



2017 Legislative End of Session Report

Department of Human Services



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Department of Human Services 2017 Legislative End of Session Report

EXECUTIVE SUMMARY

The Department of Human Services 2017 Legislative Session report contains a brief overview of new legislation and key budget highlights by program.

Oregon faced a difficult budget outlook for the 2017 Session, and initial discussions included several deep cuts to DHS. In the end, there were reductions to DHS' budget (more detail can be found in the program budget highlights), but the 2017-19 Legislatively Adopted Budget supports DHS with its continuing work in the following areas:

- 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;
- Child Welfare staffing levels and staff and supervisor training;
- Reducing poverty and hunger;
- Employment and training opportunities for low-income working families; and
- Program performance and integrity.

There were 2,829 bills introduced during the session. Of those, 811 were passed by the Legislature. The DHS Government Relations Unit tracked 605 bills.

The 2017-19 LAB includes appropriations of \$ 3,093,585,579 General Fund, \$598,001,557 Other Funds, \$ 5,463,087,602 Federal Funds, \$ 2,214,345,331 Federal Funds Nonlimited (\$11,384,435,038 total funds) and 8,349 positions (8,164.07 FTE).

The DHS Government Relations Team and DHS Budget staff have compiled a brief overview of bills that passed this session relevant to DHS. This list also includes bills that did not pass but may appear in future sessions. For questions related to this report, please refer to the contact list at the end of this document.

DHS AGENCY SPONSORED BILLS

CHILD WELFARE SPONSORED BILLS

SB 101 passed and clarifies DHS and law enforcement's authority to conduct child abuse investigations on school grounds, both public and private. It also clarifies that schools are not to notify parents or guardians when law enforcement or child welfare staff interview a child at school who is an alleged victim. *Effective June 29, 2017.*

Background: The former statutory language suggested that investigating/ interviewing children on school premises only applied to public schools. Additionally, many public school districts in varying parts of the state had adopted a process of notifying parents that CPS was there to interview a child. Often this resulted in the parent restricting our ability to interview the child, which compromised child safety.

DHS has also committed to work with the Oregon School Board Association on a form that schools can use that can clearly document information about the worker approaching the school for an interview and citing the statutory authority.

SB 102 passed and allows DHS to set up a fund that is separate and distinct from the General Fund, the "Adoption Applicable Child Savings Fund." Money placed in the fund would not revert to the General Fund at the end of each biennium, allowing the Department of Human Services to reinvest the savings, as required by federal law.

Background: Federal law expanded Title IV-E eligibility for children who receive adoption assistance subsidies who would without this expansion be funded only by General Funds. This increase in federal reimbursement to the Department of Human Services has resulted in a savings of General Funds that, by federal law, must be reinvested for new or expanded child welfare services.

It is not possible to spend an amount during a biennium that is exactly equal to the amount saved, because the savings are calculated after the federal funds have been claimed. This means each biennium, DHS needed to be allowed to access the funds saved in the prior biennium. If not allowed to do that, DHS risked getting so far behind in reinvesting that the agency would not be able to comply with the federal law.

HB 2234 passed and modifies the Independent Living Subsidy program to allow foster youth/young adults in transition from a foster care placement to their own residence to have more flexibility for productive activities requirement to better meet the individual needs and abilities of each youth. The bill will now allow approved volunteer activities to fulfill the requirement and also allows for flexibility in the program for sudden loss of employment or financial support.

Background: Formerly, the Independent Living Subsidy Program required full-time productive activity (school, work or combination of the two). Youth would sometimes find themselves unable to maintain full time work or school and their participation in the subsidy program would be in jeopardy resulting in loss of housing.

HB 2345 did **not pass** but was a bill put forth by the Governor on behalf of the Legal Dependency Task Force, led by Justice Brewer, whose work was mandated by SB 222 in 2015. Although the bill did not pass funding for DHS legal representation was included in the DHS Budget. The bill proposed the following:

- Full, continuous and consistent representation in each DHS child welfare case from petition to permanency.
- Attorneys willing to work under a set of performance measure and with DHS to track outcome and engage collaboratively in a continuous quality improvement process.
- Representation for parents and children through the Public Defense Services Program.
- Access to legal counsel for Court Appointed Special Advocate Volunteers.
- Quality assurance feedback and continuous improvement processes.

A coalition including the Oregon Judicial Department (OJD), Oregon Public Defense Services Commission (OPDS), District Attorneys (DAs) and DHS moved the bill language forward. All who supported the bill advocated for the bill's full passage and funding for its activities. While the bill did not pass, there was an informational hearing on the issue of legal representation. OJD, DHS, OPDS and the District Attorneys testified at the hearing.

DHS was awarded \$6.9 million in its budget and SB 5006 extended the sunset for caseworkers appearing in court. A budget note in 5006 charges DOJ, DHS, OJD and OPDS to work together to ensure system efficiencies and effectiveness and requires reports to the legislature on progress.

