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# CERTIFICATION

I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the accuracy of all numerical information has been verified.

Department of Human Services

**AGENCY NAME**

500 Summer Street NE  
Salem, OR 97301

**AGENCY ADDRESS**



**SIGNATURE**

Director

**TITLE**

**Notice:** Requests of agencies headed by a board or commission must be approved by official action of those bodies and signed by the board or commission chairperson. The requests of other agencies must be approved and signed by the agency director or administrator.

Agency Request

Governor's Budget

Legislatively Adopted

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# MEMORANDUM

Legislative Fiscal Office  
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**To:** Joint Legislative Committee on Information Management and Technology

**From:** Robert L. Cummings, Principal Legislative Analyst (IT)  
Laurie Byerly, Principal Legislative Analyst

**Date:** May 25, 2017

**Subject:** Department of Human Services: SB 5526 - POP #201 and the Oregon Health Authority - HB 5026 - ONE Integrated Eligibility & Medicaid Eligibility (ONE IE & ME) Project - LFO Analysis and Recommendations

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## **Agency Request:**

The Department of Human Services (DHS) has submitted a request to the Joint Committee on Ways and Means for funding for the ONE Integrated Eligibility & Medicaid Eligibility (ONE IE & ME) Project. With this request, which has been updated from the funding level approved in the Governor's Budget, project funding in the 2017-19 biennium would be \$219.6 million total, which represents about 91% of the overall estimated project cost of \$241.7 million total funds. Based on current federal match estimates, about 67% of the 2017-19 costs would be covered by federal dollars (\$147.5 million); DHS is requesting that \$45.6 million of the state share be supported by Article XI-Q Bonds. In addition to bond proceeds, the agency is requesting \$12.8 million General Fund to pay debt service on the bonds and a portion of the project costs. The request also includes 175 permanent and limited duration positions (126.04 FTE's) through the end of the biennium. DHS estimates that the project will take 39 months to execute, with completion estimated by June 2019. The figures above include an associated package in the Oregon Health Authority (OHA) budget that requests \$15.2 million total funds and 62 of the requested positions. Ongoing maintenance and operational costs for an estimated 10-15-year system lifespan are not included in the figures above and are being re-estimated at this time.

The purpose of this request is to continue the implementation resources needed to transfer Kentucky's human service eligibility determination functionality to Oregon where it will be integrated with the recently installed OregONEligibility System (ONE); this software was also transferred from Kentucky. With this additional functionality, the ONE IE & ME System will be able to also determine eligibility for:

1. Non-MAGI Medicaid (categorical eligibility for Aged, Blind, and Disabled populations);
2. Supplemental Nutrition Assistance Program (SNAP);
3. Temporary Assistance for Needy Families (TANF); and
4. Employment Related Day Care (ERDC).

## **A. LFO Analysis**



## Background

The ONE IE & ME Project was initially started in January 2015 under the name MAGI Medicaid Project (ONE). It progressed through the Office of the State Chief Information Officer (OSCIO) Joint OSCIO/LFO Stage Gate Review Process through Stage Gates #1 and #2 during 2015. In July 2015, the ONE IE & ME Project planning began.

In August 2015, DHS was told by the federal Centers for Medicare and Medicaid Services (CMS) that it must use ONE as its single eligibility determination system for all Medicaid programs. In December of 2015, ONE was implemented by the Oregon Health Authority (OHA) to perform Modified Adjusted Gross Income (MAGI) Medicaid eligibility determinations and the ONE Worker Portal went operational. In addition to developing a MAGI Medicaid eligibility system, the state of Kentucky also upgraded its systems for eligibility determination for other human services programs, thus providing transfer system functionality that potentially could be leveraged for the use and benefit of similar programs in Oregon.

In February 2016, ONE ongoing enhancements were initiated to better align the system with Oregon's business practices and the Applicant Portal was implemented. During the 2016 Legislative Session, the Department of Human Services (DHS) submitted a request to the Joint Committee on Ways and Means for funding (\$47.9 million total funds) for the Integrated Eligibility Determination (IE) Project (now called the ONE IE & ME Project). With the approval of this request, project funding in the 2015-17 biennium totaled \$55.4 million, which represented about 43% of the overall estimated project cost of \$130 million total funds (at that point in time) for the project. Based on the federal match estimates, about 85% of the project costs were expected to be covered by federal dollars (DHS requested that \$7.5 million of the state share be supported by Article XI-Q Bonds). The agency's 2015-17 budget also included 35 limited duration positions through the end of the biennium.

