



Oregon

Kate Brown, Governor

Department of Human Services

Office of the Director

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December 9, 2019

The Honorable Senator Elizabeth Steiner Hayward, Co-Chair
The Honorable Senator Betsy Johnson, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
Interim Joint Committee on Ways and Means on Human Services
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048



Re: Request for funding and position authority to effectively serve Oregon's most vulnerable residents

Dear Co-Chairpersons:

Nature of the Request

DHS requests that the Committee acknowledge receipt of this report and recommends an increase of \$3,138,271 General Fund, \$154,498 Other Funds expenditure limitations and \$2,519,456 in Federal Funds limitation, establishment of 38 Positions (33.19 FTE) for consideration in the 2020 Legislative Session. This is the third of three related requests.

Agency Action

The Oregon Department of Human Services (DHS) serves people across the lifespan, keeping them safe and helping them reach their potential. The DHS strategic vision is to create a person-centered delivery system that provides services in a seamless and integrated manner, across the entire continuum of life, and in strong partnership with other public, private and community organizations. This request is an important step toward improving vital systems within DHS that have been identified as agency vulnerabilities post-Legislative session.

DHS is a nearly \$12.5 billion organization with more than 9,000 staff in hundreds of locations that serve 1.5 million Oregonians through programs and services aimed at safety, well-being, and independence. DHS delivers services through five main program areas: Self-Sufficiency, Child Welfare, Aging and People with Disabilities, the Office of Developmental Disabilities Services, and Vocational Rehabilitation.

"Assisting People to Become Independent, Healthy and Safe"

This letter is part three of a three-part request to obtain funding and position authority that limits the future use of double fills, except in very specific, short-term situations, and sets the stage for a well-built organization that has the infrastructure, people, data and outcomes necessary to best support our communities.

In order to prevent the future use of double fills, the agency has identified a number of key positions that are necessary to respond to the changing needs of the populations we serve, comply with new legislation and equip DHS to prevent and respond to emergencies.

The agency has performed a thorough inventory of current and emerging needs as well as risk mitigation efforts that cannot be satisfactorily addressed without additional staffing. While it would not be feasible to comprehensively address every new position need across the agency, the positions in this package represent four bodies of work that, without the workforce to address them, would result in significant risk for the agency and Oregonians. These bodies of work include:

- Provider Time Capture Project: Congress passed the 21st Century CURES Act in late 2016. One component of this law is a requirement that States implement electronic visit verification systems for all Medicaid personal care services and home health services that require an in-home visit by a provider. Implementation is mandatory. Oregon just received a good faith extension of one year. Failure to implement by Jan. 1, 2021 is subject to incremental FMAP reductions up to 1 percent. Estimated penalties, including continued state staffing for the current manual process and printing costs, come to a five-year total of approximately \$51.5 million. At this time, we will be unable to avoid the above penalties without the additional staffing. To address this demand, DHS requests the establishment of 13 Positions (13.00 FTE).
- Adult Protective Services Community Abuse Determinations: The Department of Human Services and its contracted Area Agency on Aging (AAA) partners conduct more than 13,000 adult abuse investigations each year, and the volume continues to increase. The agency requires sufficient staff to notify perpetrators, who have been substantiated for abuse or neglect, and ensure they have an opportunity for due process. If these individuals do

not receive notification of our findings, they don't have access to an appeals process. Our findings may negatively impact their ability to earn an income as they would not qualify for positions requiring a background check under ORS 443, as substantiated abuse is cause for a denial. With these positions, the agency will create a unit that provides access to necessary due process for individuals facing substantiated abuse findings. The request includes 12 positions (12.00 FTE) to start up the new unit.

- Occupational Health, Safety and Emergency Management Program: During an emergency – whether it's a massive, regional earthquake or a community fire – DHS has a significant role to play in the health and safety of Oregonians. This includes the safety of more than 9,500 employees at 170 sites throughout Oregon. DHS also has a statewide responsibility to administer mass care, including shelter and food, to Oregonians during emergencies.

