

OREGON DEPARTMENT OF HUMAN SERVICES

BRIEFING FOR COMMUNITY PARTNERS ON COVID-19 IMPACTS TO DEPARTMENT BUDGET

05/12/20

LIESL WENDT: AS YOU KNOW, GOVERNOR BROWN ASKED EACH DEPARTMENT TO PREPARE A BUDGET EXERCISE TO A POTENTIAL 3 BILLION DOLLAR SHORT FALL. EACH PLANNING A 17 PERCENT CUT FOR THE UPCOMING FISCAL YEAR. IN A MOMENT YOU'LL HEAR FROM FARIBORZ PAKSERESHT AND ERIC MOORE. THEY'LL SHARE MORE ABOUT THE NATURE OF THIS BUDGET AND WHAT IT MEANS FOR YOU. AS SOME OF YOU KNOW, I RUN A NONPROFIT, I LEAD A COUNTY DEPARTMENT OF HUMAN SERVICES WITH SIGNIFICANT STATE FUNDING SO I HAVE BEEN IN YOUR SHOES AND I KNOW HOW MUCH YOU MUST BE ANXIOUS RIGHT NOW AS YOU PREPARE FOR THE CLIENT AND STAFF YOU'RE RESPONSIBLE FOR.

THOUSANDS OF EMPLOYEES, BUSINESS OWNERS, AND NONPROFIT EXECUTIVES HAVE HAD TO MAKE ADJUSTMENT AFTER ADJUSTMENT SINCE COVID- 19 STRUCK. ALL WHILE DEALING WITH PERSONAL AND COMMUNITY PAIN AND LOSS. AND WE KNOW COMMUNITIES OF COLOR ESPECIALLY OUR AFRICAN AMERICAN COMMUNITIES AND INDIGENOUS COMMUNITIES HAVE BEEN PARTICULARLY STRUCK BY THIS CRISIS. YET WE SERVE YOU, OUR STAFF, WHO HAVE BEEN THERE, CAPABLE AND RESILIENT. WE HAVE SEEN THAT TIME AND TIME AGAIN DURING THIS PANDEMIC. ALL THE DECISIONS WE MAKE IN THE NEXT FEW MONTHS WILL IMPACT OUR ABILITY TO REBUILD OUR COMMUNITIES. THE FIRST STEP IS KEEPING AN OPEN AND HONEST DIALOGUE. WE'RE COMMITTED TO SHARING INFORMATION, ANSWERING QUESTIONS TO THE BEST OF OUR ABILITIES, WE ARE FIGURING THIS OUT AS WE GO, AS WELL. AND PROGRAMS WILL KEEP YOU UPDATED ON SPECIFIC IMPACTS ON CERTAIN CHANNELS.

WITH THAT, I'LL TURN IT OVER TO OUR DIRECTOR, FARIBORZ PAKSERESHT.

FARIBORZ PAKSERESHT: GOOD MORNING, EVERYONE AND THANK YOU FOR JOINING US. AND THANK YOU LEISL. I TAKE IT MANY OF YOU SAW GOVERNOR BROWN'S NEWS RELEASE, IN WHICH WE ACKNOWLEDGED THE DEVASTATING IMPACT ON COVID- 19 AND UNPRECEDENTED PROJECTED SHORT FALL, 3 BILLION DOLLARS IN THIS MONTH REVENUE FORECAST. WE ARE COMMITTING TO EXPLORE ALL AVAILABLE OPTIONS TO THIS RECESSION. AND DIRECTING STATE AGENCIES TO PREPARE 17 PERCENT REDUCTION LIST FOR THE COMING FISCAL YEAR WHICH IS JULY 2020 TO JUNE 2021. AND ACKNOWLEDGING THE NEED FOR ADDITIONAL FUNDING, COMMITTING TO WORK WITH OREGON'S CONGRESSIONAL DELEGATION TOWARDS THAT GOAL. FOR DHS THIS CUT AMOUNTS TO 329 MILLION DOLLARS IN GENERAL FUNDS. AND IT TRANSLATES INTO A MUCH LARGER REDUCTION BECAUSE AS YOU KNOW, EVERY GENERAL FUND DOLLAR IN DHS IS MATCHED WITH 2 FEDERAL DOLLARS.

IN APPROACHING THIS EXERCISE, DHS LOOKED AT SAVINGS IT COULD IDENTIFY SUCH AS VACANCIES AND LOWER COSTS TO THE CHANGING PROGRAM DEMAND, CONSIDERED PROGRAM REDUCTIONS THAT WOULD HAVE THE LEAST IMPACT ON OREGONIANS. SUCH AS, NEW PROGRAMS THAT HAVE NOT BEEN STARTED OR IMPLEMENTED, PRESERVE AS MANY RESOURCES AS MUCH AS POSSIBLE, TO SERVE MOST OREGONIANS IMPACTED BY COVID- 19 AND HOW THE AGENCY CAN CONTRACT AND EXPAND, AS REOPENING OREGON IS IMPLEMENTED, AND IN THE NEXT FEW MINUTES I'LL TALK MORE ABOUT THAT.