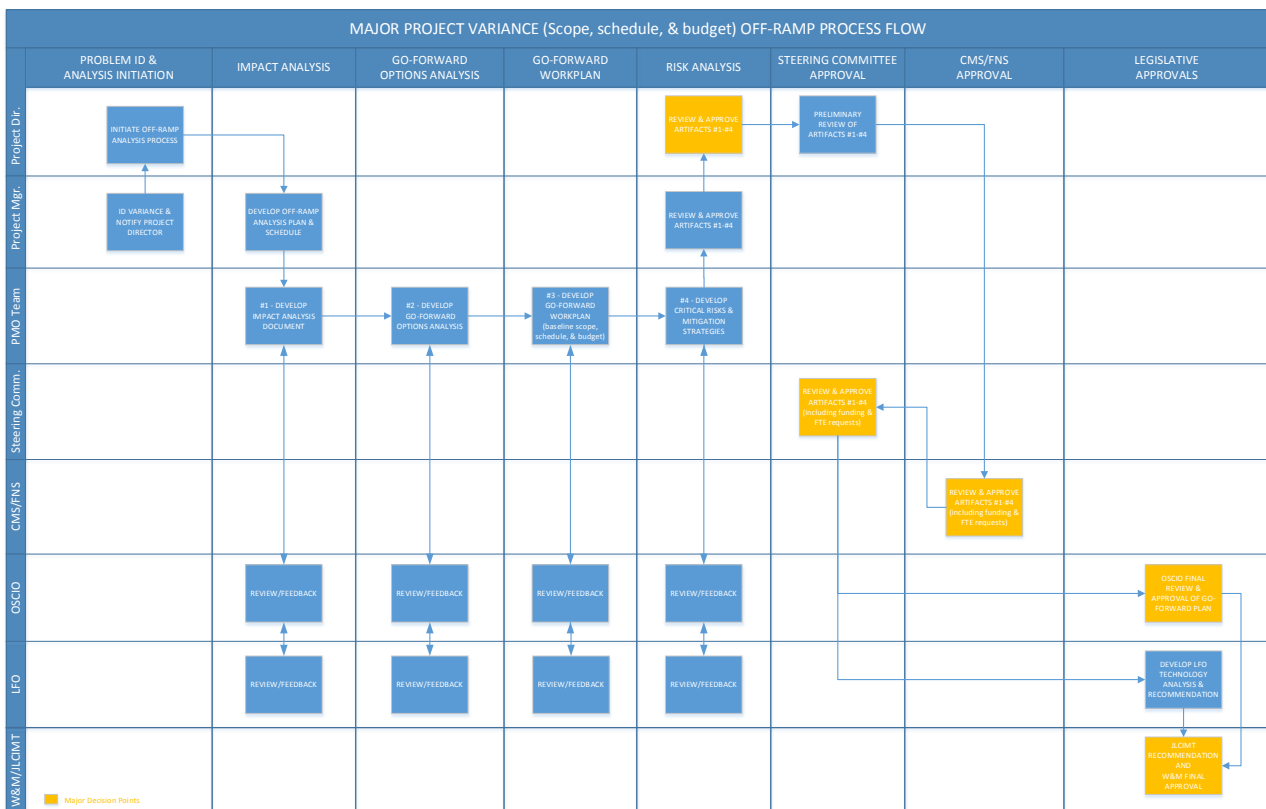
From February 2016 until September 2016, the IE Project team worked on completing the foundational project management documentation required by the Stage Gate #3 of the Joint OSCIO/LFO Stage Gate Review Process. In September of 2016, the project received its Stage Gate #3 endorsement from the Office of the Chief Information Office (OSCIO) and simultaneously received the Legislative Fiscal Office's approval for moving through Stage Gate #3 and into the formal project systems development lifecycle (SDLC) design and development phases. At that time the project's Quality Assurance (QA) vendor provided Deliverable 5.1, the Initial Risk Assessment Report. This assessment indicated very low risk ratings on nearly all major project health risk categories including total cost (budget), schedule, scope, financial business case, business transition, funding, long-term supportability, and long-term maintainability.

