligible adults who are receiving adult support services.		Approved KPM			

AGENCY NAME: DEPARTMENT OF HUMAN SERVICES

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#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
39	INTEGRATED EMPLOYMENT SETTINGS - % of people with developmental disabilities who receive SPD services who are working in integrated employment settings.		Approved KPM			
40	SENIORS LIVING OUTSIDE OF INSTITUTIONS – The percentage of Oregon’s seniors who are living outside of institutions.		Approved KPM	98.2	98.6	98.6
41	ACCESS TO I & R AND I & A - Increase access to accurate and consistent Information & Referral and Information & Assistance for people who are not currently served by SPD.		Approved KPM			
42	RE-ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES – The percentage of seniors and adults with disabilities who are re-abused within 12 months of first substantiated abuse: seniors.		Approved KPM	4	3.9	3.9
42	RE-ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES – The percentage of seniors and adults with disabilities who are re-abused within 12 months of first substantiated abuse: adults with disabilities.		Approved KPM	4	3.9	3.9
42	RE-ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES – The percentage of seniors and adults with disabilities who are re-abused within 12 months of first substantiated abuse: developmental disabilities.		Approved KPM	8.1	4	4
43	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	71.6	75	75
43	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	72.1	75	75

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#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
43	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	72.7	75	75
43	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	72.2	75	75
43	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	72.8	75	75
43	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	71.4	75	75
	FOOD STAMP UTILIZATION – The ratio of Oregonians receiving food stamp assistance to the number of Oregonians living in poverty.		Legislative Delete	1.01	1.18	1.18
	CHILD RE-ABUSE – The percentage of abused/neglected children who were re-abused within 6 months of prior victimization.		Legislative Delete	7.5	5.3	5.3
	8TH GRADER RISK FOR ALCOHOL AND DRUG USE – Percentage of 8th graders at high risk for alcohol and other drug use.		Legislative Delete	34.5	30	30
	HIV RATE – The annual rate of HIV infection per 100,000 persons.		Legislative Delete	7	6	6
	ROUTINE HEALTH CARE PROVIDED TO OHP CLIENTS– The proportion of Oregon Health Plan (OHP) clients provided routine health care services annually: adults.		Legislative Delete	77.3	78	78

AGENCY NAME: DEPARTMENT OF HUMAN SERVICES

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#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
	ROUTINE HEALTH CARE PROVIDED TO OHP CLIENTS– The proportion of Oregon Health Plan (OHP) clients provided routine health care services annually: children.		Legislative Delete	72	78	78
	RACIAL/ETHNIC VARIATION OF ROUTINE HEALTH CARE PROVIDED TO OHP CLIENTS – The proportion of Oregon Health Plan (OHP) clients provided routine health care services annually: African Americans.		Legislative Delete	69.3	78	78
	RACIAL/ETHNIC VARIATION OF ROUTINE HEALTH CARE PROVIDED TO OHP CLIENTS – The proportion of Oregon Health Plan (OHP) clients provided routine health care services annually: Native Americans.		Legislative Delete	73.3	78	78
	RACIAL/ETHNIC VARIATION OF ROUTINE HEALTH CARE PROVIDED TO OHP CLIENTS – The proportion of Oregon Health Plan (OHP) clients provided routine health care services annually: Asian/Pacific Islanders.		Legislative Delete	69.7	78	78
	RACIAL/ETHNIC VARIATION OF ROUTINE HEALTH CARE PROVIDED TO OHP CLIENTS – The proportion of Oregon Health Plan (OHP) clients provided routine health care services annually: d) Hispanic.		Legislative Delete	74.6	78	78
	RACIAL/ETHNIC VARIATION OF ROUTINE HEALTH CARE PROVIDED TO OHP CLIENTS – The proportion of Oregon Health Plan (OHP) clients provided routine health care services annually: White.		Legislative Delete	73.7	78	78
	EARLY PRENATAL CARE FOR LOW INCOME WOMEN – The percentage of low-income women who receive prenatal care in the first 4 months of pregnancy.		Legislative Delete	79.9	90.2	90.7
	SPD EMPLOYMENT – The percentage of Seniors and People with Disabilities (SPD) consumers participating in an employment program who are employed.		Legislative Delete	51.7	48	48

AGENCY NAME: DEPARTMENT OF HUMAN SERVICES

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#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
	TANF (WELFARE) EMPLOYMENT – The percentage of Temporary Assistance to Needy Families (TANF) adults placed for whom employment is a goal.		Legislative Delete	8	10	10
	TANF (WELFARE) RE-ENTRY – The percentage of Temporary Assistance to Needy Families (TANF) cases who do not return, or are off of cash assistance 18 months after exit due to employment.		Legislative Delete	89.4	95	95
	ENHANCED CHILD CARE – The percentage of child care providers who are providing enhanced quality of care.		Legislative Delete	26.2	33	34
	AVERAGE EARNINGS FOR SPD CLIENTS – Average monthly earnings for persons with developmental disabilities who receive Seniors and People with Disabilities (SPD) services.		Legislative Delete	184	260	260
	DOMESTIC VIOLENCE – The percentage of women subjected to domestic violence in the past year.		Legislative Delete	7.2	4.5	4.5

LFO Recommendation:

Approve 42 KPMs as modified, with targets as shown except for KPMs 9, 42 and 30. Increase targets for KPMs 9 (mental health client functioning) and 42 (customer service), and decrease targets for KPM 30 (tobacco use among adults), based on current improving results trend.

For OHP measures 23, 24, 25, and 26, and HIV/AIDS measure 34, DHS should report updated data and proposed targets for the 2009-11 biennium to the Legislative Fiscal Office and the Budget and Management Division by September 1, 2009, and report on the data and targets to the interim Joint Committee on Ways and Means or other appropriate committee during the interim.

For the developmental KPMs 37, 38 and 40 on services to seniors and adults with developmental disabilities, DHS should report data to the Legislative Fiscal Office and the Budget and Management Division by October 1, 2010, and work with LFO and BAM to set appropriate targets for the 2011-13 biennium.

Sub-Committee Action:

The Human Services Subcommittee approved 43 KPMs as modified, including continuation of KPM 28 (teen pregnancy), revisions for KPM 18 (enhanced child care) and KPM 33 (child immunizations), and changed targets for certain measures as recommended by LFO.

Directed the agency to review KPM 30 (pre-natal care for low-income women) to consider a broader population and separate reporting for non low-income women; the agency is to propose changes for the 2011-13 biennium.

Approved LFO recommendations for updated data and development of targets for OHP measures and HIV/AIDS measure, but directed the agency to also report to the interim policy committees on these. Approved LFO recommendation for new KPMs for senior and developmental disabilities services.