SELF SUFFICIENCY SPONSORED BILL

HB 2347 passed as amended into HB 3470 and extends the Temporary Assistance for Needy Families (TANF) program suspensions for another biennium. TANF program suspensions will now continue until June 30, 2019. *Effective August 16, 2017.*

Background: As part of budget reduction measures taken by the Legislature during the 2009 Session, portions of the TANF program were suspended and not funded. These suspended portions included the Parents as Scholars program (which assisted families pursuing educational goals), an enhanced cash grant for families going through the social security determination process, and other services. The areas of the TANF program first placed into suspension in 2009 have remained in suspension since that time.

HB 3470 allows DHS to operate the TANF program as it is currently operated for another two years; however, it is Self Sufficiency's intention to conduct a larger discussion over the interim that will be devoted to what a future TANF program looks like taking into consideration the budget and other challenges facing it.

SHARED SERVICES SPONSORED BILLS

SB 104 passed and expands the Background Check Unit's Long Term Care Registry (LTCR) to include Intellectual and/or Developmental Disability (I/DD) and Mental Health (MH) adult foster homes, two types of adult foster homes currently excluded by statute. *Effective June 6, 2017.*

Background: An individual on the LTCR has already completed a criminal history and abuse check in order to be added to the Registry. Once added, the individual does not have to complete a background check to be hired for another Registry-affected position during a 2-year certification period. Home care workers, personal support workers, residential care, nursing facilities, assisted living facilities, and adult foster homes for the aging are all included currently on the Registry. **SB 104** adds I/DD and MH adult foster home positions to the Registry; this will achieve faster background checks for those communities; increase portability for applicants; maintain client safety; and save employer, subject individual, and program time and funds.

HB 2346 passed and allows the Estate Recovery Unit to use a declaration instead of notarization on certain written requests submitted to financial institutions. *Effective January 1, 2018.*

Background: Currently, the Estate Recovery Unit within the Office of Payment, Accuracy and Recovery (OPAR) submits hundreds of written requests to financial institutions each year requesting funds from the accounts of deceased assistance recipients. These written requests require a notary to administer an oath, which requires two staff to perform seven separate steps. **HB 2346** replaces that with a one step process by one person. This is a work reduction measure that allows staff more time to work on more productive tasks.

KEY BILLS

AGING AND PEOPLE WITH DISABILITIES

Quality Improvement and Safety in Long-Term Care Settings

HB 3359 passed and modifies statutes related to licensing and supervision of residential care facilities. In addition, the bill:

- Establishes that **administrators** of residential care facilities, including assisted living and memory care, **will be licensed by an independent board** by July 2019 following a process to establish this new requirement.
- **Updates amounts and caps**, set in the 1970s, **for civil monetary penalties** for elder or adult abuse and harm within licensed long-term care settings.
- **Adopts new penalties** for “Failure to report suspected abuse” and “Failure to perform corrective action noted during survey.”
- **Updates licensing fee amounts** for residential care/assisted living facilities and nursing facilities.
- **Gives the Department the ability to impose an immediate suspension in residential care facilities** when there is critical health, safety or welfare issue – without waiting 10 days for a hearing.
- Requires the DHS to **develop an enhanced oversight and supervision program** for residential care facility oversight.
- Asks for the **development of a technology-based, acuity-based staffing tool** for use by providers and DHS, which allows providers to determine staffing patterns based on current residents’ needs.
- Establishes a variety of **training and certification requirements for care staff** in long-term care facilities.
- **Adds new safety requirements, licensing options and establishes new quality metrics.**
- **Establishes the Quality Measurement Council** with representatives from the Office of the Long Term Care Ombudsman, Alzheimer’s Advocacy, Elder Rights Advocate, Academics with Data/Metrics Expertise, Member of OR Patient Safety Commission, Provider Association, and the Department.

Background: This bill was the culmination of efforts by legislators, stakeholders, and the Department who are committed to quality improvement in licensed long-term care settings. The bill provides the legal framework to ensure quality care and the safety and dignity of residents who reside in licensed long-term care settings.

Effective January 1, 2018.

Consumer Protection and Registration of Long-Term Care Referral Agencies
HB 2661 passed and requires agencies providing long-term care referrals to register with and pay a fee to DHS every two years. The bill establishes definitions for the industry and requires long-term care providers to meet certain requirements, to include what information must be disclosed to clients, compensation practices, and sharing of client information. To register, the agents must demonstrate to DHS that they have met the requirements, have liability insurance, and must also submit to a background check. The first registrations will be due July 1, 2018. *Effective August 8, 2017.*

Background: Long-term care is defined by the DHS as a range of services that help people who can no longer meet their own daily needs. The services needed can include housekeeping, medication management, bathing assistance, nutritional services and social services. There are a variety of options for delivery of long-term care available in Oregon including Adult Foster Homes (AFHs), Assisted Living Facilities (ALFs), Residential Care Facilities (RCFs), Memory Care Facilities (MCFs), and Nursing Facilities (NFs). Long-term care referral agencies that assist with placements of vulnerable Oregonians in these setting types have not been regulated under Oregon law. The passage of this bill will ensure that consumer information is protected and that vulnerable Oregonians and their families have access to quality and safety for long-term care referrals.