Overall, this project has progressed very well since its initiation in 2015 and through the fall of 2016. However, in late November of 2016, the LFO was notified by the ONE IE & ME Project Director, that the project had run into a major "snag" regarding how eligibility was to be determined, including the roles of DHS and OHA in this process. The disconnects arose as a result of joint application development (JAD) sessions that were conducted by the project's integration vendor, DHS, and OHA staff. During these sessions, it became clear that "work-split" agreements that had been made several years before between DHS and OHA management (a number of whom were no longer employed with either of the two agencies), were no longer acceptable to one, or both parties. The result was that for 3-4 months, the two agencies had to sit down and try to resolve these very challenging issues. Ultimately, a mediator was hired to facilitate the discussions and to help find a

middle-ground for doing eligibility work. The mediator worked with both DHS and OHA to come up with a mutually acceptable solution and consummated the agreement in a Memorandum of Understanding (MOU) on March 14, 2017. Part of this agreement was to develop a corresponding governance capability and to set up a plan (including staffing and budget) for transitioning OHA and DHS eligibility operations (scheduled for 03/31/17 - 06/30/17).

### Go-Forward Planning

During the timeframe of January through early May 2017, the OSCIO and LFO oversight staff worked directly with the ONE IE & ME Project management team to identify the impacts of these “work-split” discussions and decisions on the project itself. The ONE IE & ME Project management team executed the “major project variance/off-ramp” process below, to help provide the project steering committee, the DHS and OHA agency directors, the QA Vendor (Public Knowledge), and the OSCIO and the LFO oversight analysts with project impacts, go-forward options, updated project risks and mitigation strategies, updated costs and resource needs, and an overall go-forward plan for the recommended option. An overview of the process that was followed is shown in the chart below:



The final outputs of this process included the development of the following documents: 1) an impact analysis; 2) a go-forward options analysis; 3) a go-forward plan (revised scope, schedule, budget, and resource plan); and 4) an updated risk analysis. In addition, the project team identified a number of additional project issues that needed to be dealt with including the need for an improved governance structure, the need to include the legacy effort within the overall ONE IE & ME Project scope, the need to review and validate the “fit-gap” results, the need to update the project scope statement, the need to include a more adequate project contingency fund, the need to update the Stage Gate #3 foundational project management documents, the need to re-validate project estimates, and the need to acquire a new Independent Project Director.

The ONE IE & ME Project management team provided the Project Steering Committee and the Project Governance Board with the results of its go-forward planning in early May 2017 and received approval to go forward with the ONE IE & ME Project (pending legislative, CMS, and Food and Nutrition Services (FNS) concurrence with the go-forward plans and funding needs). The next step is for the ONE IE & ME Project Independent Director, and agency heads for both DHS and OHA to present their go-forward plans and resource needs to the JCLIMT.

#### LFO Findings

The LFO has worked closely with the ONE IE & ME project team since January of 2017. The major observations and findings from these interactions follow:

1. The project has followed a disciplined approach in dealing with a major change in its business environment, the recent loss of the original ONE IE & ME Project Director, and the four-month delay regarding decisions on how eligibility is to be done (and by whom);
2. The “off-ramp” process that the project followed was disciplined, and the project has come up with a go-forward approach that was objectively selected and can be defended;
3. The project has done a good job in working with its quality assurance vendor, to identify major risks, that left un-mitigated, would adversely affect the project’s chances for success. There are still a significant number of major risks that need to be mitigated;
4. The project has been open and transparent regarding the challenges that it is still faces;
5. During the four-month period where it wasn’t clear exactly how eligibility work would be done (and by whom), the project has worked well with its system integrator to focus the vendor’s staff on work that will definitely be part of the “go-forward” solution;
6. A project of this size, scope, and complexity has many inherent risks, including many risks over which management has a limited amount of control (i.e. the project’s size, the number of state and vendor staff, project complexity, changing scope, etc.). Having to “serve” two major agencies with a shared system, is especially difficult and full of risks (as evidenced by the recent disagreements related to how eligibility will be done, and by whom);
7. The failure to include integration with the legacy system as part of the original scope of the project was a major misstep that would have assuredly resulted in a failed project (or at least major schedule slippage and cost over-runs), had it not been caught and corrected. It was unreasonable to assume that the amount of work required to integrate the new IE & ME System into the existing legacy environment could be done only with existing OIS resources;
8. Project governance prior to April of this year was a significant challenge. The establishment of a Project Governance Board and a new Project Steering Committee should provide improved project oversight and decision-making for the ONE IE & ME Project;
9. The unknowns for this project are still very significant and until they are dealt with, they will continue to cause problems for the project;
10. The scope of the project is still not fully defined;
11. There may be significant data conversion and “dirty data” issues related to the legacy systems;
12. The foundational project management documents for the project will require a significant amount of updating. This work will have to be done in parallel with moving ahead with the project. The project has limited resources to do this type of work;

13. The technical challenges of modifying the Kentucky software (Benefind) that is being imported, while simultaneously modifying the ONE System, and integrating the two at a single point in time, is highly risky;
14. The inclusion of a business continuity plan and a disaster recovery plan into the scope of the project is a wise decision;
15. The resource challenges for shared resources (i.e. subject matter experts) are significant, and have been a problem for the project to date;
16. The history of this project's estimating to date has not been good. Current cost estimates are nearly twice that of the Stage Gate #2 estimates, and are now \$77M above the Stage Gate 3 estimates. Costs at this point in the project should be within +/-10%. While the project team has tried to make sure that there are no more surprises, the short amount of time that they've had to come up with the latest "final" cost estimates, does not bode well for their accuracy (particularly given the questions around the legacy effort);
17. Business process re-engineering and organizational change management will both be real challenges to the successful execution of the project;
18. Potential major changes at the federal level to the Affordable Care Act and other related healthcare services could have a major impact on the ONE IE & ME Project;
19. The OHA/DHS Eligibility Operations Transition (03/31/17 - 06/30/17) is a critical first step for the ONE IE & ME Project. This work will occur simultaneously with a significant amount of other critical project work (including a lot of "catch-up" work that the Legislature will require prior to September 2017). It will also require a significant increase in permanent and limited duration state resources.

Based upon the findings above and the following key factors, the LFO concurs with the overall go-forward plan and justifications (including resource requests) provided by the ONE IE & ME Project team (and subsequently approved by its Governance Review Board and Project Steering Committee). Despite the significant increase in scope, associated cost increases, and the many risks identified in going forward, the project still makes solid business, technical, and financial sense. The following factors are major contributors to the LFO's support of going forward with the ONE IE & ME Project:

1. The business reasons and justifications identified in the original business case (2015) are still valid. There still are strong business, technical, and financial reasons to proceed;
2. The continued availability of 90/10 federal funding via the A87 Cost Allocation Exception through December 31<sup>st</sup>, 2018, provides a significant opportunity for DHS and OHA to significantly reduce the impact of the costs of this project to the State of Oregon.
3. The go-forward analysis and planning that came out of the Major Project Variance and Off-Ramp process conducted by the ONE IE & ME Project team, make good sense for continuing this project (while still recognizing the major risks and challenges that it faces);
4. The concerted effort by the project team and the QA vendor to identify outstanding risks and to begin to develop and implement mitigation strategies for each;
5. The strong support for, and the recent approvals of, the "go-forward" plan by DHS leadership, OHA leadership, and the State Chief Information Officer;
6. The overall high quality of the work that has been done over the past 4-6 months by the ONE IE & Project team, including the development of a very solid Project Risk Analysis and related mitigation plan;
7. The acquisition of a highly experienced Independent Project Director;

8. The willingness of the ONE IE & ME Project leadership to be transparent about project risks and challenges, and their responsiveness to OSCIO and LFO oversight concerns; and
9. The willingness of the ONE IE & ME Project leadership team to look at all facets of the project and to go back to re-do key elements of Stage Gate #3 (i.e. foundational project management documentation) to make sure that the project is on a firm footing for going forward.