AS A SUMMARY OF REDUCTIONS WAS POSTED ON OUR WEBSITE ABOUT 8:30 THIS MORNING, THE REDUCTION OPTIONS PRESENTED IN THIS DOCUMENT ARE NOT INTENDED TO REFLECT A POLICY OR PROGRAM RECOMMENDATIONS OF THE AGENCY. DHS IS ACUTELY AWARE THAT THE REDUCTION OPTIONS ON THIS LIST HAVE SIGNIFICANT CONSEQUENCES FOR THE OREGONIANS AND THE COMMUNITIES IN WHICH THEY LIVE.

THE AGENCY IS ENGAGED IN SHORT- AND LONG-TERM PLANNING LOOKING AT NEW WAYS TO PROVIDE EFFICIENT AND EFFECTIVE SERVICES. AS YOU REVIEW THIS DOCUMENT, PLEASE KEEP IN MIND THESE 3 KEY POINTS.

NUMBER 1: NO DECISIONS HAVE BEEN MADE ABOUT BUDGET CUTS. THE BUDGET EXERCISE PROVIDES A STARTING POINT FOR DISCUSSIONS AMONG THE GOVERNOR AND LEGISLATURE. THEY WILL WORK TOGETHER TO MAKE DECISIONS ABOUT OUR BUDGET. THIS IS LIKE SCENARIO PLANNING. THE DOCUMENT THAT YOU SEE POSTED ON OUR WEBSITE IS ONE SCENARIO AMONG SEVERAL SCENARIOS AND WILL DEPEND ON SEVERAL DIFFERENT VARIABLES.

NUMBER 2: MINIMIZING IMPACTS ON STAFF AND PEOPLE WE SERVE IS OUR TOP PRIORITY. IT WILL BE EXTREMELY DIFFICULT TO MAKE CUTS OF THIS AMOUNT WITHOUT REDUCING STAFF, PROVIDER RESOURCES, AND PROGRAMS. WE BEGAN TIGHTENING OUR BUDGET BELT FROM THE START OF THE PANDEMIC BY IDENTIFYING SAVINGS, STOPPING NONESSENTIAL PURCHASES AND TRAVEL, AND SLOWING DOWN HIRING. LAY OFFS ARE THE LAST RESORT BUT THEY MAY BE NECESSARY DEPENDING ON THE SEVERITY OF THE REVENUE LOSSES. TO DATE, THERE HAVE BEEN NO DECISIONS ON STAFF LAY OFFS. IF THOSE OPTIONS MOVE FORWARD, TO COMPENSATION, REPRESENTATIVE -- THE STAFF HAVE TO BE NEGOTIATING WITH OUR LABOR PARTNERS

AND NUMBER 3: BALANCING THE BUDGET WILL BE A LONG PROCESS. WE WON'T HAVE A GOOD SENSE OF THE BUDGET CUTS UNTIL THE STATES MAY AND SEPTEMBER REVENUE FORECAST ARE RELEASE. THERE ARE MANY UNKNOWNNS INCLUDING HOW OREGONIANS ECONOMY PERFORMS AND GRADUALLY REOPENS AND WHETHER ADDITIONAL FUNDING WILL BE PROVIDED. BUDGET CUTS WILL BE NECESSARY, BUT WE WON'T KNOW PARTICULARLY FOR SEVERAL MORE WEEKS BUT THERE ARE HOPEFUL SIGNS. AS OF YESTERDAY MORNING THERE WERE 20 COUNTIES OF 36 COUNTIES IN OREGON THAT HAD APPLIED FOR PHASE 1 REOPEN.

THIS MORNING THIS NUMBER WAS UP TO 32. 32 OF THE 36 OREGON COUNTIES ARE READY TO TRANSITION INTO PHASE 1. TO THE EXTENT THE ECONOMY CAN COME BACK WITH LITTLE OR NO INCREASING INFECTIONS AND KEEPING THE HEALTH CARE SYSTEM AND HOSPITAL CAPACITY INTACT, SEE A GRADUAL REBOND OF OREGON ECONOMY THAT CAN LESSEN THE SEVERITY OF THESE REDUCTIONS.

OREGON HAS IS ONE OF THE BEST POSITION STATES IN THE COUNTRY. TO WHETHER THIS STORM FROM A STATE BUDGET PERSPECTIVE. HAVING SAID THAT, A CUT OF THIS MAGNITUDE WILL CERTAINLY HAVE IMPACT. THE CURRENT SCENARIO DOES NOT TAKE INTO CONSIDERATION CURRENT AND FUTURE FEDERAL FUNDS. THOSE FUNDS CAN REDUCE THE FISCAL IMPACT OF THIS PANDEMIC TOWARDS THE ECONOMY. GOVERNOR BROWN ON CAPITAL HILL ENCOURAGING THEM TO ALLOCATE 1 TRILLION DOLLARS IN DIRECT AND REFLEXIBLE RELIEF TO STATE AND LOCAL GOVERNMENT. WE UNDERSTAND THE TALK ABOUT POTENTIAL BUDGET CUTS PILES MORE UNSETTLING INFORMATION ON TO STAFF, PROVIDERS, AND OREGONIANS WE CARE ABOUT DEEPLY.