Ensuring the Safe Use of Anti-Psychotropic Medications in Licensed Settings
HB 3262 passed and requires DHS, in collaboration with other agencies, to adopt rules related to prescription of psychotropic medication to older adults and individuals experiencing disabilities.
Effective June 29, 2017.

Background: Oregon law defines psychotropic medications as those with the prescribed intent to affect or alter thought process, mood or behavior. This includes, but is not limited to, antipsychotic, antidepressant, anxiolytic, and behavior medications.

Defining Housing with Services
HB 3370 passed and requires housing with services projects to register with DHS and meet certain requirements, with the exemption of projects regulated by Oregon Housing and Community Service (OHCS) or U.S. Department of Housing and Urban Development (HUD). The bill requires DHS to collaborate with OHCS and HUD to develop joint inventory of housing with services projects. *Effective on June 6, 2017.*

Background: Housing with services programs include organizations that coordinate health and social services for older adults and/or individuals experiencing disabilities who are living in low-income or subsidized housing. These programs help low-income residents maintain independent living while maintaining access to necessary health care and other services. Prior to the passage of this bill, there were concerns about defining these projects, as well as how to address issues around consumer choice, rights, and oversight. The passage of this bill helps to keep appropriate protections in place for vulnerable populations as these innovative projects continue to grow across the state.

Partnerships for the Prevention of Financial Exploitation

SB 95 passed and requires certain securities professionals to report to the Department of Consumer and Business Services (DCBS) any suspected financial exploitation of older adults, incapacitated persons, and/or individuals experiencing disabilities. This bill also requires DCBS to notify the DHS to investigate possible securities violations and notify law enforcement of potential crimes; permits securities professionals to delay disbursement from the account(s) and provide notice to parties other than person suspected of exploitation (upon reasonable belief that disbursement might result in financial exploitation); requires securities professionals to provide certain records to DCBS, DHS, or law enforcement upon request; exempts records from public disclosure; punishes violation of measure with up to \$1,000 civil penalty; and provides immunity to security professionals for good-faith compliance with the measure. *Effective January 1, 2018.*

Providing Access to Services for the Deaf, Deaf-Blind, Hard of Hearing Communities

SB 1018 did not pass but would have established a Deaf, Deaf-Blind, Hard of Hearing program within the DHS. The Deaf, Deaf-Blind, Hard of Hearing communities would advise DHS on the program through a committee.

Background: The Oregon Deaf and Hard of Hearing Program, which currently exists within DHS, offers technical assistance to make agency programs accessible to people experiencing hearing disabilities, to advise policy makers, and to promote information about the needs of hearing-disabled communities. However, the program is advisory in nature. The passage of this bill would have established a more robust program for the deaf, deaf-blind, and hard of hearing communities. It would also have required the State Board of Education to consult with the Committee on rules setting standards for interpreters in schools and would have directed DHS to consult the Committee on entering contracts with certified sign language interpreters.

DEVELOPMENTAL DISABILITIES SERVICES

Supporting the Direct Support Professional (DSP) Workforce

HB 2684 passed and states the legislative intent that rate increases for residential training homes and residential training facilities result in comparable wage and/or health benefit increases for direct support professionals. The bill also increases annual licensing fees from \$20 to \$50 for Adult Foster care and from \$30 to \$50 for biannual Group Home licenses, requires the submission of a staffing survey to DHS, and updates outdated, offensive use of the term “mental retardation” with “individuals with intellectual or developmental disabilities”. *Effective January 1, 2018.*

Background: This bill came out of a collaborative effort between legislators, stakeholders, and DHS in an effort to address concerns about Direct Support Professional wages, staffing needs, and transparent operations in residential training homes and residential training facilities.

Supporting Human Rights for Individuals with Intellectual and/or Developmental Disabilities

SB 834 passed and requires DHS to develop a proposal for establishing commission to safeguard dignity and human rights for individuals with intellectual and/or developmental disabilities. DHS will report findings to the Legislative Assembly by December 1, 2017. *Effective June 14, 2017.*

Background: The Developmental Disabilities Assistance and Bill of Rights Act of 2000 (DD Act) was enacted by the federal government to assure that individuals with developmental disabilities and their families participate in the design of and have access to services, supports, and other assistance promoting self-determination, independence, productivity, and integration and inclusion in all facets of community life. Several states have established commissions or agencies dedicated to the rights of individuals with intellectual and/or developmental disabilities or have established human rights-related oversight for the protection of individuals. Oregon currently has no such entity. This bill directs DHS to develop a proposal for creating an independent human rights commission dedicated to the dignity and basic rights of persons with intellectual and/or developmental disabilities. The proposal is required to address necessary legislative changes, any projected costs, the independence of the commission, comparisons with other state commissions, and determining the basic rights protected by the commission.