## **B. LFO Recommendations**

Based upon the analysis and findings above, the LFO recommends incremental, conditional approval of Policy Option Package #201, assuming the spending authority and personnel resources are made available to the Department of Human Services (DHS) within SB 5526, and to the Oregon Health Authority (OHA) within HB 5026. JLCIMT further recommends that the entire expenditure limitation be unscheduled by the Department of Administrative Services (DAS), and the Department of Human Services be required to request the Office of the State Chief Information Officer (OSCIO), Chief Financial Office (CFO), and Legislative Fiscal Office (LFO) approval, that a portion, or all of the remaining unscheduled expenditure limitation, be rescheduled for the agency to use to initiate and complete the remaining ONE IE & ME Project execution activities. Specifically, the JLCIMT recommends that the Department of Human Services and the Oregon Health Authority:

### Report Progress to JLCIMT by September 2017

1. Obtain Centers for Medicare and Medicaid Services (CMS) and Food and Nutrition Services (FNS) funding and go-forward plan approvals;
2. Update the ONE IE & ME Project “Major Project Variance and Off-Ramp Plan;”
3. Complete the updating of all Stage Gate #3 foundational project management documents identified by DHS and the OSCIO that were affected by the recent changes in scope for the ONE IE & ME Project;
4. Work with the OSCIO to direct the quality assurance vendor to assist in the independent re-validation (preferably by an outside vendor) of all project estimates to assure that those estimates provided to date by the ONE IE & ME Project state staff and the system integration vendor are valid. Provide evidence that the re-validated estimates are based upon a well-defined estimating methodology and associated estimating assumptions. Include in this re-validation a clear definition of the “level of effort” required for each activity estimated by the system integration vendor;
5. Develop a final revised baseline project scope, schedule, budget, and resource plan. Clearly define the scope of the legacy related work. Revise all project estimates accordingly. Provide an “integrated project schedule” across all major elements of the ONE IE & ME Project such that a critical path and resource plan can be developed;
6. Develop a resource management plan to help verify that resource constraints for the Office of Information Services (OIS) support staff (i.e. subject matter experts) have been minimized. Wherever possible, minimize the use of interruptible resources to support the ONE IE & ME Project;
7. Re-negotiate the system integrator contract to provide better protections for all parties, including spending caps, hold-backs, level of efforts for all activities, estimate re-validation, and accountability measures;
8. Provide an updated 5-year total cost of ownership (TCO) based on estimated long-term annual maintenance and operational costs for the new system;

9. Review the major risks identified by the ONE IE & ME Project management team and the quality assurance vendor, and develop an updated mitigation and risk-balancing plan (between the state and the system integrator);
10. Update the foundational assumptions/strategies/constraints document to verify that all key risks are documented and that each has a clearly defined mitigation strategy;
11. Work with the OSCIO to direct the quality assurance vendor to re-validate the recent “fit-gap” process to verify that the most recent scope and requirements are being used. This effort should include an “end-to-end” conceptual business model for the new system. This model should be traceable to system requirements. The quality assurance vendor should lead an end-to-end design review to verify that the most current system design is consistently using the most current project scope and requirements;

#### Report to JLCIMT by the 2018 Legislative Session

12. Provide a comprehensive project status update with a current baseline scope, schedule, budget (including revised “total cost of ownership”), and a risk management plan;
13. Provide the OSCIO and LFO with a detailed list of goals, deliverables, and key milestones for the balance of the ONE IE & ME Project. Include a timeline with estimated dates for achieving each goal, deliverable, and milestone;
14. Provide an architectural assessment for Stage Gate 3 documents (typically required by OIS on all major IT projects). This assessment would include a conceptual data model as well as an architectural model. These models should include both the ONE IE & ME System and the legacy components that will make up the final system. All products should be provided to the OSCIO and LFO;
15. Develop a business process re-engineering plan and an organizational change management plan;
16. Develop a ONE IE & ME System “code merge plan” and document related strategies.
17. Develop a DHS/OHA independent test plan that goes beyond the testing that will be done by the systems integrator;