THERE SYSTEMIC SHORT COMING THAT COVID- 19 HAS MADE CLEAR TO ALL OF US. ALTHOUGH MUCH IS OUT OF OUR CONTROL, WE STILL HAVE AN OPPORTUNITY TO FOCUS ON WHAT IS IN OUR CONTROL. FURTHERING CUTS WILL TAKE A COLLECTIVE RESPONSE THAT MATCHES NIYAH JENEWT CREATETY AND HEART THAT YOU ALL HAVE DISPLAYED DURING THIS PANDEMIC. I HAVE FAITH IN OUR ABILITY TO TEND TO THE HEALTH SAFETY AND NEIGHBORS AND COLLEAGUES. THANK YOU FOR OUR DEDICATION TO OUR WORK AND THE PEOPLE WE SERVE, THANK YOU FOR BEING THE STRONG AND RESILIENT. WE WILL OVERCOME THIS PANDEMIC AND CONSIDER TO SERVE OREGONIANS WHO NEED OUR SERVICES, PARTICULARLY DURING THESE DIFFICULT TIMES. I NOW TURN OVER TO ERIC MOORE OUR CHIEF FINANCIAL OFFICER WHO WILL GO THROUGH SOME OF THE DETAILS OF THIS CURRENT SCENARIO.

ERIC MOORE: GOOD DAY AND THANK YOU FARIBORZ PAKSERESHT, MY NAME IS ERIC MOORE I'M THE CHIEF FINANCIAL OFFICER FOR OREGON DEPARTMENT OF HUMAN SERVICES. AND WHILE THE LIST IS JUST OUT AND I KNOW YOU'LL HAVE MANY QUESTIONS AT THE DETAIL LEVEL. THIS WILL BE A PRETTY HIGH LEVEL OF OVERVIEW OF THE LIST.

SO I WANT TO FIRST START OFF BY SAYING THIS IS STILL AN EXERCISE AT THIS POINT NO DECISIONS HAVE BEEN MADE AS FARIBORZ PAKSERESHT MENTIONED. AND WE WILL KNOW MORE AFTER SPECIFICALLY THE MAY FORECAST, BUT THEN THE SEPTEMBER FORECAST AFTER THAT WILL ALSO HAVE AN IMPACT ON THIS BIENNIUM. WHETHER THAT BE POSITIVE OR NEGATIVE COMPARED TO THE MAY FORECAST.

YOU KNOW, IN APPROACHING THIS EXERCISE, THE GOVERNOR ONLY HAS ONE OPTION AND THAT IS REALLY TO TAKE AN ACROSS THE BOARD CUT TO ALL AGENCIES, BUCKETS OF MONEY OR THEIR APPROPRIATIONS. FOR DHS, WE HAVE 5 BUCKETS OF MONEY. APD AND IDD ARE ONE BUCKET OF MONEY. CHILD WELFARE IS ITS OWN BUCKET. SELF SUFFICIENCY AND VR, I'M MISSING ONE. OH, CENTRAL AND SHARED SERVICES. AND THEN WE HAVE A SMALL APPROPRIATION FOR RESETTLEMENT MONIES THAT WAS GIVEN AT THE LAST LEGISLATIVE SESSION. SO THE GOVERNOR CAN ONLY MAKE ACROSS THE BOARD REDUCTIONS TO THESE AREAS.

THE LEGISLATURE, IF THE LEGISLATURE DOES MEET, THEY ARE ABLE TO MAKE MORE TARGETED REDUCTIONS THAT AREN'T LIMITED TO AN ACROSS THE BOARD APPROPRIATION OR BUCKET OF MONEY CUT. SO THEY CAN MAKE MORE TARGETED INVESTMENTS AND REDUCTIONS.

OUR GENERAL PHILOSOPHY IS TO DO THE LEAST HARM TO THE LEAST AMOUNT OF PEOPLE. BUT FOR CONTEXT, AS FAIR SAYS THESE ARE SIGNIFICANT REDUCTIONS ON THIS LIST. FOR CONTEXT, AT THE AGENCY REQUEST BUDGET TIME, WE ARE REQUIRED TO PUT IN A 10 PERCENT REDUCTION LIST FOR THE ENTIRE BIENNIUM. FOR THE GOVERNOR AND THE LEGISLATURE TO LOOK AT FOR THE UPCOMING BIENNIUM. THAT'S AT A 24 MONTH LENGTH OF TIME THAT WE HAVE TO PROPOSE THOSE REDUCTIONS. FOR CONTEXT, THE LAST 10 PERCENT LIST THAT WE PUT OUT WAS 340 MILLION DOLLARS OF GENERAL FUNDS OVER A 24 MONTH PERIOD.

THIS IS A 325 MONTH OR DOLLAR MILLION DOLLAR REDUCTION OVER A 12 MONTH PERIOD. WHICH IS AS SIGNIFICANT OR MORE SIGNIFICANT THAN THE 10 PERCENT LIST THAT WE NORMALLY PUT OUT. SO THERE ARE SOME SIGNIFICANT REDUCTIONS ON THIS LIST THAT WILL - - THAT ARE VERY DIFFICULT TO SEE ON THE LIST.

THE LIST HAS ON IT, OFFICIALLY, A HUNDRED AND 7 PROPOSED LAY OFFS. AGAIN, LAY OFFS

ARE OF LAST RESORT. THOSE ARE BASED ON OUR PROJECTIONS THE WAY WE WOULD HAVE TO GET THERE FOR CENTRAL OFFICE, FOR EXAMPLE, BUT WHAT YOU DON'T SEE DIRECTLY IN THE DOCUMENT ARE IMPACTS TO OTHER STAFFING LEVELS. OTHER STAFFING LEVELS, THERE ARE, IN ADDITION TO THE 107, IF THE ENTIRE LIST WAS TAKEN, IN ADDITION TO THE 107 LAY OFFS THAT DHS WOULD MOST LIKELY HAVE TO TAKE THERE WOULD BE 350 VACANCIES THAT WOULD HAVE TO BE HELD OPEN FOR THE REST OF THE BIENNIUM IN ORDER TO COVER THESE REDUCTIONS.