Strengthening Safety for Individuals in Residential Facilities

SB 948 passed and prohibits residential facilities that are receiving public funds from hiring an individual found to have committed abuse. The bill also calls for the creation of rules that will define types of abuse that, if substantiated, will disqualify the abuser from working with individuals with intellectual and developmental disabilities and would require the Department to deny employment to applicants, and to terminate employees who have committed one of the types of abuse. *Effective January 1, 2018.*

Background: Currently, the Department has an established process that reviews the backgrounds of individuals applying for employment and of individuals desiring to continue their employment in residential training homes and residential training facility settings. These settings are licensed by the Department and provide services to persons with intellectual and/or developmental disabilities. **SB 948** codifies existing practices by ensuring that individuals with egregious substantiated abuse are disqualified from working with vulnerable individuals. While this bill will not change current policy and practice, it will give the department statutory authority to act when needed. This will allow the Department to continue strengthening our efforts to ensure that services for vulnerable individuals with intellectual and/or developmental disabilities are only delivered by qualified providers in the safest manner possible.

CHILD WELFARE

Foster Children

SB 20 passed and made changes to Oregon law to conform to the federal Every Child Succeeds Act. Notably, it changed the presumption of where a foster child would go to school. The bill directs that children in foster care will attend their “school district of origin” and “school of origin” meaning the school they had been attending prior to being in foster care or in a previous foster care placement. A juvenile court must decide that it is in the best interest of the child to be moved out of their school district or school of origin. The Department of Education, DHS, tribal child welfare agencies and school districts are charged to work together to implement the provisions of the bill.

Background: Prior to the passage of SB 20, Oregon law presumed that children would attend school in the district they live in when placed in foster care. A juvenile judge needed to decide it was in the best interest of the child for the child to remain in the school they had been attending prior to being placed in foster care. *Effective upon passage: Effective August 16, 2017.*

HB 2216 passed and establishes the Sibling Bill of Rights that delineates fourteen different rights in statute. Rights highlights include:

- the right to be placed with a sibling, maintain contact and visits with siblings whenever safe and appropriate, and to have a sibling contact plan.
- Private communication with siblings, timely notification of sibling placement changes or catastrophic events

- DHS staff are required to provide documents to youth that includes sibling rights information and youth are to have access to that information in foster homes. The rights need to be presented on at least annually and in an age appropriate way.

Background: The Foster Child’s Bill of Rights passed in 2013 as SB 123 recognizing specific rights for foster children in statute. In 2016, the Oregon Foster Youth Connection under Children First for Oregon established the Foster Child’s Bill of Rights as one of its policy initiatives and chose it as the issue to move forward as a bill into the 2017 legislative session. The Department worked closely with OFYC on this bill. *Effective January 1, 2018*

Child Safety

SB 819 passed and changes parts of the Critical Incident Response Team (CIRT) case review process at DHS. The CIRTs are assigned according to law or director discretion, depending on the circumstances, to examine child fatalities that may have been a result of abuse and neglect. The primary goal of a CIRT is to review the case and develop recommendations to improve the child welfare system to prevent future incidents. The bill establishes the minimum required CIRT membership; expands the scope of CIRTs; establishes timelines for a CIRT to file initial, progress and final reports; and requires that the CIRT report personnel concerns emerging from a CIRT to DHS Human Resources. *Effective June 22, 2017*

SB 942 passed and requires all child welfare abuse assessments result in a disposition of “founded”, “unfounded” or “cannot be determined” unless five criteria are met:

- The child welfare workload model for the Department of Human Services is staffed at 95 percent or greater;
- A centralized, statewide child abuse hotline has been established and in operation for at least six consecutive months;
- The department has completed investigations within timelines mandated by law and rule at least 90 percent of the time for at least six consecutive months;
- The department has conducted in-person contacts with children who are the subject of reports of child abuse, as mandated by law and rule, in at least 90 percent of the reports of child abuse for at least six consecutive months; and
- The reabuse rate for children in this state is below the national average.

The passage of the bill effectively ends the Differential Response practice of assigning cases to either a Traditional or Alternative Track.

Background: SB 942 was an outgrowth of concern regarding a core component practice of the DHS Differential Response model which allows for cases to be assigned to an “Alternative Track” and if the child is found to be safe at the end of the child abuse assessment, no abuse disposition is given. *Effective August 16, 2017.*

Bills related to abuse in care including child-caring agencies, foster homes and developmental disability facilities.

SB 243, 244, 245 – PASSED

HB 2903 – PASSED

A constellation of bills passed related to abuse of children in care. The bills expanded and refined the changes made by SB 1515 in the 2016 session.

Changes include:

- Adds certified foster homes and developmental disabilities residential facilities to definitions of abuse included in statutes for child caring agencies. Specifically adds definitions of abandonment and involuntary seclusion. (SB 243)
- Allows interview of a child in care at certified foster home or developmental disabilities facility without the presence of an employee of the home or facility. (SB 243)
- Requires quarterly reports of abuse reported at child caring agencies, certified foster homes and developmental disabilities residential facilities. (SB 243)
Modifies and clarifies notification requirements when abuse is reported or substantiated at a child caring agency, certified foster home or developmental disabilities residential facility. (SB 244)
- Clarifies definitions so that a facility exclusively serving individuals 18 or older or primarily serving both adults and children are not considered a child-caring agency. (SB 245)
- HB 2903 – Allows DHS to immediately place conditions on the license, certificate or authorization of a child caring agency prior to a hearing if there is a justified serious danger the public health and safety and allows the Director of DHS to rescind an action to suspend or revoke a license, certificate or other authorization if it is determined the conditions for the revocation have been ameliorated or resolved. Prescribes process for rescission. (HB 2903)

SB 243 Effective August 16, 2017.

