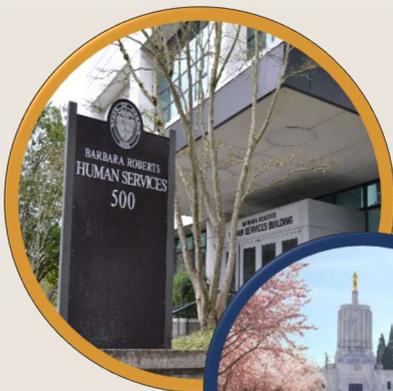


Legislative Summary

2020



2020 Second Special Session of the Oregon Legislative Assembly



Oregon’s 2020 Second Special Legislative Session took place August 10, 2020. Of the 13 bills and resolutions introduced, 12 passed. The Oregon Department of Human Services (ODHS) was monitoring 11 of the bills and resolutions. Those with an impact on the Department are included in this report.

If you have questions about the 2020 Second Special Session human services related legislation, please contact Government Relations staff listed below.

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Key to Program Acronyms

Office of Aging and People with Disabilities	APD
Central and Shared Services	CSS
Child Welfare Program	CW
Office of Developmental Disabilities	ODDS
Self-Sufficiency Programs	SSP
Vocational Rehabilitation	VR



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Omnibus Bill

HB 4304
APD, ODDS, and SSP
Effective date: Upon Passage

House Bill 4304 enacts a variety of statutory changes necessary to support the 2019-21 legislatively adopted budget and to clarify the application of statutes. This measure was necessary to help the state achieve a balanced budget for the 2019-21 biennium. The fiscal and budgetary impacts of these provisions are contained separately in SB 5723. The following agencies are impacted by this bill: The Department of Administrative Services (DAS), the Secretary of State (SOS), the Department of Justice (DOJ), the Housing and Community Services Department (HCSD), the Oregon Business Development Department (OBDD), the Bureau of Labor and Industries (BOLI), The Oregon Department of Education (ODE), and the Oregon Health Authority (OHA).

The provisions impacting human services and the work of the Oregon Department of Human Services (ODHS) include: the elimination of the Temporary Assistance for Needy Families (TANF) housing and employment and training pilot projects from HB 2032 (2019), the deadline extension of OHA’s training requirements for in-home care and skilled nursing services, the ability of DOJ to pay child advocacy centers directly for their services to children regardless of whether other insurance is available to pay, and the requirement for DAS to report new or changed compensation provisions negotiated in collective bargaining agreements for non-state employees including home care workers, personal support workers, family child care providers, and adult foster home care providers.

Link to bill text:

<https://olis.oregonlegislature.gov/liz/2020S2/Downloads/MeasureDocument/HB4304>

Omnibus Budget Bill

SB 5723
CSS
Effective date: Upon Passage

SB 5723 was the omnibus budget bill that made various appropriations and modifications to agencies’ budget and the Emergency Board (E-Board).

The overall adjustment for the Department in General Funds from the 2019-21 Legislative Approved Budget and the Legislatively Adopted Budget (LAB) is \$211.7 million, or a 5.5% reduction. The LAB includes \$74.6 million in General Fund reductions, and reallocated \$137.1 million General Funds from the federal Medicaid matching funds. For details on adjustments to other and federal funds see the table below.

Budget Summary	2019-21 Legislatively Approved Budget	2020 Committee Recommendation	\$ Change	% Change
General Fund	\$3,855,390,892	\$ 3,645,091,815	\$ (210,299,077)	-5.5%
General Fund Debt Service	\$ 22,657,623	\$ 21,294,053	\$ (1,363,570)	-6.0%



Other Funds	\$ 704,801,492	\$ 703,907,975	\$ (893,517)	-0.1%
Federal Funds	\$ 6,133,004,273	\$ 6,304,724,533	\$ 171,720,260	2.8%
Federal Funds Nonlimited	\$ 1,939,345,331	\$ 2,489,345,331	\$ 550,000,000	28.4%

Some E-Board adjustments made in SB 5723 account for eliminations and possible appropriations before December 31, 2020, including:

- Establishes a new special purpose appropriation (SPA) in the amount of \$100 million for the Oregon Health Authority and/or the Department of Human Services for caseload costs or other budget problems that the agencies are unable to mitigate during the remainder of the biennium, including for the items listed below.
- Eliminates the \$4 million special purpose appropriation to help increase Child Welfare capacity for non-Medicaid in-home services under the federal Family First Prevention Services Act.
- Eliminates two reservations established in the Emergency Fund during the 2019 session for the ODHS in the amount of \$10 million for the Child Welfare Program action plan and for the Oregon Health Authority in the amount of \$9 million for community mental health program support.

