



2017-19 Legislatively Adopted Budget Department of Human Services

The mission of the Department of Human Services (DHS) is to help Oregonians in their own communities achieve safety, well-being and independence through services that protect, empower, respect choice and preserve dignity. DHS is responsible for the care of some of Oregon's most vulnerable citizens – children, families, people with intellectual and developmental disabilities, and older adults. DHS is also responsible for serving Oregonians at times when they are most in need – when they have experienced abuse, when they are hungry, when they are homeless.

The 2017-19 Legislatively Adopted Budget (LAB) continues many of the efforts begun over the last several biennia, supporting DHS to achieve the following outcomes:

- Safety for children;
- Safety for vulnerable adults;
- Independence for older adults and people with disabilities;
- Family stability and employment;
- Community employment for people with disabilities;
- School readiness for young children;
- Job retention for low-income working families; and
- Program performance and integrity.

The following is a summary by program area of the 2017-19 Legislatively Adopted Budget (LAB):

The table below lays out the budgets by program area. Overall the 2017-19 Total Funds (TF) LAB is 7.5% higher than the 2015-17 LAB and 0.6% higher than the CSL. For General Fund (GF) the 2017-19 LAB is 14.0% higher than the 2015-17 LAB and 5.1% lower than the CSL.

Program	GF	OF	FF	NL-FF	TF
Aging and People with Disabilities	\$ 1,028,740,708	\$ 228,832,647	\$ 2,289,999,875	\$ -	\$ 3,547,573,230
Intellectual or Developmental Disabilities	\$ 885,640,676	\$ 27,952,491	\$ 1,808,925,375	\$ -	\$ 2,722,518,542
Child Welfare	\$ 551,626,007	\$ 28,127,216	\$ 488,649,642	\$ -	\$ 1,068,402,865
Self Sufficiency	\$ 346,281,476	\$ 100,233,063	\$ 440,547,163	\$ 2,214,345,331	\$ 3,101,407,033
Office of Vocational Rehabilitation Services	\$ 29,086,009	\$ 2,331,562	\$ 81,129,815	\$ -	\$ 112,547,386
DHS infrastructure	\$ 267,625,672	\$ 210,524,578	\$ 353,835,735	\$ -	\$ 831,985,985
TOTAL DHS	\$ 3,109,000,548	\$ 598,001,557	\$ 5,463,087,605	\$ 2,214,345,331	\$ 11,384,435,041

Aging and People with Disabilities (APD):

The Aging and People with Disabilities (APD) program area provides services and supports to older adults and people with disabilities. In partnership with Area Agencies on Aging, the APD program also provides Older Americans Act and Oregon Project Independence (OPI) services to over 360,000 individuals and eligibility services to over 163,000 seniors and people with disabilities each year.

Overall the 2017-19 TF LAB is 14.7% higher than the 2015-17 LAB and 1.2% lower than the CSL. For General Fund the 2017-19 LAB is 17.2% higher than the 2015-17 LAB and 3.4% lower than the CSL.

The following major actions are included in the 2017-19 LAB for APD:

- Funds forecasted caseload levels and projected cost-per-case increases
- No changes to OPI both for the older adults and adults with disabilities programs.
- Funds Nursing Facility rates at \$301.70/day in the first year and \$320.19/day in the second year.
- The LAB increased staffing/funding for both AAA and State staff due to forecasted increases in caseloads. The net increase in funding for the two programs are \$13 M GF for AAA funding and \$6.0 GF increase for state staff along with 110 positions and 57.28 Full Time Equivalent (FTE). It must be noted that offsetting this increase in state staff across APD there is a 3% reduction across-the-board in personal services.
- Six positions were added to catch up and keep up with community based care facility surveys and corrective actions.
- Eliminates the in-home live-in service option effective 10/1/17 (approximately 240 clients are impacted). Most individuals will be able to remain in the in-home hourly service option.
- Strengthens the assessment tool for eligibility – anticipated to reduce caseload by 4% (estimated 1,200 clients will lose service eligibility over the course of a 12 month period beginning October 1st).
- Implements a new algorithm for calculating in-home hours, based on research that resulted in some tasks receiving more time and some receiving less. Overall, expected \$10M reduction to in-home hours but expectation to be person-centered and adjust hours to meet consumer need.