SB 244 Effective June 22, 2017

SB 245 Effective June 6, 2017

HB 2903 Effective May 24, 2017

Training

HB 2500 passed and requires DHS, in consultation with the Department of Justice, to provide training and continuing education to caseworkers regarding their roles in juvenile dependency proceedings. Caseworkers must participate in continuing education at least once every four years. *Effective January 1, 2018*

HB 2401 passed and requires DHS to provide trauma-informed training to staff responsible for licensing, certifying or otherwise authorizing child-caring agencies and foster homes and for employees who investigate abuse allegations in child-caring agencies and foster homes. *Effective June 29, 2017*

Budget Investments included in HB 5526. Legislators invested \$2.0 million for supervisor training and \$1.0 million for workforce professional development. These investments were not requested by DHS nor included in the Governor's recommended budget. *Effective July 19, 2017 with the passage of the DHS budget bill, HB 5526.*

Background: Legislators engaged in a lot of discussion about how to improve recruitment, retention and performance of Child Welfare staff. One strategy was to require training on specific topics (HB 2500 and HB 2401) and to provide overall investments in training and professional development for Child Welfare supervisors and staff.

SELF SUFFICIENCY PROGRAM

Continuing to Improve Services to Oregonians

Self Sufficiency worked on several bills in the 2017 Session which did not pass, but the program made a commitment to continue working on those ideas during the interim. This continued work includes:

HB 2985 did not pass but would have established an Employment Related Day Care (ERDC) task force to study improving access to ERDC and improving relationships with ERDC providers. While HB 2985 did not pass, Self Sufficiency has committed to convening a workgroup that will focus on ERDC issues such as:

- ERDC rates and co-pay formula
- Improving provider relationships
- Increasing the number of providers
- Managing ERDC's budget by other means than a Reservation List

HB 3364 did not pass but would have invested in the Temporary Assistance to Domestic Violence Survivors (TA-DVS) and the people it serves by increasing the cap on the cash grant to \$3000 and expanding the eligibility period to six months. **HB 3364** did not pass, but Self Sufficiency agreed to continue working on domestic violence issues with Rep. Piluso (chief sponsor of **HB 3364**) during this next interim.

Increasing Awareness of Earned Income Tax Credit (EITC)

SB 398 passed and requires employers to provide annual, written notice to employees about EITC. **SB 398** does not directly impact DHS, but Self Sufficiency watched this bill closely because it relates to work the program accomplished during the 2016 tax season to raise awareness of the EITC. *Effective October 6, 2017.*

Background: Oregon has one of the lowest EITC utilization rates compared to all other states. During the 2016 Session, Rep. Keny-Guyer introduced HB 4144, which would have required DHS to convene a workgroup focused on increasing awareness and utilization of the EITC. HB 4144 did not pass, but Self Sufficiency agreed to convene an EITC workgroup anyway. DHS, other state agencies, and several non-profits worked together during the most recent tax season to raise awareness of the EITC among the people we serve through our programs, and direct them to low-cost or free tax preparation services. The workgroup members are planning to re-convene later this year, and **SB 398** will be included as part of the EITC discussion for the 2017 tax season.

VOCATIONAL REHABILITATION

HB 2965 did not pass but would have created a task force focused on workforce development for people with disabilities. While **HB 2965** did not pass, Vocational Rehabilitation worked closely with the chief sponsor and agreed that much of the work contained in this bill will continue over the next biennium. **HB 2965** required the task force to evaluate Oregon’s programs that provide employment and training services to people with disabilities, and Vocational Rehabilitation will be able to evaluate—and provide feedback to the Legislature—these programs because of a statewide assessment it is currently conducting.

KEY BILLS FOR SHARED & CENTRAL SERVICES

Information Security and Privacy Office

SB 397 passed and directs DHS to convene a work group focused on developing a comprehensive standard client confidentiality release form that can be used by state agencies and community organizations that provide social services. The main purpose of **SB 397** is to assist social service agencies and providers with sharing of information so that they are better able to serve individuals and families receiving services from multiple programs. *Effective August 2, 2017.*

Background: SB 450 (2013 Session) created a task force to examine the delivery of human services in Oregon and make recommendations for improving efficiency. **SB 397** contains one of the primary recommendations from that group, which was to improve information sharing between state and local agencies and non-profits by developing a common confidentiality release form. A further recommendation, which is also part of **SB 397** but is directed toward the Department of Justice, is to examine current statutes and make recommendations for changes that will facilitate better communication between state agencies and providers.