The Department submitted 11 proposals, including a rebalance request, totaling \$145 million General Fund in the 2020 Legislative Session. SB 5723 includes funding for some of those outstanding requests.. The Department’s rebalance request was fully funded, as well as portions of the 2020 Session requests, for a total of \$44.3 million in General Fund. An overview is provided in the graph below, with program highlights following.

Department of Human Services							
2019-21 Budget Adjustments Approved in SB 5723							
	General Fund	Other Funds	Federal Funds	Federal Funds Nonlimited	Total Funds	Pos	FTE
2019-21 Legislatively Approved (Through August 5, 2020)	3,878,048,515	704,801,492	6,133,004,273	1,939,345,331	12,655,199,611	9,445	9,324.60
Rebalance	14,434,272	(913,118)	(26,310,600)	-	(12,789,446)	(38)	(15.16)
Strengthening, Preserving and Reunifying Families (SPRF)	13,788,757	-	4,000,000	-	17,788,757	-	-
Family First Preservation Act Transition Funds	-	-	2,072,633	-	2,072,633	-	-
IV-E Pass Through to Public Defense Services	-	-	9,000,000	-	9,000,000	-	-
Behavior Rehabilitation Services (BRS) rate increase	90,198	-	1,686,218	-	1,776,416	-	-
SB 155 Third party child abuse investigations	1,836,698	1,560,402	-	-	3,397,100	17	6.46
Non-state employee collective bargaining	3,131,713	-	6,117,523	-	9,249,236	-	-
Child Welfare Executive Order recommendations	3,142,910	35,872	1,741,155	-	4,919,937	33	26.84
New positions for risk mitigation	301,559	17,606	248,742	-	567,907	7	3.50
Address COVID-19 impacts (includes add'l Federal Funds)	7,604,105	(1,968,692)	29,744,844	550,000,000	585,380,257	-	-
Enhanced FMAP fund shift	(180,000,000)	-	180,000,000	-	-	-	-
Reductions	(74,629,289)	374,413	(36,580,255)	-	(110,835,131)	(32)	(16.00)
Debt Service savings	(1,363,570)	-	-	-	(1,363,570)	-	-
Total Adjustments	(211,662,647)	(893,517)	171,720,260	550,000,000	509,164,096	(13)	5.64
% Change From Legislatively Approved	-5.5%	-0.1%	2.8%	28.4%	4.0%	-0.1%	0.1%



Aging and People with Disabilities

SB 5723 budget adjustments for the Aging and People with Disabilities (APD) program reflect a decrease of \$99.6 million General Fund and a net decrease of 24 positions (11.13 FTE). The large General Fund decrease is primarily due to a reallocation of additional Federal Funds (\$87 million) projected to be received this calendar year under the temporary 6.2% enhanced FMAP change to offset General Fund.

Beyond rebalance, adjustments for APD in SB 5723 include an increase of \$1.7 million General Fund to help cover wage increases for home care workers and support an adjustment to offset wages deducted as these workers start to contribute 5% of their salaries to the Oregon Saves retirement program beginning July 1, 2020.

SB 5723 also provides a portion of the positions requested tied to risk mitigation, adding \$301,559 General Fund and seven positions (3.50 FTE). The positions will support the Provider Time Capture (PTC) project set to begin January 1, 2021, which is an information technology project redesigned to meet federal requirements around electronic visit verification for Medicaid personal care and in-home services provided by home care workers.

