

# Department of Human Services 2013–2015 Rebalance Report

*Joint Committee on Ways and Means  
Human Services Subcommittee*

*Erinn Kelley-Siel, DHS Director*

*Eric Luther Moore, DHS CFO*

January 15, 2014



## Strategic Initiative Update

<p>Long Term Care Services and Supports</p>	<ul style="list-style-type: none"> <li>• APD programs are on target to safely transition/divert individuals from nursing facilities (NFs) to home or community based care.</li> <li>• K Plan implementation within APD and ODDS programs is on schedule, with the exception of the implementation of the Plan of Care and centralized payment system.</li> <li>• Implementing the K plan requires significant changes in work and business processes for the DD system.</li> </ul>
<p>Employment</p>	<ul style="list-style-type: none"> <li>• TANF employment placements exceeded 1000 in the month of August 2013 for the first time since December 2007.</li> <li>• Employment First implementation and Executive Order major milestones are being met.</li> <li>• DHS programs are actively engaged in the Workforce System Redesign with the Oregon Workforce Investment Board and Local Workforce Investment Boards, Community Colleges/Workforce Development, the Oregon Employment Department, and Business Oregon.</li> </ul>
<p>Safety and Permanency for Children</p>	<ul style="list-style-type: none"> <li>• DHS is on track to implement Differential Response statewide.</li> <li>• SB 964, Strengthening, Preserving and Reunifying Families Contracts are in various stages of implementation in every county. It is anticipated that all contracts will be in place by April, 2014.</li> </ul>
<p>Modernization</p>	<ul style="list-style-type: none"> <li>• Launch of Oregon Benefits Online was put on hold to allow for focus on Medicaid expansion. Service delivery partners will be engaged in the APD and DD case management system initiation.</li> <li>• Focus on service delivery transformation.</li> </ul>

# Rebalance Summary

DHS net challenges are \$100.7 million GF.

January Rebalance	General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
2013-2015 LAB	2,257.31	474.88	6,338.41	9,070.60	7,630	7,480.37
Withholding of 2% GF	45.57	-	-	45.57		
Salary Pot	36.74	8.00	38.84	83.59		
Contract Bargaining	11.04	-	19.17	30.21		
Sequestration	7.80	-	(7.80)	-		
DD 54	1.92	-	3.29	5.21		
Caseload/Cost Issues	7.88	(7.03)	8.54	9.39	-	-
FMAP Changes	(12.31)	(0.02)	12.33	-		
Other Issues	2.06	25.35	41.09	68.51	8	7.76
January Rebalance	2,358.00	501.19	6,453.87	9,313.06	7,638	7,488.13
<b>change</b>	<b>100.70</b>	<b>26.31</b>	<b>115.46</b>	<b>242.47</b>	<b>8</b>	<b>7.76</b>

- Anticipated: 2%, Bargaining, Sequestration = \$101.2 GF
- New: DD Provider Rates, Fall Caseload Update, FMAP Changes, Budget Corrections = (\$0.5) GF

# Summary of 2% Holdback

- DHS provided “restoration” list per LFO instruction on January 13th. Depending on legislative decisions, program reductions may be necessary.

<b>2% GF Holdback</b>	General Fund
Central Services	\$ 0.33
Shared Services	\$ -
SAEC	\$ 3.29
Debt Service	\$ -
Program Design Services	\$ -
Self Sufficiency	\$ 7.61
Child Welfare	\$ 8.93
Vocational Rehabilitation	\$ 0.35
Aging and People with Physical Disabilities	\$ 14.10
People with Intellectual and Developmental Disabilities	\$ 10.95
<b>Totals</b>	<b>\$ 45.57</b>

# Salary Pot Need based on DHS Calculations

<b>Salary Pot</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
Central Services	\$ 0.65	\$ 0.03	\$ 0.60	\$ 1.28
Shared Services	\$ -	\$ 6.83	\$ -	\$ 6.83
SAEC	\$ 5.08	\$ -	\$ 4.60	\$ 9.68
Debt Service	\$ -	\$ -	\$ -	\$ -
Centralized Services	\$ -	\$ -	\$ -	\$ -
Self Sufficiency	\$ 8.96	\$ 0.94	\$ 8.42	\$ 18.31
Child Welfare	\$ 13.40	\$ 0.10	\$ 11.30	\$ 24.80
Vocational Rehabilitation	\$ 0.51	\$ 0.01	\$ 1.90	\$ 2.42
Aging and People with Physical Disabilities	\$ 5.04	\$ 0.08	\$ 7.40	\$ 12.53
People with Intellectual and Developmental Disabilities	\$ 3.10	\$ 0.00	\$ 4.62	\$ 7.73
<b>Totals</b>	<b>\$ 36.74</b>	<b>\$ 8.00</b>	<b>\$ 38.84</b>	<b>\$ 83.59</b>

Note: Numbers calculated by DHS based on LAB staffing at 100% under bargaining agreement and other personal services cost estimates.