Office of Information Services

HB 3361 passed and requires the State Chief Information officer (SCIO) to appoint a Chief Data Officer, who will maintain a web portal for publication of state agency data. The SCIO is currently required to maintain a transparency website where a variety of records and information about state entities is publicly available. **HB 3361** furthers the goal of transparency by recognizing information as a valuable state resource and making it more available to the public. *Effective May 1, 2019.*

Office of Human Resources

HB 2332 passed and requires state agencies to determine maximum ratio of supervisory employees to non-supervisory employees and report maximum supervisory ratio. Starting in 2011, the Legislature has passed multiple bills that specifically address the number of supervisors state agencies employ as a way to reduce costs and increase efficiencies. Through **HB 2332**, state agencies must determine a maximum supervisory ratio by starting with the 11 to 1 ratio and make adjustments based on such factors as safety, geographic location, complexity of duties, industry best practices and standards, and size and hours of operation. **HB 2332** requires agencies to report on their maximum supervisory ratio to the Legislature, and for Ways and Means to review the ratios proposed by each agency and include information in a budget report or budget note. *Effective January 1, 2018.*

Public Affairs

SB 481 requires public entities to respond to requests for public records within specific timelines—public entities must acknowledge requests within five business days and complete requests as soon as reasonably possible but no later than 10 business days after acknowledgment. **SB 481** encourages communications between the public entity and the requester to clarify requests and to keep the requester informed, and it requires detailed explanations if a request is denied or the public entity is unable to satisfy it for other reasons. *Effective January 1, 2018.*

Deputy Director's Office

HB 3464 prohibits state agencies and other public bodies from asking about citizenship or immigration status or from disclosing information about people for purpose of enforcing federal immigration laws unless required to do so by state or federal law. **HB 3464** also authorizes public entities to refuse to disclose such information unless required by federal or state law, or pursuant to court order or warrant. Specifically relevant to DHS, this bill permits asking about citizenship or immigration status for the purpose of determining eligibility for assistance. However, **HB 3464** is very clear that public entities need to respect the confidentiality of Oregonians, and can only disclose information when specifically directed to do so by law. *Effective August 16, 2017.*

SB 1067 makes several changes to state government in an effort to contain costs. The changes include: legislative review of position reclassifications and long-term vacancies, additional reporting on collective bargaining changes, study of state procurement practices, modifications to PERS side accounts (which are the pre-paid employer contributions), centralized debt collection, and capping the number of state government positions from 1.5% to 1.0% of the state's population. There are several items in **SB 1067** which require further analysis, and the Department continues working on analyzing and implementing this bill. *Effective August 16, 2017.*

DHS BUDGET HIGHLIGHTS & BUDGET NOTES

BUDGET HIGHLIGHTS FOR AGING AND PEOPLE WITH DISABILITIES

The Aging and People with Disabilities (APD) program area provides services and supports to Oregonians over the age of 65 and to adults with physical disabilities. In partnership with Area Agencies on Aging, the APD program area also provides Older Americans Act and Oregon Project Independence services to over 360,000 individuals and eligibility services to over 163,000 seniors and people with disabilities each year.

The 2017-19 LAB for APD includes the following:

- Continued funding for **Oregon Project Independence**, including the program for people with disabilities.
- Continued funding for the **General Assistance** program.
- Continued funding for **Oregon Care Partners**, a statewide training program that provides training free of charge to direct caregivers and staff.
- Continued funding for **Aging and Disability Resource Connection (ADRC)** development activities.
- Approved funding for the **Centralized Abuse Management (CAM)** system.
- Approved funding for the **ONE/Integrated Eligibility/Medical Eligibility** system.
- Approved **new staff** to support eligibility, case management, adult protective services, licensing and administrative work. However, funding for new positions was provided at 12-month levels, not 24-months.
- Approved **COLAs for assisted living, residential care, memory care and in-home agencies**. The increase is 5% on 7/1/17 and 2.5% on 7/1/18.
- Established a **bargaining pot for home care workers, adult foster homes** and children's day care. This crosses APD, Intellectual/ Developmental Disabilities and Self Sufficiency programs.

Eliminates or Reduces:

- Eliminates the In-home Live-in service option, effective October 1, 2017. Individuals currently in the live-in service option will be transitioned to other service options, including in-home hourly plans.
- Eliminates the discontinued Home Care Choice program, including 5 positions and 5.00 FTE.
- Strengthens the assessment tool for eligibility (CA/PS assessment). This is ultimately expected to tighten eligibility, resulting in loss of services for approximately 4% of current caseload, or 1,200 individuals. There will be safe transition plans for individuals who may lose service.
- Updates the hours that are authorized for in-home consumers. Some hours for tasks will be increased, while others will be decreased. In net, it is expected that overall hours will decrease, resulting in a \$10M reduction.

BUDGET NOTES FOR AGING AND PEOPLE WITH DISABILITIES

There are no budget notes this session for Aging and People with Disabilities.

BUDGET HIGHLIGHTS FOR DEVELOPMENTAL DISABILITIES SERVICES

The Developmental Disabilities program area serves over 23,500 children and adults with intellectual and developmental disabilities (I/DD) throughout their life span, and the number of eligible individuals requesting services is increasing. Counties, Brokerages, Providers, Families and Self-Advocates are all critical parts of Oregon's Developmental Disabilities service system that focuses on individuals with I/DD living in the community and having the best quality of life at any age.