SB 5723 made the following one-time APD reductions, totaling \$20 million General Fund:

- Projected program savings based on current budget estimates (\$12 million General Fund)
- Curtail anxiety and depression programs delivered by Area Agencies on Aging (AAA) and Centers for Independent Living for the remainder of the biennium (\$1.4 million General Fund)
- Reduce design budget by 5% (\$1.5 million General Fund)
- Reduce support for Older Americans Act program activities over the remainder of the biennium (\$1.1 million General Fund)
- Reduce 2019 agency field staff enhancement package by 50% (\$2.0 million General Fund/32 positions/16.00 FTE)
- Reduce 2019 AAA field staff enhancement package by 50% (\$2.1 million General Fund/approximately 39 positions)

Central and Shared Services (including State Assessments and Enterprise-wide Costs)

Budget adjustments for Central Services in SB 5723 reflect an increase of \$1.4 million General Fund and an increase of 37 positions (20.60 FTE). Adjustments for Shared Services in SB 5723 included a net decrease of \$1.3 million Other Funds and a decrease of 12 positions (6.37 FTE). SB 5723 approved a decrease of \$832,493 General Fund for State Assessments and Enterprise-wide Costs (SAEC), and no changes were made to positions.

Beyond rebalance, adjustments for Central and Shared Services include an increase of \$930,640 General Fund (\$1.8 million total funds) and 14 positions (9.56 FTE), which is a portion of the positions recommended as a part of Executive Order (EO) 19-03 related to child welfare. For the Office of Training, Investigations, and Safety (OTIS), SB 5723 approved \$1.8 million General Funds, \$1.6 million Other Funds, and 17 positions (6.46 FTE) towards the needed resources for the Department to begin third-party child abuse investigations.

SB 5723 made the following one-time Central and Shared Services and SAEC reductions, totaling \$12.1 million General Fund:

- Reduce travel, office supplies, professional services, legal services utilization, training, holding positions vacant, and limiting overtime (\$1.2 million General Fund)
- Lower utilization of usage-based DAS data center services (\$3.6 million General Fund)
- Reduce funding for computer life cycle replacement and repair (\$2.2 million General Fund)
- Reduce telecommunications budget (\$183,533 General Fund)



- Reduction tied to ODHS and OHA Shared Services limiting expenditures and holding positions vacant (\$4.9 million General Fund)
- Recognize debt service savings (\$1.4 million General Fund)

Child Welfare

Beyond rebalance, adjustments for Child Welfare (CW) in SB 5723 include an increase of \$13.8 million General Fund for the Strengthening, Preserving, and Reunifying Families (SPRF) program. When coupled with \$4 million in Federal Funds expenditure limitation supported by the federal Family First Transition Act funds and \$2 million in remaining federal Title IV-E waiver dollars, the additional General Fund will set the 2019-21 program budget at about 80% of the prior biennium's level.

The next largest CW investment in SB 5723 is an increase of \$2.2 million General Fund and 19 positions (17.28 FTE) tied to recommendations related to Executive Order (EO) 19-03, which was issued by the Governor on April 18, 2019. Due to General Fund budget constraints, a scaled-down version of the request was approved and is based on the number of currently filled positions for a total of 19 positions (17.28 FTE). Of these 19 positions, 13 positions (13 FTE) are allocated for a second swing shift for the Oregon Child Abuse Hotline, improving response times, will be added with 13 positions (13 FTE), and six positions (4.28 FTE) will shore up CW program leadership, ensure goal and strategy alignment, and support training efforts.

Other CW adjustments in SB 5723 include a rate increase in the behavior rehabilitation services (BRS) program, which offers behavioral intervention, counseling, and skills-training services to children and young adults in Oregon's Child Welfare and Juvenile Justice systems. Both ODHS and the Oregon Youth Authority (OYA) contract with BRS providers for a range of services in various settings. Behavior rehabilitation services rates and funding needed to be revisited due to SB 171 (2019), which requires ODHS to make program changes aligning state law and practice with the federal Family First Prevention Services Act.