IN ADDITION, IN APD AND IDD, WE CONTRACT OUT OUR FIELD STAFF AND OUR FIELD STRUCTURE SO, ESSENTIALLY, OUR STAFF IS IN THE TRIPLE AS AND THE CDPPs AND THE BROKERAGES. THE REDUCTIONS ON THE LIST IF ALL OF THEM WERE TAKEN WOULD BE EFFECTIVELY THE EQUIVALENT OF 175 FTE* BEING VACANT FOR THE REST OF THIS BIENNIUM. THAT'S OUR BEST ESTIMATE AT THIS TIME.

AS YOU CAN SEE, WHEN YOU LOOK THROUGH THE LIST, THE LIST GOES VERY DEEP INTO MANY OF OUR PROGRAMS. IT IS NOT A LIST THAT WE ENJOYED PUTTING TOGETHER. IF THERE WERE COMMENTS ABOUT THE LIST, WE WOULD ENJOY HEARING THEM. BUT THE, AT THE LEVEL OF REDUCTION OF THIS LIST, TRYING TO DO THE LEAST HARM IS VERY VERY DIFFICULT. AND WITH THAT, I'LL TURN IT BACK OVER TO LEISL. AND TAKE ANY QUESTIONS THAT YOU HAVE.

LIESL WENDT: THANKS ERIC, AND I'M GOING TO SEE IF CHRISTY HAS ANY QUESTIONS FOR US.

CHRISTY SINATRA: WE HAVE JUST A COUPLE SO FAR.

LIESL WENDT: THIS IS A LOT OF INFORMATION TO ABSORB AND LIKE ERIC MENTIONED WE ARE OPEN TO QUESTIONS NOT JUST TODAY BUT OVER THE NEXT FEW WEEKS.

CHRISTY SINATRA: THE FIRST QUESTION IS RELATED TO APD AND LONG-TERM CARE. PROTECTING MOST VULNERABLE REQUIRES MORE INVESTMENT AT THIS TIME HOW CAN THOSE IN LONG TERM SYSTEM CAN BE ASHIED AT THE TIME THAT GOVERNOR LOOKS AT ACROSS THE BOARD CUTS, PROGRAMS LIKE LTC ALMS VIL PROGRAM ARE NOT REDUCED SAME WITH ABUSE NEGLECT FOR VULNERABLE POPULATIONS OF ALL AGES.

LIESL WENDT: I THINK I'LL LET FARIBORZ PAKSERESHT TAKE THAT.

FARIBORZ PAKSERESHT: THANK YOU FOR THAT QUESTION, THE REALISTIC CUTS SCENARIO WILL NOT BE ACROSS THE BOARD CUT. WHILE THE GOVERNOR ONLY HAS THE AUTHORITY TODAY TO ASK FOR ACROSS THE BOARD CUTS FROM EACH AND EVERY STATE AGENCY, THE REALITY OF THE CUTS WILL BE THAT SHE WILL WORK WITH THE LEGISLATURE AND SHE WILL TAKE INTO CONSIDERATION EXACTLY THE QUESTION THAT YOU BROUGHT UP. AS THE LIST IS REPRIORITIZED BASED ON THE OVERALL NEEDS OF THE POPULATION, INCLUDING THE ONES THAT YOU MENTIONED, AND THAT WOULD BE ACROSS THE STATE GOVERNMENT, DECISIONS WILL BE MADE TO BALANCE THESE CUTS TO IMPACT THOSE MOST VULNERABLE, THE LEAST, AND THEN AGAIN, THEY WILL BE MADE ALSO WITH CONSIDERATION WHAT ADDITIONAL RESOURCES MIGHT BE AVAILABLE. HOW MUCH IS THE ENDING BALANCE, WHAT KIND OF RAINY-DAY FUNDS CAN BE SPENT AND HOW MUCH FEDERAL FUNDING ADDITIONAL AND CURRENT CAN BE SPENT ON REDUCING THESE CUTS.

LIESL WENDT: THANKS FARIBORZ.

CHRISTY SINATRA: ONE OTHER QUESTION AT THIS POINT. OH, WAIT. WE HAVE 2. HANG ON. NEXT QUESTION. SINCE THE LEGISLATURE BUILT UP A 2.5 BILLION RAINY DAY FUND OVER THE PAST 10 YEARS DID THE GOVERNOR ALSO ASKED A LIST ON HOW TO INVEST SOME OF THESE SAVINGS TO PREVENT THESE DRASTIC AND HARMFUL CUTS TO OREGON'S MOST VULNERABLE?