- Uses a one-time carry forward of 15-17 provider tax to partially offset Nursing Facility rate increase.
- Eliminate inflation and reduce S&S by 3% in most areas.
- Eliminate the discontinued Home Care Choice program including 5 positions and 5.00 FTE.
- Rate increases to Assisted Living, Residential Care, Memory Care and In-home agency providers by 5% July 1, 2017 and 2.5% July 1, 2018. This does not include Home Care Workers, PACE Providers, Specialized Living Providers, Adult Day Services or Home Delivered Meals
- Continues to fund the state-wide Centralized Abuse Management database implementation project which spans APD, I/DD and OAAPI abuse investigations.

Individuals with Intellectual or Developmental Disabilities (I/DD):

The Developmental Disabilities program area serves over 26,000 children and adults with intellectual and developmental disabilities (I/DD) throughout their life span. As a result of implementation of the k plan, the number of eligible individuals requesting services is increasing. Community Developmental Disabilities Programs (CDDPs), Brokerages, providers, families and self-advocates are critical partners ensuring the success of Oregon’s developmental disabilities service system. The vision of the system is that it is simple to use and responsive to the strengths, needs and direction of the people and families who live as valued members of their community.

Overall the 2017-19 TF LAB is 17.0% higher than the 2015-17 LAB and 1.5% lower than the CSL. For General Fund the 2017-19 LAB is 19.3% higher than the 2015-17 LAB and 0.8% lower than the CSL.

The following major actions are included in the 2017-19 LAB for I/DD:

- No changes to Fairview Trust
- Funds forecasted caseload levels and projected cost-per-case increases
- Net increase of CDDP and Brokerage funding by \$21.3 million GF (\$50.5 million TF) mainly to account for changes in workload model due to the “K Plan” and increasing caseloads. Both are funded at 95% equity but the workload model was reduced to 88% for CDDP’s and 85% for Brokerages.
- Eliminate funding for regional programs effective Oct 1, 2017.
- Reduce by half the Family Support program

- Negotiate higher federal match rates for CDDP/Brokerage administrative costs for case management services
- Cap bed hold payments at 21 days for Group homes and Supported Living providers
- More robust assessment tool and other unidentified actions to reduce GF budget. The department is requested through a budget note to return to the interim ways and means committee to update on any plans to reach the \$12 million miscellaneous GF reduction. While not preferable, changes may include updates to eligibility and “parental income disregard” if the target cannot be met in any other way. The Fairview trust is not intended to be part of reaching the \$12 million in GF reductions. The department is also directed to report back to the legislature prior to closing any State operated residential facilities.
- Perform Q/A on caseload records
- Eliminate inflation and reduce S&S by 3% in most areas
- Rate increase for the following I/DD providers: Adult and Kid’s Group Homes, Adult Supported Living services, DSA Services (Daily Support Activities), and Employment Path services at 5% increase effective 10/1/2017

Child Welfare (CW):

Child Welfare Programs serve children and families when children are subject to abuse and neglect in their home environment. Child protection workers respond to all reports of familial child abuse/neglect and, if a child cannot be safe at home, place children in foster care. In a single year, Child Welfare programs respond to over 76,000 reports of child abuse and neglect and on any given day in Oregon, about 7,600 children are served in the foster care system.

Overall the 2017-19 TF LAB is 11.3% higher than the 2015-17 LAB and 2.9% higher than the CSL. For General Fund the 2017-19 LAB is 17.9% higher than the 2015-17 LAB and 1.1% higher than the CSL.

The following major actions are included in the 2017-19 LAB for CW:

- Funds forecasted caseload levels and projected cost per case increases
- Foster care rate increase of an average of 14%
- BRS rate increases (including CSL) increasing rates by a net 21%

- Phased in full legal representation for child welfare workers staffing increase of 78 positions, 68.64 FTE; funding CW workload model at 86.7%. However, it must be pointed out that child welfare staffing costs were also reduced across the board by about 2%
- Add 50 Consultant, Educator Training (CET) positions to CW. These positions are new and outside the scope of the current workload model
- Increase staff professional development
- Enhance and expand Supervisor training
- Deny backfill of federal capped grants
- Eliminate inflation and reduce S&S by 3% in most areas

Self Sufficiency Programs (SSP)

Self Sufficiency Programs are designed to help families achieve economic security with temporary supports for their most basic needs, such as food, health insurance coverage and child care, while working to meet their employment goals. In a single year, SSP serves more than 1 million Oregonians.