#### Quality Assurance Related

18. Work with the OSCIO to update the quality assurance oversight plan to include the addition of quality assurance and control services for the legacy component of the ONE IE & ME Project;
19. Work with the OSCIO to direct the quality assurance vendor to conduct a quality control (QC) review of all revised key project management deliverables that may have been modified as a result of the recent scope changes to the ONE IE & ME Project (including, but not limited to, the business case, project charter, project requirements, governance plan, project contracts and statements of work (SOW’s), and baseline scope, schedule, budget, and resource plans);
20. Provide both the OSCIO and LFO with copies of all QA vendor deliverables;
21. Continue to utilize independent quality management services. The contractor should:
  - Directly report to the OSCIO which will be responsible for final review, approval, and authorization for payment of all quality assurance and quality control review deliverables.
  - Conduct ongoing risk and performance assessments, and respond to the OSCIO, LFO, and DAS feedback.
  - Perform quality control reviews on the key ONE IE & ME Project execution phase deliverables.
  - Perform ongoing, independent quality management services as directed by the OSCIO;

### General

22. Continue to follow the Joint State CIO/LFO Stage Gate Review Process;
23. Continue to utilize a qualified project manager with experience in planning and managing programs and projects of this type, scope, magnitude, and complexity;
24. Regularly report project status to the OSCIO and LFO throughout the project's remaining lifecycle;
25. Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System for all project review, approval, and project status and QA reporting activities throughout the life of the ONE IE & ME Project; and
26. Complete a formal "project close out" report upon completion of all ONE IE & ME Project phases.

- Motion on the LFO recommendations

### **C. Final IT Subcommittee Action**

Transmit the Joint Legislative Committee on Information Management and Technology's recommendations to the Human Services Subcommittee of the Joint Committee on Ways and Means.

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# MEMORANDUM

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**To:** Ways and Means Subcommittee on Human Services

**From:** Laurie Byerly, Legislative Fiscal Office  
Linda Ames, Legislative Fiscal Office

**Date:** May 31, 2017

**Subject:** SB 5543 -- Department of Human Services and Oregon Health Authority  
2015-17 Budget Rebalance

The Department of Human Services (DHS) and the Oregon Health Authority (OHA) have submitted their 2015-17 budget rebalance plans. The agencies will present their plans to the Human Services Subcommittee on Wednesday, May 31<sup>st</sup>, and we expect to complete the work session that day.

These rebalance plans reflect program cost increases and savings, revenue changes, and technical adjustments needed to balance each agency's budget. Rebalancing allows the agencies to move General Fund between appropriations and adjust Other and Federal Funds expenditure limitation to carry out legislatively approved programs.

Caseload and cost per case adjustments are based on the Spring 2017 caseload forecast; associated budget changes reflect differences from the Fall 2016 forecast, which was partially incorporated into the budgets through rebalance actions approved by the Emergency Board in December 2016. These actions result in net General Fund savings for each agency; the impact of the two agencies combined is \$63.0 million General Fund.

SB 5543 (a blank appropriation bill) will be the vehicle for the budget adjustments needed to implement the plan; the recommended -1 amendment makes those changes. The Legislative Fiscal Office (LFO) analysis of the agencies' requests and recommendations related to those requests are below.

## **DEPARTMENT OF HUMAN SERVICES**

The rebalance plan for DHS indicates the agency expects to complete the 2015-17 biennium with a surplus of \$51.4 million General Fund. This net estimate is primarily due to fluctuations in caseload and cost per case, but also includes some cost increases and program savings. DHS also projects needing less Other Funds (\$18.0 million) and Federal Funds expenditure limitation (\$14.4 million) to close out the biennium. These net decreases include adjustments (increases)



in two appropriations and technical adjustments that net to zero agency wide. There are no changes to positions or FTE. The LFO recommendation is generally consistent with the agency's request; however, it does recommend disappropriating, rather than reverting, the surplus General Fund and allowing the agency to retain excess expenditure limitation. The latter step should support accounting entries and adjustments needed to close out the 2015-17 budget without further legislative action. The plan also includes a small General Fund cushion to help address potential close-out issues; any additional excess General Fund will be reverted.

