



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 and clear agency "double filled" positions

Dear Co-Chairpersons:

Nature of the Request

DHS requests that the Committee acknowledge receipt of this report and recommend an increase of \$39,920,940 General Fund, \$735,607 Other Funds expenditure limitation, \$29,659,556 Federal Funds expenditure limitation, establishment of 331 Positions (312.50 FTE) for consideration in the 2020 Legislative Session to fund "double filled" positions in the DHS budget. This is the first 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 in achieving that vision, by addressing long-standing challenges that have hindered the agency's ability to move forward in a strategic way.

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

"Assisting People to Become Independent, Healthy and Safe"

Disabilities, the Office of Developmental Disabilities Services, and Vocational Rehabilitation.

When DHS and the Oregon Health Authority split in 2009, DHS was left without many key positions and resources to support its mission. In addition, DHS has adapted to changing needs mid-Legislative sessions to minimize disruptions in service and respond to various crisis situations. To continue serving Oregonians as smoothly and efficiently as possible, DHS had to hire people when there were not available budgeted positions. To meet workload demands and gaps in services, two or more people have been hired on the same position number, resulting in “double fills” or non-budgeted positions. While the use of double fills has allowed the agency to address immediate needs, it has complicated the budget for DHS programs. In order to improve transparency, the agency is requesting the establishment of the positions and will appropriately limit using non-budgeted positions in the future.

This letter is part one of a three-part request to obtain funding and position authority for a well-built organization that has the infrastructure, people, data and outcomes necessary to best support our communities.

The department has already made significant progress in reducing non-budgeted positions. Since July 2019, staff have reduced the potential position request by 62 percent (from 864 to 331) by:

- Moving employees from non-budgeted positions onto budgeted positions as they became available.
- Submitting finance packages to DAS to reclassify vacant positions to meet the current needs.
- Matching non-budgeted positions with new, budgeted positions received in the 2019-21 Legislatively approved budget.
- Developing a strategy to eliminate, non-budgeted positions related to the implementation of the Integrated Eligibility System through attrition. (This strategy does not require additional funding but addresses the need for short-term capacity as staff are trained on the new system to ensure customer service and benefits are not disrupted.)

However, there are still 331 double fills that cannot be resolved without legislative action. These positions are throughout DHS in mission-critical areas including:

- Positions that provide critical support for the safety of children in residential treatment programs and seniors and people with disabilities who live in licensed facilities.
- Department units focused on equitable outcomes for Oregonians, including ensuring positive relationships with Oregon's Tribes and complying with the Indian Child Welfare Act (ICWA).
- Research and data staff to help the agency make more data-informed decisions and improve outcomes.
- Program management and senior leadership staff members, including seven Cabinet-level positions, to improve oversight, accountability and drive toward outcomes and improvements for programs and customers.
- Positions that provide critical support to the agency's workforce, including recruitment, retention and performance management.
- Positions supported by Alvarez & Marsal (A&M), the crisis management firm hired as part of Governor Brown's Executive Order 19-03, addressing immediate issues in child welfare and DHS operations. These positions are critical to Child Welfare operations and were either established during A&M's engagement or created before A&M's arrival. This package includes 67 positions recommended by A&M and 100 supported by A&M. Other A&M recommended positions are in package two. The rest of the positions in package one and three are DHS priorities but were outside the scope of work for A&M.

DHS is performing this critical work, but in order to finance these 331 double fills, the agency has left authorized positions vacant. By holding these positions vacant, important work is not getting done. This has impacted field-related work in program areas and additional modernization projects in central office.

In the future, as workloads increase and shift due to Legislatively assigned duties, the changing needs of the people we serve and implementation of new regulations, DHS will request positions needed to accomplish new bodies of work. DHS will manage vacancies by assessing agency need before filling positions to ensure positions are aligned to meet the most current and prominent needs of the agency. There will be strict exceptions for temporary approval of non-budgeted positions, such as bringing on replacements for retiring staff early to allow for cross-training. Another example may be the implementation of initiatives such as Integrated Eligibility where subject matter experts are rotated onto a specific project to prepare for implementation.

Combined Ask

The three packages are detailed below. NOTE: All pricings are based on the 2017-2019 compensation package as the 2019-2021 compensation package has not been released yet. These numbers will increase when the new compensation plan is released. This letter relates to **Package 1**.

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: In Package 1, DHS requests that the Committee acknowledge receipt of this report, and recommend an increase of \$39,920,940 General Fund, \$735,607 in Other Funds expenditure limitation, \$29,659,556 in Federal Funds expenditure limitation and establish 331 Positions (312.50 FTE).

Legislation Affected:

| Program | Legislation impacted | Fund Type | Requested Funding |
|-----------------------|----------------------|-----------|-------------------|
| Central Services/SAEC | ch 668 1(1) | General | \$15,743,234 |
| Central Services/SAEC | ch 668 2(1) | Other | \$363,182 |
| Central Services/SAEC | ch 668 3(1) | Federal | \$12,847,282 |
| SSP/VR | ch 668 1(2) | General | \$4,785,304 |
| SSP/VR | ch 668 2(2) | Other | \$192,965 |
| SSP/VR | ch 668 3(2) | Federal | \$5,890,892 |
| CW | ch 668 1(3) | General | \$12,864,552 |
| CW | ch 668 2(3) | Other | \$15,874 |
| CW | ch 668 3(3) | Federal | \$5,467,552 |
| APD/IDD | ch 668 1(4) | General | \$6,527,850 |
| APD/IDD | ch 668 2(4) | Other | \$163,586 |
| APD/IDD | ch 668 3(4) | Federal | \$5,453,830 |

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

Sincerely,



Eric Luther Moore
DHS Chief Financial Officer

cc: Laurie Byerly, Legislative Fiscal Office
Ken Rocco, Legislative Fiscal Office
George Naughton, Department of Administrative Services
Tamara Brickman, Department of Administrative Services
Ali Webb, Department of Administrative Services
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