FARIBORZ PAKSERESHT: ALL OF THOSE FUNDS WILL BE CONSIDERED AS DECISIONS ARE MADE TO HELP OREGON NAVIGATE THROUGH THIS PANDEMIC. THE GOVERNOR AND LEGISLATURE WILL WORK TOGETHER TO DETERMINE HOW MUCH RESERVE FUNDS ARE NEEDED IN ORDER TO REALLY LOOK AT THE LONG-TERM IMPACT OF THIS PANDEMIC. SOME OF THE UNKNOWNNS ARE HOW WILL THE OREGON ECONOMY COME BACK? WILL WE HAVE A RESURGANCE IN THE VIRUS? WHAT WILL BE SEPTEMBER FORECAST LOOK LIKE? ALL OF THOSE THINGS WILL GO INTO MAKING THE DECISION THAT EXACTLY HOW MUCH MONEY IS INVESTED AND HOW WE CAN SPEND THOSE FUNDS. AND HAVING SAID THAT, I ALSO WANT TO ACKNOWLEDGE THE TERM INVESTMENT. BECAUSE EVEN IN THE MIDST OF REDUCTIONS THERE ARE AREAS WE CAN INVEST IN IN ORDER TO IMPROVE OUTCOMES.

LIESL WENDT: THANK YOU. DO YOU HAVE ANOTHER QUESTION THERE, CHRISTY?

CHRISTY SINATRA: YES, NEXT QUESTION WILL THOSE PROGRAMS OR POSITIONS THAT ARE PART OF A COLLECTIVELY BARGAINED AGREEMENT ALSO HAVE TO FACE CUTS?

FARIBORZ PAKSERESHT: YES. THE POSITIONS THAT HAVE BEEN PUT ON THE TABLE FOR REDUCTIONS ARE THE MAJORITY OF THOSE ARE BARGAIN POSITIONS AND SOME ARE MANAGEMENT POSITIONS AND AGAIN, PLEASE KEEP IN MIND THAT AT THIS POINT IN TIME, THIS IS THE VERY FIRST STEP IN THE PACT OF A PROCESS THAT MAY TAKE SOME TURNS AND WILL END UP BEING SHAPED DIFFERENTLY AS WE FINALLY LAND ON WHAT THE EXACT CUTS MUST BE.

LIESL WENDT: ALL RIGHT. WE'RE GOING TO KEEP GOING.

(LAUGHING)

CHRISTY SINATRA: I'LL GIVE YOU AN EASY ONE AFTER THAT. THIS IS FOLLOW UP TO THE QUESTION TO THE RAINY-DAY FUNDS. AT THIS POINT HAS THE GOVERNOR ASKED ONLY FOR CUTS?

FARIBORZ PAKSERESHT: AT THIS POINT, THE GOVERNOR, GENERALLY, YOU MAY KNOW THAT WE GO THROUGH THESE BUDGET CUT EXERCISES SEVERAL TIMES AT THE BEGINNING OF EVERY BIENNIUM. THIS IS THE ONLY THING THE GOVERNOR CAN DO AT THE TIME. SHE CAN ASK FOR, AND AGAIN, WE CALL IT AN EXERCISE OR SCENARIO, SHE CAN ASK FOR A SCENARIO THAT HAS EQUAL CUTS ACROSS ALL DIFFERENT APPROPRIATIONS AND ERIC MOORE TALKED ABOUT THOSE APPROPRIATIONS WITHIN DHS. AGAIN, THIS IS THE VERY FIRST THING THAT THE GOVERNOR HAS DONE. THE NEXT THING SHE'LL DO IS REVIEW ALL OF THE DOCUMENTS THAT THE STATE AGENCIES HAVE TURNED IN, SHE WILL CONSULT WITH THE LEGISLATURE, SHE IS TALKING WITH OUR CONGRESSIONAL, SHE IS TALKING TO THE LEADERSHIP ON CAPITAL HILL, AND FINALLY THE FINAL DECISION IS MADE WITH TOTALITY OF FINAL FUNDS AVAILABLE AND MOST REASONABLE APPROACH THAT CAN BE TAKEN TO NAVIGATE US THROUGH THIS PANDEMIC.

LIES WENDT: THANK YOU, ANYMORE QUESTIONS KRISTI?

CHRISTY SINATRA: YES. THIS ONE IS RELATED TO CHILD WELFARE. IS THERE COORDINATION WITH OREGON HEALTH AUTHORITY ON PROPOSED BUDGET IMPACTS FOR THOSE SITUATION WHERE YOUTH AND FOSTER CARE COULD BE IMPACTED BY BOTH DHS AND OREGON HEALTH AUTHORITY BUDGET REDUCTIONS?

FARIBORZ PAKSERESHT: THAT'S A GREAT QUESTION AND THOSE WILL BE THE NEXT STEPS OF THESE REDUCTIONS AS THEY TAKE SHAPE AND BECOME REAL. AT THIS POINT, FRANKLY, EACH AGENCY HAD 2 WEEKS TO PROPOSE THESE CUTS, AND AGAIN, THEY'RE ACROSS THE BOARD, AND THAT, ESPECIALLY THAT WE'RE IN THE MIDST OF THIS PANDEMIC AND EVERYONE IS SO FOCUSED ON ADDITIONAL DUTIES THAT WE ALL HAVE, WE HAVE NOT YET HAD THAT COLLABORATION, BUT AGAIN, WE BOTH KNOW DHS AND OHA, THAT AS WE MOVE FORWARD THERE ARE SO MANY POINTS OF INTERCONNECTIONS BETWEEN THE 2 AGENCIES THAT WE'LL HAVE TO WORK TOGETHER. MUCH OF THE FUNDS THAT COME FROM THE FEDERAL GOVERNMENT, THE MEDICAID FUNDS ARE SPENT IN BOTH AGENCIES AND THEY IMPACT US BOTH, NOT EXACTLY EQUALLY, BUT EQUALLY SEVERELY.