# Other Bargained Costs – Home Care Workers

- DHS need for APD and DD Home Care and Personal Support Worker collective bargaining = \$11.0 million GF.
- HB 5008 included a Special Purpose Appropriation for \$12.9 million GF to cover DHS and OHA costs.

	<b>GF</b>	<b>FF</b>	<b>TF</b>
AMH	\$ 1,861,322	\$ 3,177,567	\$ 5,038,889
APD	\$ 3,337,333	\$ 5,698,054	\$ 9,035,387
DD	\$ 7,701,345	\$ 13,470,281	\$ 21,171,626
<b>Total SPA Amount</b>	<b>\$ 12,900,000</b>	<b>\$ 22,345,902</b>	<b>\$ 35,245,902</b>

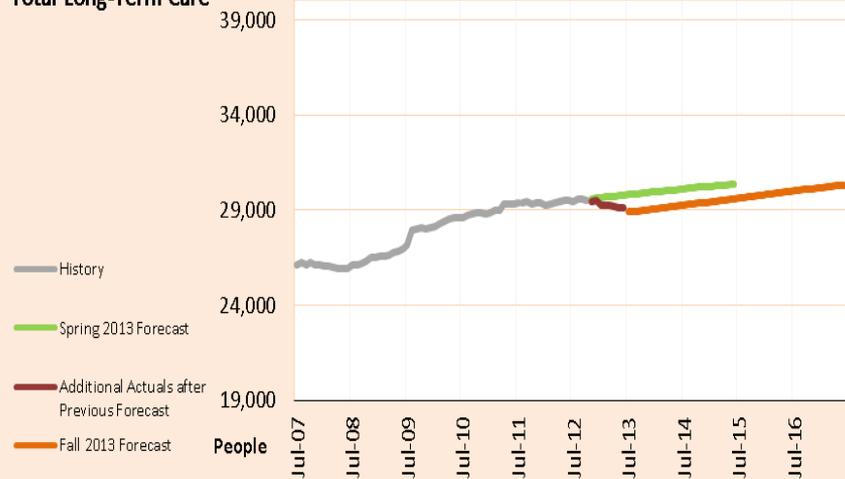
# Federal Sequestration Impacts

<b>Sequestration</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b>Self Sufficiency Full Reqeust</b>	\$ 0.94	\$ -	\$ (0.94)	\$ -
<b>Child Welfare Full Request</b>	\$ 3.09	\$ -	\$ (3.09)	\$ -
<b>Vocational Rehabilitation Full Request</b>	\$ 1.24	\$ -	\$ (1.24)	\$ -
<b>Aging and People with Physical Disabilities Full Reqeust</b>	\$ 2.39	\$ -	\$ (2.39)	\$ -
<b>Totals Full Request</b>	\$ <b>7.80</b>	\$ -	\$ <b>(7.80)</b>	\$ -