SB 5723 made the following one-time CW reductions, totaling \$2.7 million General Fund:

- Eliminate Foster Parent Night Out for the remainder of the biennium (\$168,780 General Fund)
- Use Other Funds ending balance for the domestic violence program (\$443,724 General Fund; shift to Other Funds so not a true cut)
- Reduce district level training and travel expenditures (\$2.1 million General Fund)

Office of Developmental Disabilities Services

Budget adjustments made in SB 5723 for the Office of Developmental Disability Services (ODDS) reflect a decrease of \$76 million General Fund and no changes to positions. The large General Fund decrease is primarily due to a reallocation of additional Federal Funds (\$88 million) projected to be received this calendar year under the temporary 6.2% enhanced FMAP change to offset General Fund.

Beyond rebalance, adjustments for ODDS in SB 5723 include adding \$1.1 million General Fund to help cover wage increases for personal support workers and an adjustment to offset wages as these workers start to contribute 5% of their salaries to the Oregon Saves retirement program beginning July 1, 2020. For adult foster homes serving clients with intellectual and/or developmental disabilities, SB 5723 added \$360,773 General Fund to help pay for a 7.15% rate increase effective July 1, 2020. Additionally, SB 5723 added \$59,962 General Fund to bring the budget up to \$600,000 for the last half of the biennium.



SB 5723 made the following ODDS reductions, totaling \$14.9 million General Fund. All are one-time reductions, with the exception of Family to Family Networks:

- Use Federal Funds for systems operations and maintenance (\$2.5 million General Fund; shift to Federal Funds)
- Reduce unneeded biennial settlement fund balance (\$4 million General Fund)
- Eliminate funding for statewide case management system (\$2.3 million General Fund)
- Reduce number of new host homes from 140 to 30 (\$3.7 million General Fund)
- Eliminate housing emergency repairs for former Community Integration Program homes (\$421,573 General Fund)
- Phase out Family to Family Networks over the remainder of the biennium (\$417,372 General Fund)
- Eliminate temporary staffing services (\$102,000 General Fund)

Limit relief care to seven days for remainder of biennium (\$1.5 million General Fund)

Self-Sufficiency Programs

Adjustments for Self-Sufficiency Programs (SSP) in SB 5723 include a total increase of \$3.7 million General Fund to cover the cost of ODHS short-term actions taken to help Oregonians maintain access to services during the pandemic. These include administrative costs associated with providing emergency or other special pandemic Supplemental Nutrition Assistance Program (SNAP) benefits and costs tied to Temporary Assistance for Needy Families (TANF) policy changes around resource limits and sanctions.

Additional Federal and Other Funds expenditure limitation was approved for Federal Funds received by the Oregon Department of Education for the Governor’s Emergency Education Relief fund (GEER). The GEER funding is split into three major areas with \$19.9 million for grants to school districts and others for K-12, a transfer of \$10 million to the Higher Education Coordinating Commission (HECC) for post-secondary institutions, \$2.5 million for early learning, split between child care facilities, relief nurseries, and a transfer to the ODHS.

SB 5723 made the following one-time SSP reductions, totaling \$22.4 million General Fund:

- Capture vacancy savings (\$3.0 million General Fund)
- Cover SNAP program administration costs with a federal performance bonus (\$3.9 million General Fund; shift to Federal Funds)
- Eliminate TANF Housing and Education and Training pilot projects that were authorized in HB 2032 (2019) (reduce General Fund by \$14 million and replace with TANF Federal Funds that would have been expended for the pilot projects).
- Reduce JOBS program support services and contracts (\$1.5 million)

Vocational Rehabilitation

The Vocational Rehabilitation (VR) rebalance budget approved in SB 5723 made no changes to General Fund, position counts, or FTE. For reductions, SB 5723 made a fund shift, reducing General Fund by \$2.4 million and increasing Federal Funds expenditure limitation by \$2.4 million. Depending on caseload and workload demands, VR may need to activate a priority wait list and may have challenges in meeting maintenance of effort requirements over the remainder of the biennium.

Link to resolution text:

<https://olis.oregonlegislature.gov/liz/2020S2/Downloads/MeasureDocument/SB5723>



Adjourning Sine Die of the 2020 Second Special Session

SCR 211

CSS

Effective date: August 10, 2020

Senate Concurrent Resolution 211 adjourned the 2020 Second Special Session of the Eightieth Legislative Assembly.

Link to resolution text:

<https://olis.oregonlegislature.gov/liz/2020S2/Downloads/MeasureDocument/SCR221>