CHRISTY SINATRA: NEXT QUESTION IS RELATED TO DEVELOPMENTAL DISABILITIES SERVICES. ADULT DD FOSTER CARE WERE SUPPOSED TO GET THE BARGAIN 7.1 PERCENT. WHAT IS HAPPENING WITH THAT?

FARIBORZ PAKSERESHT: THAT'S A GREAT QUESTION, AND I DON'T HAVE A GOOD ANSWER FOR THAT. WHAT I CAN TELL YOU, AS PART OF COMING UP WITH THE CUTS THAT THE STATE HAS TO ENDURE, SOME OF THE BARGAINS OR NEGOTIATES DECREASED COST MAY HAVE TO BE RENEGOTIATING, BECAUSE IF YOU ALREADY BARGAIN SOMETHING WE CAN NOT JUST TURN THAT AROUND. AT THE SAME TIME WE ALL HAVE TO BE REALISTIC ABOUT THE SITUATION THAT WE'RE FACING. IN THE TERM OF THE DD PROGRAM, LILY OUR DIRECTOR OF DD SERVICES DEVELOPMENTAL DISABILITY SERVICES HAS BEEN IN CONTACT WITH ALL OF OUR PROVIDERS AND SHE WILL CONTINUE TO MAINTAIN THAT CONTACT SO THAT WHEN WE MOVE FORWARD AND ULTIMATELY MAKE THESE REDUCTIONS FINAL, WE TAKE ALL OF YOUR INPUTS INTO CONSIDERATION AND WE'LL MOVE FORWARD IN A WAY THAT WORKS FOR ALL OF US.

CHRISTY SINATRA: THIS IS ANOTHER CLARIFYING QUESTION. THE QUESTION IS PLEASE CLARIFY, IS THE GOVERNOR ONLY ABLE TO CUT ACROSS THE BOARD WITHOUT ENGAGING THE LEGISLATURE? I AM UNCLEAR ABOUT WHETHER SHE WILL ACT UNILATERALLY AS IS HER PREROGATIVE OR MOVE TO A SPECIAL SESSION?

FARIBORZ PAKSERESHT: THE ONLY THING THAT THE GOVERNOR CAN DO BASED ON OREGON'S LAW IS TO ASK FOR ACROSS THE BOARDS CUTS. THAT DOES NOT MEAN, AND BY NO MEANS WILL THE GOVERNOR MOVE FORWARD ON HER OWN, UNILATERALLY TO MAKE ESTHESCUTS. SHE HAS BEEN AROUND FOR MANY YEARS, SHE KNOWS HOW THE SYSTEM WORKS AND SHE HAS A DEEP INTEREST IN KEEPING THE MOST VULNERABLE OREGONIANS SAFE AND HEALTHY. SO SHE WILL BE VERY MINDFUL AS SHE MOVES FORWARD ON THIS PATH, SHE WILL CONSULT THE LEGISLATURE AND AS I SAID BEFORE, SHE'LL TAKE INTO CONSIDERATION ALL REVENUE AVAILABLE AND SOMETHING THAT'S REALLY IS UNKNOWN AND IS IN FRONT OF US, AND AGAIN, I SHARED THE HOPEFUL NEWS WITH YOU THAT 32 OF 36 OREGON COUNTIES HAVE APPLICATIONS IN AND MANY OF THOSE COUNTIES COULD OPEN AS EARLY AS THIS FRIDAY WE COULD SEE TAX REVENUE COMING INTO STATE AGAIN,

BUT IT ALL DEPENDS ON HOW THIS UNFOLDS HOW SUCCESSFUL COUNTIES CAN BE IN TESTING AND CONTACT TRACING AND MAKING SURE THAT EVERY ONE OF US FOLLOW THE BIG HEALTH GUIDANCE AROUND MAKING SURE THAT WE DO ALL THAT WE CAN TO STOP THE SPREAD OF THIS VIRUS.

CHRISTY SINATRA: NEXT QUESTION. IT IS A GENERAL QUESTION. WILL YOU BE WILLING TO EXEMPT OREGON ADMINISTRATIVE RULE DRIVEN COSTS TO PROVIDERS LIKE INDEPENDENT AUDIT TO BE ELIMINATED IN OUR COST CUTTING MEASURES?

FARIBORZ PAKSERESHT: THAT'S A GREAT QUESTION AND I THINK IT IS TOO EARLY TO BE ABLE TO ANSWER THAT QUESTION. AS WE MOVE FORWARD AND CONSIDER SEVERAL DIFFERENT SCENARIOS. I THINK NOTHING IS OFF THE TABLE, BUT AT THE END OF THE DAY THE FOCUS NEEDS TO BE HOW CAN WE ACTUALLY MOVE FORWARD MAKING SURE PEOPLE ARE SAFE? PEOPLE ARE HEALTHY? PROGRAMS HAVE OVER SITES? AND AUDIT FUNCTIONS ARE STILL IN PLACE TO MAKE SURE CHECKS AND BALANCES ARE STILL IN PLACE AND AT THE END OF THE DAY WHAT IS THE IMPACT TO THE PEOPLE THAT WE SERVE?