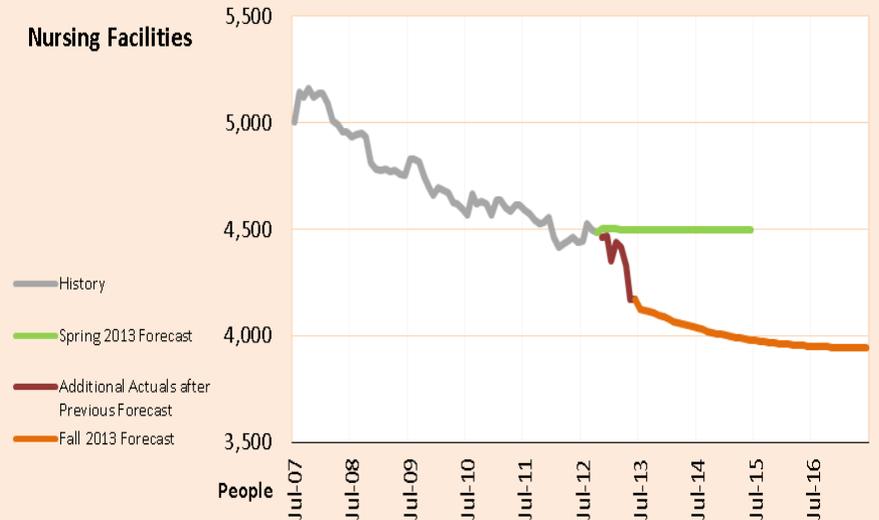
- Uncertainty remains (FFY 2014 appropriations not yet finalized)
- At least 3 grants have been verified as impacted by sequestration: SSBG, Title IV-B part 2, Vocational Rehabilitation (Basic 110).