The following table shows the General Fund impact of the agency's rebalance plan by program and agency totals:

<b>Department of Human Services General Fund \$\$ in millions</b>	<b>SS</b>	<b>CW</b>	<b>VR</b>	<b>APD</b>	<b>IDD</b>	<b>CS PDS SAEC Shared</b>	<b>Debt</b>	<b>Total</b>
<b>2015-17 Leg Approved Budget (December 2016)</b>	375.4	481.3	24.3	897.0	743.4	253.5	3.9	2,778.7
<b>Rebalance Adjustments:</b>								
<b>Costs</b>	-	18.7	-	15.2	-	0.7	-	34.6
<b>Savings/Revenues</b>	(40.4)	(10.5)	-	(32.7)	-	(2.4)	-	(86.0)
<b>Technical adjustments</b>	20.0	(20.0)	-	-	-	-	-	-
<b>Net Change</b>	(20.4)	(11.8)	-	(17.5)	-	(1.7)	-	(51.4)
<b>2015-17 Leg Approved (After May-17 Rebalance)</b>	354.9	469.5	24.3	879.5	743.4	251.8	3.9	2,727.2

More detail on the changes and LFO's recommendations for each program are outlined in the subsequent narrative. These are grouped by legal appropriations as approved in the agency's 2015-17 budget bill.

### ***Self Sufficiency/Child Welfare/Vocational Rehabilitation (SS/CW/VR)***

The rebalance plan for SS/CS/VR reflects net decreases of \$32.2 million General Fund, \$10.1 million Other Funds, and \$9.3 million Federal Funds. However, Other Funds expenditure limitation is not being recommended for reduction to support end of biennium accounting transactions.

For Self Sufficiency programs, the biennial average caseload in the Temporary Assistance to Needy Families (TANF) program has dropped by 873 families from the fall forecast, down to 22,426, which drives savings of \$29.2 million General Fund. This net amount includes a small increase in cost per case for TANF two-parent caseloads and \$1 million General Fund for cost contingencies in the last quarter of the biennium.

In addition to savings in TANF, DHS expects to underspend the Employment Related Day Care (ERDC) budget by \$11.2 million General Fund; there is also an associated projected ending balance of \$9.2 million Other Funds in Child Care Development Fund resources. The program

received a substantial funding increase in 2015-17; the higher funding level coupled with changes in eligibility timeframes and provider requirements made it more challenging to maximize ERDC participation while staying within the program's budget cap.

The rebalance also includes a technical action funding shifting \$20.0 million from Federal Funds to General Fund in Self Sufficiency and making the exact opposite shift in Child Welfare. This allows the General Fund to be counted for TANF Maintenance of Effort (MOE) in Self Sufficiency while keeping the Child Welfare program whole with federal dollars.

In Child Welfare, there are net General Fund savings of \$11.8 million because of overall lower caseloads; the total number of children served decreased by 31 between caseload forecasts. Embedded in the savings amount are higher costs for adoption assistance and due to more children are being placed out of home than previously projected. Another increased cost (\$7.9 million General Fund) is Attorney General legal billings that projected to be over budget; this is an ongoing issue that will likely continue to be a budget problem going forward.

As noted previously, \$20.0 million General Fund is shifted to Federal Funds to address TANF MOE. In addition, dollars (\$9.0 million) are being moved from federal Social Services Block Grant and TANF administration sources to General Fund to preserve federal carryforward and stay under a federal cap on administrative spending. As in the Self Sufficiency program, \$1 million General Fund for cost contingencies in the last quarter of the biennium is also retained in the budget as part of the plan.

No rebalance adjustments are needed for the Vocational Rehabilitation program.

### ***Aging & People with Disabilities/Intellectual & Developmental Disabilities (APD/IDD)***

The rebalance request for APD/IDD reflects net decreases of \$17.5 million General Fund and \$8.4 million Other Funds, along with an increase of \$10.7 million Federal Funds. However, the Other Funds expenditure limitation is not being proposed for reduction to support end of biennium accounting transactions.