The 2017-19 LAB for ODDS includes the following:

- Retained funding in the **Fairview Trust**.
- Continued funding for the **Centralized Abuse Management project**, which will replace a patchwork of solutions for records related to abuse reporting for our programs and others within DHS.
- Added \$21.3 million General Fund (\$50.5 million total funds) over the 2015–2017 level for **CDDPs and Brokerages**.
- Approved \$13.5 million General Fund (\$45.5 million total funds) to **increase provider rates** that include DSP wage assumptions by five percent effective October 1, 2017 for group homes (adults and children), supported living, day support activities, and employment path (facility and community).

Eliminates or Reduces:

- Eliminated funding for the five regional programs. The Legislature noted we may have to reprioritize internally to fill service gaps.
- Reduced the family support program by half (\$1.3 million General Fund). This action could affect approximately 500 children and their families.
- Capped bed hold payments to Group Home and Supported Living providers at 21 days, instead of 45. This action saves \$1.0 million General Fund.
- Decreased the budget by \$2.2 million (\$4.7 million total funds) based on an effort to review inactive client records and remove clients from the caseload if they no longer need or want services.
- Reduced \$12.0 million General Fund (\$24.0 million total funds) through implementing a new assessment tool and other management actions to help curb cost growth. ODDS was instructed that if it cannot meet the target with those actions, then it should consider and bring forward eligibility changes for legislative review and approval during the 2017–19 biennium. These efforts will be reported on as part of the agency's interim reporting requirements.

BUDGET NOTES FOR DEVELOPMENTAL DISABILITIES SERVICES

1. The Department of Human Services will convene a workgroup to review rules and statutes regarding substantiated abuse findings, fines, and enforcement for Intellectual and Developmental Disability (IDD) group homes. The workgroup shall include representation from IDD providers, clients served in the IDD system, employees working in IDD group homes, and other stakeholders. The workgroup shall report their findings and recommended statutory changes to the appropriate legislative interim policy committees no later than February 1, 2018. The workgroup shall discuss and report on:
 - Recommendations for rule or statutory changes to abuse definitions and substantiated abuse findings.
 - A review of current enforcement statutes and recommend changes that result in fair consistent applications of fines across the IDD group home system.
 - Recommendations for mandatory minimum fines for substantiated abuse.

2. The recommended budget includes a generic program reduction of \$12 million General Fund in lieu of more specific actions to curb program costs. While the Department has been working on sustainability options to offset program growth (primarily driven by the Community First Choice Option or “K Plan”) over the past two years, the results of that work has been met with a lukewarm response by the Legislature. Recently, it appears there might be other, more tenable program modification alternatives that would, however, require additional time to develop with and receive approval from the federal Medicaid authority. DHS is directed to pursue these alternatives, take management actions to suppress program spending, and implement the new assessment/planning process currently under development no later than June 1, 2018. At each interim meeting, the Department will provide a status update on both these efforts and the program’s budget.

The program is hoping to achieve budget savings without having to make changes to the “parental income disregard” or other eligibility criteria. However, if the target cannot be met by other actions, the program should consider and bring forward eligibility changes for legislative review and approval during the 2017-19 biennium. In addition, prior to taking any action that would close state operated residential facilities, the Department will report on its plan for that closure at the appropriate interim meeting; along with budget impacts, the report will include a description of how the closure will affect residents, providers, and employees.

BUDGET HIGHLIGHTS FOR CHILD WELFARE

The 2017 – 19 budget funds DHS Child Welfare field services at 86.5% of workload model, creating 78 new positions. The budget also adds 50 Consultant Educator Trainor (CET) positions as of 10/1/2017 to be non-case carrying workers who provide

consultation to staff regarding difficult or unusual case situations. They also educate workers to local branch systems, processes, and protocols. And they provided local ongoing training to primarily new but also senior staff related to all topics related to the practice and engagement in the local Child Welfare system expectation (i.e. Court, CRB, Service Providers, etc.). Other budget highlights include:

- Foster Care Payments were increased by an average of 14%
- Behavioral Rehabilitation Service Provider payments were increased by an average of 21%, implementing all eight recommendations of the BRS Comprehensive Review Committee
- Adds \$3 million for both caseworker professional development and supervisor training
- Invests \$6.9 million to provide caseworkers legal representation throughout the life of a case. This will also promote attorney-caseworker collaboration, improve caseworker job satisfaction and retention, avoid the risk of unlawful practice of law by caseworkers and improve the overall efficiency and cost effectiveness of the system. Implementation will be rolled out in three phases.