CHRISTY SINATRA: THERE IS AN ANOTHER GENERAL QUESTION. CUTS TO FEDERALLY MATCHED PROGRAMS HIT SERVICES AND VULNERABLE POPULATIONS DUE TO LASS OF FEDERAL FUNDS WILL FEDERALLY FUNDED PROGRAMS BE PRIORITIZED?

FARIBORZ PAKSERESHT: I DON'T THINK THAT PRIORITIZEATION WILL BE BASED ON WHAT PROGRAM IS FEDERALLY FUNDED OR GENERAL FUNDS. THE PRIORITIZEATION NATURALLY, WOULD BE TO SEE HOW WE CAN MAXIMIZE FEDERAL FUNDING. AND EVEN BEFORE THAT, THAT PRIORITIZEATION HAS TO BE THE IMPACT TO THE OREGONIANS THAT WE SERVE. SO IT IS A COMBINATION OF THOSE. NATURALLY, IN PROGRAMS THAT HAVE FEWER GENERAL FUNDS THE IMPACT WOULD BE FEWER. SOME OF THE AGENCIES UNLIKE DHS THAT PRIMARILY RELY ON GENERAL FUNDS WILL BE MUCH MORE SEVERELY IMPACTED BY THIS REDUCTION. SO AS MUCH AS THESE CUTS HURT, I CAN ALSO LOOK AT SOME OF MY COLLEAGUES IN OTHER AGENCIES THAT ARE PRIMARILY, GENERALLY FUNDED, AND FEEL THE PAIN THEY'RE FEELING AS THEY GO THROUGH THIS FIRST ROUND OF BUDGET SCENARIO OR EXERCISE.

CHRISTY SINATRA: THIS ONE IS RELATED TO OUR TRIBES. IS IT POSSIBLE TO PROTECT INDIAN CHILD WELFARE SERVICES FROM BUDGET CUTS DUE TO MOST VULNERABLE AND MOST DISPROPORTIONATE IMPACT OF COVID-19 ON NATIVE POPULATIONS? PLEASE ADVOCATE THIS POSITION.

FARIBORZ PAKSERESHT: WE ABSOLUTELY WILL KEEP IN THE FOREFRONT OF OUR MIND THE IMPACT TO OUR NATIVE AMERICAN TRIBES AS WE ALL KNOW, THEY HAVE BEEN SEVERELY IMPACTED BY THIS ECONOMICALLY, DUE TO MANY OF THE BUSINESSES, CASINOS, ETC. HOTELS SHUTTING DOWN. THE FEDERAL GOVERNMENT ALSO HAS A DEDICATED FUNDING STREAM THAT GOES DIRECTLY TO THE TRIBES. WE WILL BE MINDFUL OF THAT AND BE ABSOLUTELY ADVOCATING TO MAKE SURE WE DO ALL WE CAN TO HELP OUR TRIBAL PARTNERS MANAGE THROUGH THIS PANDEMIC.

LIESL WENDT: ONE LAST QUESTION, CHRISTY?

CHRISTY SINATRA: SURE, THIS IS A K PLAN RELATED QUESTION. THE ENHANCED 6.2 PERCENT ENHANCED MATCH FOR K PLAN SERVICES COMES FROM THE FAMILY FIRST CORONA VIRUS RELIEF

ACT, TO RECEIVE THIS ENHANCED MATCH MONEY OREGON HAS TO COMPLY WITH MAINTENANCE AND EFFORT REQUIREMENT THAT OREGON CAN NOT REDUCE SERVICES OR ELIGIBILITY. HOW WILL THAT MAINTENANCE BE MET IF THIS LIST MOVES FORWARD?

FARIBORZ PAKSERESHT: 2 THINGS. THIS LIST IS MOST LIKELY NOT GOING TO BE THE FINAL LIST AS WE BEGIN TO PUT THESE REDUCTIONS. WHATEVER THE AMOUNT AND SEVERITY MAY BE IN PLACE. THE SECOND IS THAT IN ALL CONSIDERATION OF HOW WE MOVE FORWARD WITH REDUCTIONS, ESPECIALLY AS WE GET PAST THIS FIRST ROUND OF EQUAL CUTS TO ALL THE DIFFERENT APPROPRIATION, THOSE KINDS OF THINGS LIKE MEETING THE MAINTENANCE OF EFFORT, MAKING SURE WE ARE NOT VIOLATING FEDERAL STATUTES OR AT THE SAME TIME TRYING TO MAXIMIZE THE FEDERAL DOLLARS WE WILL BE VERY MINDFUL OF NOT DOING SOMETHING THAT WILL JEP RUDIZE THOSE. I'LL TURN TO ERIC AND SEE IF HE HAS ANYTHING ELSE TO ADD.

ERIC MOORE: THE ONLY THING I WOULD ADD IS THE WAY WE READ THE CURRENT STATUTE IS THAT THE RESTRICTIONS ON SERVICES AND ELIGIBILITY ARE TIED TO THE EMERGENCY DECLARATION. AND SO IF THE EMERGENCY DECLARATION GOES BEYOND JULY, WHICH IS WHEN MOST OF THESE REDUCTIONS ARE SET TO START, BEING AFTER THE 6.2 PERCENT GOES AWAY. IF THAT CONTINUES, THERE WILL BE ANOTHER QUARTER OF 6.2 PERCENT F MAP THAT WILL HELP US NAVIGATE SOME OF THOSE REDUCTIONS THAT WOULD OTHERWISE IMPACT THE 6.2. THAT WAS A LITTLE WONKY, I APOLOGIZE FOR THAT.