# Caseload Issues

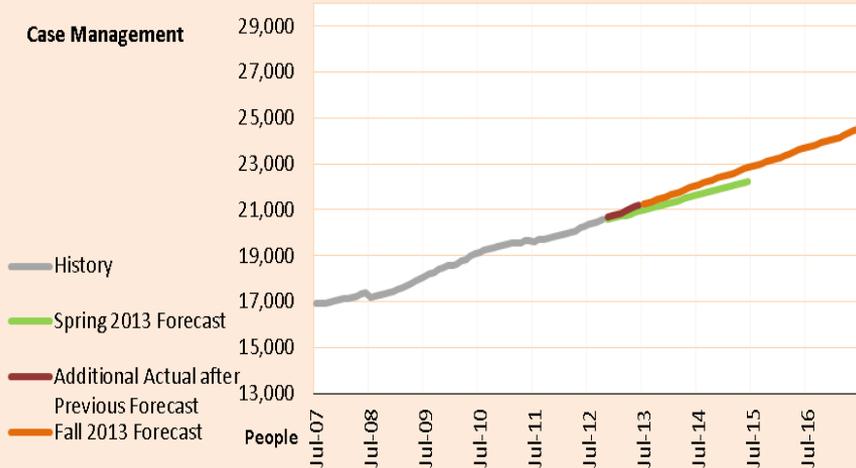
**Total Long-Term Care**



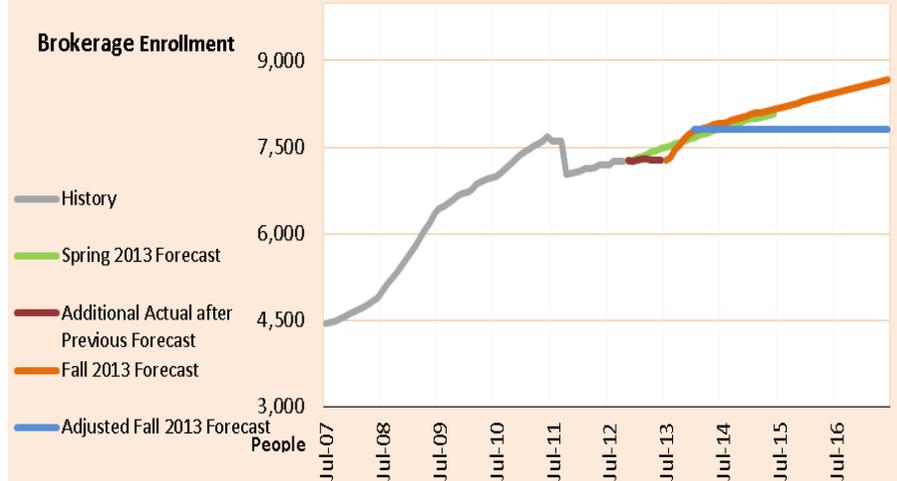
**Nursing Facilities**



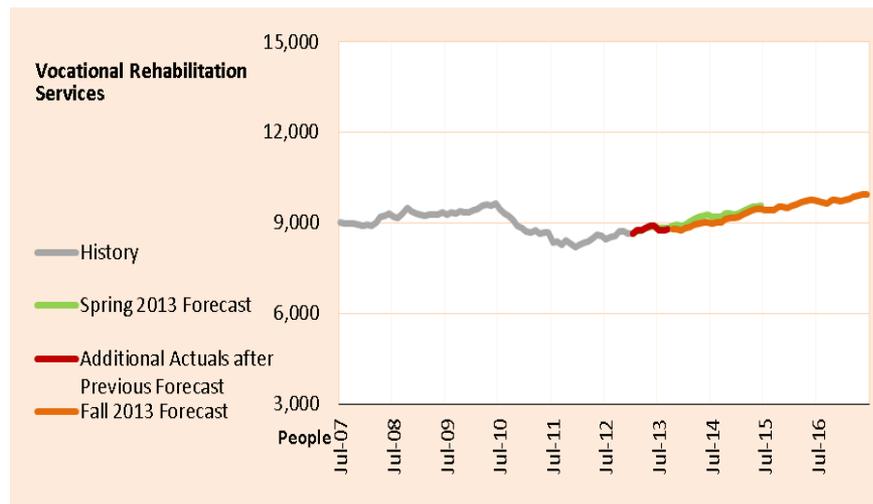
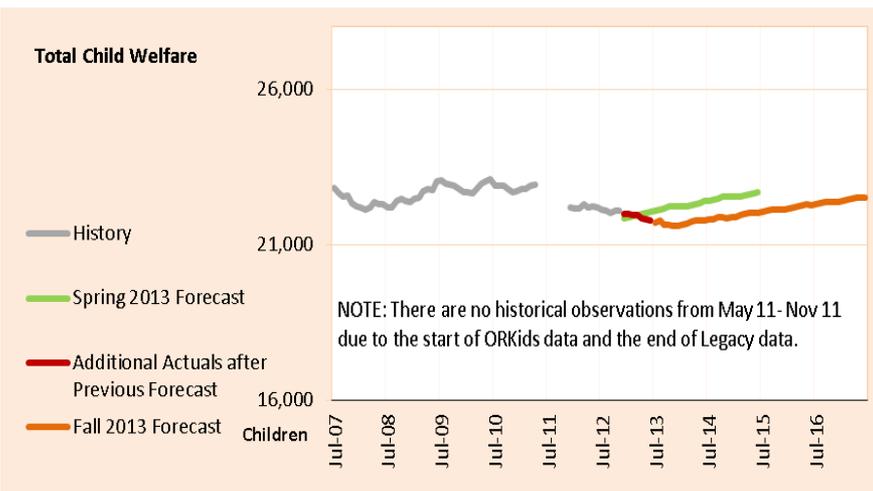
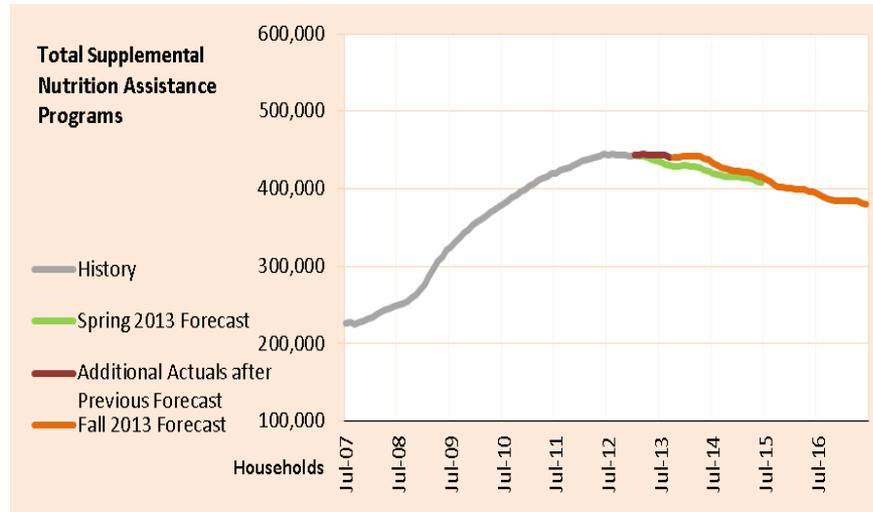
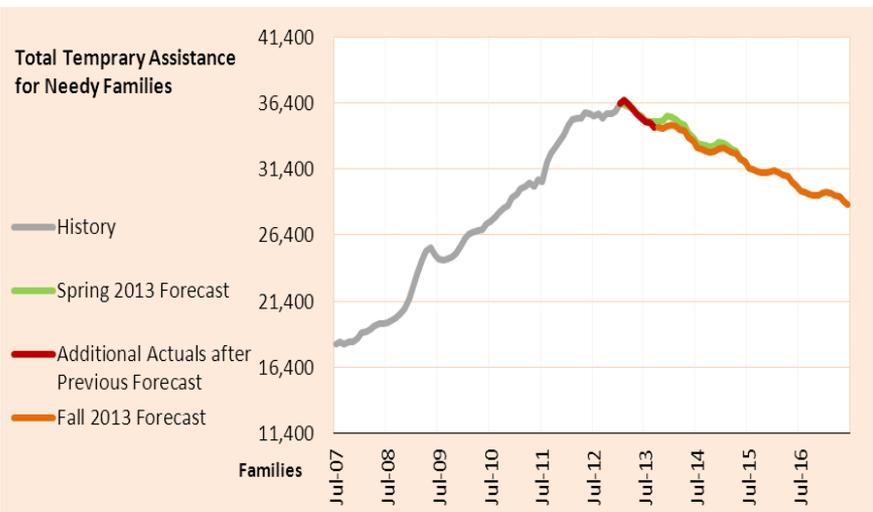
**Case Management**