BUDGET NOTES FOR CHILD WELFARE

1. For the first interim report, the Department will provide information on data and metrics around recruiting, hiring, training and retaining caseworkers, for legislative review and feedback toward developing a uniform reporting framework or dashboard for future meetings. This reporting should include information on staff turnover, such as separation rate and counts, length of service, separation reason and agency strategies to address those reasons. Other related policy, workload, or organizational challenges and potential solutions should also be outlined. In addition, program changes or progress updates coming out of the Unified Child and Youth Safety Implementation Plan process, particularly those associated with potential budget needs or adjustments, should also be covered in the report. (Part of SB 5526)
2. The Department of Human Services, Department of Justice, Oregon Judicial Department, and Public Defense Services Commission shall work collaboratively, at both the state and local levels, to solicit input on, develop, and implement strategies to improve the effectiveness and efficiency of Oregon's juvenile dependency systems and to determine the appropriate level of legal services. Potential strategies should include standardizing forms, streamlining processes, conforming practices, and adopting administrative or court rules. The agencies are expected to identify and begin implementing strategies no later than July 1, 2018. Options for providing more effective and cost-efficient legal and other services should also be reviewed and analyzed. The agencies will submit a joint report on the progress of these efforts to the Interim Joint Committee on Ways and Means or the Emergency Board by October 2018. In addition, each agency shall include an update, in its budget presentation to the Joint Committee on Ways and Means

during the 2019 session, on its specific roles, activities, strategies, and costs to improve the effectiveness and efficiency of Oregon’s juvenile dependency system. (Part of HB 5006)

BUDGET HIGHLIGHTS FOR SELF SUFFICIENCY

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 Total Funds Legislative Adopted Budget (LAB) is 8.6% lower than the 2015-17 LAB and 2.8% lower than the Current Service Level (CSL). For General Fund dollars, 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 Self Sufficiency:

- 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.
- **No TANF reductions**, but there will be a net **reduction to ERDC** of about 839 cases per month based on current cost per case.
- One-time investment of \$1.3 million to the Hunger Response Fund.
- Continued funding for the ONE Integrated Eligibility/Medical Eligibility project.
- No staffing reductions—staffing will be 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.

BUDGET NOTES FOR SELF SUFFICIENCY

1. During the 2017 – 2019 biennium, after each biannual caseload forecast, the Department of Human Services is directed to calculate any General Fund or Federal Funds savings resulting from a decrease in the TANF caseload below the level assumed in the 2017 – 2019 legislative adopted budget. As part of its first rebalance to or request of the Legislature following the calculation, the agency will present a proposal for directing any savings to either increase the TANF grant amount or invest in the JOBS services. (Part of HB 5006)
2. The Department of Human Services is directed to report to the Interim Joint Committee on Ways and Means during Legislative Days in November 2017 on its findings regarding the transition of the Alcohol and Drug Program child care services from the Early Learning Division to the Department. The report should include the adequacy of agency resources to support the program, additional

funding needed to account for any resource gaps, a description of the services to be provided, and the number of families expected to be served. (Part of SB 5526)

3. The Department of Human Services and the Oregon Health Authority are currently planning to centralize eligibility processing at DHS in the fall of 2017. DHS has begun an assessment of current processes and will need 9-12 months to complete a comprehensive assessment and business plan that meets Medicaid requirements. DHS will report to the Interim Joint Committee on Ways and Means by June 30, 2018, and will include in its report a plan to increase jobs in rural Oregon including the option of outsourcing, in order to provide the highest quality, most efficient and cost effective Medicaid enrollment services to Oregonians. (Part of HB 5006)

BUDGET HIGHLIGHTS FOR VOCATIONAL REHABILITATION

The Vocational Rehabilitation (VR) program 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 Total Funds Legislative Adopted Budget (LAB) is 1.8% higher than the 2015-17 LAB and 0.25% higher than the Current Service Level (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 reallocation 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.

BUDGET NOTES FOR VOCATIONAL REHABILITATION

There are no budget notes this session for the Vocational Rehabilitation program.

BUDGET HIGHLIGHTS SHARED & CENTRAL SERVICES

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

BUDGET NOTES FOR SHARED & CENTRAL SERVICES

1. DHS is directed to accelerate the agency's current effort to improve position management practices; these have typically relied heavily on double filling positions and using funding from holding positions vacant to cover the double fill costs. While perhaps expedient from a program perspective, this approach makes it difficult to externally assess or validate how many positions should be approved in the budget, to calculate any gap between positions funding versus actual cost, and to determine if a vacant position is no longer needed. It also makes it challenging to set baselines for cost containment strategies, budget growth metrics, or program capacity analyses.

At a minimum, at each interim meeting (of the appropriate budget committee), the Department will report on progress made, by program, in reducing the number of double filled and vacant positions, along with providing an update on its plan for resolving double fills and cleaning up vacant positions over the next two years. It is anticipated the agency will need to work through both the administrative position change (permanent finance plan) and legislative position change (rebalance or policy package action) processes to complete the project. (Part of SB 5526)

2. ONE Integrated Eligibility & Medical Eligibility (ONE IE & ME) Memorandum – The Joint Legislative Committee on Information Management and Technology (JLCIMT) recommends incremental, conditional approval of the policy option package supporting ONE IE & ME. Specifically, JLCIMT recommended that DHS and OHA report on several items during the September Legislative Days and during the 2018 Legislative Session. The progress report in September includes updates on the ONE IE & ME project schedule, budget, resource plan, and federal approvals. More information can be found in the Integrated Eligibility Memorandum attached to SB 5526.

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