LIESL WENDT: WE'RE GOING TO FIT IN ONE LAST QUESTION.

CHRISTY SINATRA: DO WE KNOW WHEN TO EXPECT THE FINAL DECISIONS FROM THE GOVERNOR?

FARIBORZ PAKSERESHT: THE NEXT MILESTONE HERE IN THIS PROCESS WOULD BE MAY 20TH. WHEN THE FIRST REVENUE FORECAST PAST THIS PANDEMIC COMES OUT. IT IS CURRENTLY ESTIMATED TO BE AROUND 3 BILLION, WE'LL SEE EXACTLY WHAT THE FIGURE IS. SO THAT WILL FORM THE FIRST STAGE OF WHAT THE CUTS WILL BE BASED ON THAT. AND AGAIN, THERE ARE SOME CONVERSATIONS WITH HER FEDERAL GOVERNMENT AROUND THE FUNDS AND HOW THEY MAY BE SPENT HOW THEY CAN BE SPENT, INITIALLY THE GUIDANCE WAS THAT THEY COULD NOT BE SPENT TO FILL IN BEHIND LOST GENERAL FUNDS. THAT'S STILL UNDER CONSIDERATION AND NEGOTIATIONS WE STILL DON'T HAVE CLARITY ON EXACTLY HOW ALL OF THESE FUNDS CAN BE SPENT, THERE HAS BEEN SOME CLARIFICATION PROVIDED WITHIN THE LAST FEW WEEKS. THE NEXT PIECE IS THERE HAS BEEN TALKS, PERHAPS RUMORS OF YET ANOTHER PACKAGE COMING FROM THE FEDS. STRICTLY FOCUSED ON STATE AND FEDERAL GOVERNMENT. ALL OF THOSE THINGS WILL FACTOR INTO WHAT THE ULTIMATE CUTS MAY BE SHAPED AND MIGHT LOOK LIKE, AND AGAIN, I DON'T ENVY THE TASK OF THE GOVERNOR AND THE LEGISLATURE BECAUSE IN THE MIDST OF PLANNING FOR ALL THESE THINGS THERE IS A LOT OF UNCERTAINTIES AHEAD OF US AND I TALKED ABOUT THAT EARLIER.

AGAIN, WE ALSO HAVE A ROLE TO PLAY IN ALL OF THIS AND THAT IS HOW WE ARE GOING TO MAKE SURE WE'RE GOING TO BE SUCCESSFUL TO ALLOW ALL OF THE COUNTIES, HOPEFULLY 36 COUNTIES SOON TO TRANSITION FROM PHASE 1 TO PHASE 2. 21 DAYS OF NO ADDITIONAL, NO SURGE IN COVID POSITIVE AND ANOTHER SURGE IN OCCUPYING HOSPITAL BEDS CAPACITY EMERGENCY ROOMS ETC. WILL GO INTO PHASE 2. AND IF THAT IS SUCCESSFUL ANOTHER 21 DAYS GOING INTO PHASE 3. THAT'S A HOPEFUL SCENARIO, BUT AGAIN ALL OF US CAN HELP MAKE THAT HAPPEN BY THE WAY WE INTERACT WITH EACH OTHER, BY THE WAY WE SHOW UP, AND BY THE WAY WE FOLLOW THE PUBLIC HEALTH GUIDANCE. I'M HOPEFUL WE'LL WORK TOGETHER AND DO ALL WE CAN TO SERVE THE PEOPLE THAT NEED OUR SERVICES AND AT THE SAME TIME WE'LL BE COMMUNICATING WITH YOU AS NEW INFORMATION BECOMES AVAILABLE.

LIESL WENDT: THANK YOU. THANKS ERIC AND FARIBORZ. I WANT TO WRAP UP BY POINTING YOU TO OUR WEB SITE WHERE YOU WILL FIND THE COMPREHENSIVE LIST, AND IN ADDITION YOU'LL FIND A 2 PAGE SUMMARY OF EACH PROGRAM AT A VERY HIGH LEVEL. LATER THIS MORNING EACH PROGRAM WILL BE SENDING OUT A MESSAGE, AND WE'LL BE CONTINUING TO COMMUNICATE WITH YOU WITH THOSE CHANGES. WE'LL USE THIS VENUE AS WE HAVE MORE INFORMATION. IT GOES WITHOUT SAYING, BUT I WANT TO REITERATE WE KNOW THESE REDUCTION OPTIONS ARE GOING TO HAVE SIGNIFICANT IMPACTS TO YOU, THE PEOPLE THAT YOU SERVE AND TO COMMUNITIES AROUND OREGON AND WE ARE COMMITTED TO WORKING CLOSELY WITH YOU TO SHARE INFORMATION, TO ANSWER QUESTIONS, TO LOOK AT OPTIONS WE HAVEN'T QUITE EXPLORED YET. WE SO APPRECIATE OUR TIME THIS MORNING AND WE'LL BE IN TOUCH. STAY WELL.

***Editor's Note - Correction:** The number shared during the meeting was incorrect. The transcript was revised to include the correct number of 175 FTE. We apologize for the error.