Ideally, when a threat is made at an office, the Occupational Health, Safety and Emergency Management Program would respond by conducting a site security assessment and making safety recommendations. Currently, however, we cannot meet the local need, leaving many still vulnerable to a threat.

Additionally, Oregonians with low incomes, housing instability or other barriers often participate in public sheltering at the highest rates. The safety and response of DHS's massive statewide workforce could be an invaluable resource for community recovery. This response takes planning and coordination with multiple jurisdictions. Yet, current operations are extremely limited and unsustainably managed by double fills, limited duration positions, and job rotations, with only three permanent positions performing this work. This presents a significant risk for the agency, resulting in a direct impact on the life safety of DHS and OHA employees and all Oregonians impacted by disasters. DHS requests 6 positions (3.78 FTE) to increase capacity for the responsibilities DHS has in responding to major events where Oregonian's health, welfare and safety may be at risk.

- Strengthening Performance to Client and Community Outcomes Project: DHS delivers direct services to Oregonians through district offices around the state. Key administrative functions are currently centralized away from

district offices. This has led to challenges, including delayed responses to facility needs, services that are unavailable to district offices in an emergency, or services that are disconnected from the intricacies of local needs such as contract management and workforce development – all of which eventually cause inefficiencies, inadequate focus on program goals and diminished outcomes. To improve the quality of life in communities and focus leadership on driving toward program outcomes, DHS is requesting positions in key operational functions in the field close to the Oregonians they serve. This aspect of the package adds 7 positions (4.41 FTE) to operate as a demonstration project providing local support to field office operations.

Combined Ask

The three packages are detailed below. This letter relates to **Package 3**.

Package 1: Clears current double-fills

Positions	FTE	General Fund	Other Funds	Federal Funds	Total
331	312.50	\$39,920,940	\$735,607	\$29,659,556	\$70,316,103

Package 2: Creates new positions recommended or supported by Alvarez & Marsal

	FTE	General Fund	Other Funds	Federal Funds	Total
90 Positions	68.15	\$8,551,386	\$55,762	\$4,418,335	\$13,025,483
Infrastructure	0	\$5,780,000	\$0	\$2,738,096	\$8,518,096
TOTAL	68.15	\$14,331,386	\$55,762	\$7,156,431	\$21,543,579

Package 3: Creates new positions (unrelated to Alvarez & Marsal work)

Positions	FTE	General Fund	Other Funds	Federal Funds	Total
38	33.19	\$3,138,271	\$154,498	\$2,519,456	\$5,812,225

Total

	FTE	General Fund	Other Funds	Federal Funds	Total
459 Positions	413.84	\$51,610,597	\$945,867	\$36,597,347	\$89,153,811
Infrastructure	0	\$5,780,000	\$0	\$2,738,096	\$8,518,096
TOTAL	413.84	\$57,390,598	\$945,867	\$39,335,444	\$97,671,907

Action Requested:

DHS requests that the Committee acknowledge receipt of this report and recommend an increase of \$3,138,271 General Fund, \$154,498 in Other Fund expenditure limitation and \$2,519,456 in Federal Funds expenditure limitation, as well as establishment of 38 positions (33.19 FTE) for consideration in the 2020 Legislative Session.

Legislation Affected:

Program	Legislation impacted	Fund Type	Requested Funding
Central Services/SAEC	ch 668 1(1)	General	\$921,666
Central Services/SAEC	ch 668 2(1)	Other	\$25,088
Central Services/SAEC	ch 668 3(1)	Federal	\$691,078
APD/IDD	ch 668 1(4)	General	\$2,216,605
APD/IDD	ch 668 2(4)	Other	\$129,410
APD/IDD	ch 668 3(4)	Federal	\$1,828,378

If you have questions, please contact Eric Moore at 503-884-4701.

Sincerely,



Eric Luther Moore
 DHS Chief Financial Officer

The Honorable Senator Elizabeth Steiner Hayward, Co-Chair
The Honorable Senator Betsy Johnson, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
December 9, 2019
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cc: Laurie Byerly, Legislative Fiscal Office
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