**Brokerage Enrollment**



# Caseload Issues



Link to Forecast - <http://www.oregon.gov/dhs/ofra/ofradocuments/Fall%202013%20Caseload%20Forecast.pdf>

# Move of Program and Design Services to Central; a Net \$0 Management Action

This net \$0 move will allow DHS to better track the budgets of the following offices: Office of Business Intelligence, Office of Program Improvement, Office of Licensing and Regulatory Oversight, and the Information Technology Business Services Office.

Net Zero Movement of Program and Design Services (PDS)						
<b>FROM</b>	GF	OF	FF	TF	PS	FTE
APD	(7.70)	(0.00)	(7.89)	(15.59)	(85)	(85.00)
DD	(4.98)	-	(4.92)	(9.90)	(67)	(67.00)
CW	(1.74)	(0.16)	(2.07)	(3.96)	(26)	(26.00)
SS	(4.81)	(0.10)	(4.45)	(9.36)	(75)	(75.00)
<b>TOTAL</b>	<b>(19.23)</b>	<b>(0.26)</b>	<b>(19.32)</b>	<b>(38.80)</b>	<b>(253.00)</b>	<b>(253.00)</b>
<b>TO PDS</b>	GF	OF	FF	TF	PS	FTE
OBI	1.71	0.10	2.02	3.83	24	24.00
OPI	3.70	0.14	3.37	7.20	58	58.00
OLRO	10.08	0.00	10.43	20.51	117	117.00
ITBS	3.74	0.01	3.51	7.26	54	54.00
<b>TOTAL</b>	<b>19.23</b>	<b>0.26</b>	<b>19.32</b>	<b>38.80</b>	<b>253.00</b>	<b>253.00</b>
<b>Net Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Other Program Issues

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- FMAP Changes: The latest change for FFY 2014 was in our favor saving GF of a net \$12.3 million for DHS.
- Budget Corrections
  - CCDP budgets at 94% - \$1.3M GF
  - Post Adoption resources - \$0.3M GF
- Technical Adjustment: Net \$0 as between DHS/OHA Rebalances

# Options to Balance DHS Budget

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## Revenue:

- SNAP Bonus funds - \$3.25 million
- TANF Carryover – \$8 million
- TANF Contingency – \$5 million from FFY 2015 (comes with risk).
- SPA for bargained costs (Salary Pot and Homecare Worker)

## Staffing Reductions:

- Submitting options to LFO including service/workload impacts if positions needed to be left open

## Program Reductions:

- Submitted “restoration”/reduction list to LFO on January 13. (Includes revenue options except SPA’s)

# Future Risks

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1. Caseload.
2. Federal budget and policy changes.
3. District Attorney representation in Child Welfare dependency cases
4. TANF Penalties.
5. USDOJ/Disability Rights Oregon litigation.
6. US Department of Labor Regulations.
7. Other.

# Next Steps:

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DHS will work with the Leadership/LFO/CFO-BAM to present balanced budget plan to February Ways and Means.

Other Questions?

For more information regarding the DHS Budget or copies of the DHS Rebalance Letter visit: <http://www.oregon.gov/DHS/> under Budget and Legislative Actions.