Overall the 2017-19 TF LAB is 8.6% lower than the 2015-17 LAB and 2.8% lower than the CSL. For General Fund the 2017-19 LAB is 2.6% lower than the 2015-17 LAB and 23.7% lower than the CSL.

The following major actions are included in the 2017-19 LAB for SSP:

- Captures savings from caseload and cost per case reductions
- Eliminate inflation and reduce S&S by 3% in most areas
- Use of \$20 million one-time TANF carryover funding
- The net reduction to ERDC cases of about 839 cases per month based on current cost per case. Using the current cost per case of \$751 the net cap on ERDC cases is 8,738/mo. for 2017-19 compared to 9,577/mo. in 2015-17. The cost per case went down by \$38 per case during the 2015-17 biennium which increased the budget “cap” of ERDC cases during the 15-17 biennium.
- One-time investment of \$1.3 million to the Hunger Response Fund
- Staffing funded at 77.8% of the workload model but it must be pointed out that Self Sufficiency staffing costs were also reduced by an across-the-board 3% reduction.

Vocational Rehabilitation Services (VR):

The Vocational Rehabilitation Services program (VR) assesses, develops service plans and provides vocational rehabilitation services to youth and adults whose disabilities present impediments to employment. Every year, VR provides basic services to over 15,000 Oregonians with disabilities, Youth Transition Services to approximately 4,200 young people, and Supported Employment to over 250 individuals. Independent Living programs, also funded in this budget, serve almost 19,000 Oregonians each year.

Overall the 2017-19 TF LAB is 1.8% higher than the 2015-17 LAB and 0.25% higher than the CSL. For General Fund the 2017-19 LAB is 19.8% higher than the 2015-17 LAB and 10.2% lower than the CSL.

The following major actions are included in the 2017-19 LAB for VR:

- 3.0% across-the-board personal services reduction
- Partial denial of backfill of one time reallocation dollars, ideally this funds VR to a point where MOE and matching funds are available to both access any future re-allotment funds and to avoid an Order of Selection until at least late in the 2017-19 biennium. The Order of Selection may be invoked for lack of providers, lack of resources and lack of staff. Each are issues for 2017-19
- Elimination of two vacant positions
- Eliminate inflation and reduce S&S by 3% in most areas

Agency Infrastructure:

DHS Central provides oversight and direction for programs and services to ensure the agency's mission is achieved. Shared Services provide infrastructure to both DHS and OHA to operate as efficiently and lean as possible through economies of scale.

- An across-the-board 3% reduction to Personal Services
- Eliminate inflation and reduce S&S by 3% in most areas
- Reduction in central budget for some differential payments to employees
- Move Information Security funding to DAS due to centralization of those functions
- Eliminates 14 vacant positions from shared and central services impacting the infrastructure of both DHS and OHA (shared)
- Funds the continuation of the Integrated Eligibility/Medicaid Eligibility project

- Creates Special Purpose Appropriation to Emergency Board for non-state employee bargaining

Conclusion

DHS is committed to innovation, transparency, and prioritizing improvements that will use resources efficiently and effectively. Our success in that effort depends upon nearly 8,000 employees across the state, as well as upon thousands of community and service delivery partners, all of whom are dedicated to supporting and improving the lives of Oregonians.

Every year, more than one-million people rely on DHS services, and important services provided by other agencies and organizations, to meet their most basic needs, to be safe, to live as independently as possible, and to support their efforts to achieve economic independence. We are thankful for the legislative support to meet the needs of vulnerable Oregonians.

If you have questions about the Legislatively Adopted Budget for DHS, please send them to communications.dhs@state.or.us and we will get you the information you need.

~Clyde Saiki, DHS Director