For the Aging and People with Disabilities' budget, while overall caseloads have increased by 114 clients, the cost associated with that increase have been offset by cost per case savings, primarily in the live-in program. Due to high costs, consumers in this program have been transitioning to other plans, primarily into in home hourly. The number of participants dropped from 500 to 297 between forecasts.

The net \$17.5 million in APD General Fund savings accounts for the cost of both the caseload increases in the hourly program and higher caseloads in nursing facilities. A fundshift from Other Funds to General Fund of \$13.8 million is also included, which allows for nursing facility provider tax revenues to be carried forward.

Other items reducing General Fund need include a fundshift to adjust for increased estate recoveries, better federal match rates on services for some clients, and personnel related actions; collectively these plan components offset \$19.9 million in General Fund expenditures.

No change to the General Fund budget is being requested for the Intellectual and Developmental Disabilities (IDD) program. Spring caseloads are trending with the prior forecast in the short term, but cost have increased as more adults are projected to receive comprehensive in-home services. This activity, together with a funding gap left after the last rebalance and some additional costs tied to program management efforts, drive General Fund costs of about \$5.1 million. Another \$2.9 million in potential costs are associated with caseload volatility and the impacts of unwinding previously implemented reductions in service hours. The latter program change was a cost containment effort that was halted due to legal action.

These costs are offset by a reduced need for General Fund in other areas, primarily in the Stabilization and Crisis Unit (SACU). The unit received a staffing increase for this biennium but labor contract negotiations took longer than anticipated, which delayed the filling of some positions. The agency also began receiving a higher federal match rate on SACU work beginning January 1, 2017; this change reduced General Fund need but does require another \$2.9 million Federal Funds expenditure limitation to book expenditures appropriately.

#### ***Central Services/Program Design Services/Statewide Assessments and Enterprise-Wide Costs/Shared Services (CS/PDS/SAEC/Shared)***

No changes are requested for the Central, Program Design, or Shared Services programs. The agency does project a potential for \$1.5 million General Fund savings but has retained those in the plan as a hedge against unforeseen issues. In Statewide Assessments and Enterprise-wide Costs, there is \$1.7 million General Fund in net savings for disappropriation. Within this amount are costs of \$0.5 million related to the new DAS telephone system plus another \$0.2 million to cover higher than budgeted mass transit, unemployment, and technology charges. In Other Funds, there is a net overall increase of \$0.5 million in expenditure limitation.

Costs are more than offset by \$2.4 million in General Fund savings, primarily for unspent facility project dollars (\$1.1 million) and changes in cost allocation for shared services functions that shift some costs over to the Oregon Health Authority (\$1.0 million). Federal Funds expenditure limitation is retained for end of biennium transactions.

#### ***Debt Service***

There are no rebalance adjustments needed for debt-related costs.

#### **OREGON HEALTH AUTHORITY**

The plan submitted by the agency shows that OHA expects to complete the 2015-17 biennium with a surplus of \$7.6 million General Fund. This is related to several issues, including lower caseload, Other Fund revenues above forecast, and a mixture of increases and decreases in program costs. The plan would increase Other Funds expenditure limitation by \$16.8 million,

and decrease Federal Funds by \$941.4 million. Technical adjustments net to zero agency wide. There are no changes to positions or FTE. The Legislative Fiscal Office recommendation includes an additional \$4.0 million General Fund savings resulting from underspending in the rural provider insurance subsidy program. The total General Fund savings is then \$11.6 million.

This table shows the agency plan’s General Fund impact by program and agency totals:

<i>General Fund \$\$ in millions</i>	HSD	Health Policy	Public Health	OSH	Central/ Shared	Cap Impr	Total
<b>2015-17 Leg. Approved Budget</b>	1,450.5	22.4	43.1	451.3	202.0	0.7	2,169.9
<b>Rebalance Issues</b>							
<b>Costs</b>	5.9	4.8	-	-	11.3	-	22.0
<b>Savings</b>	(23.6)	(2.5)	(3.2)	-	(0.3)	-	(29.6)
<b>Technical Adjustments</b>	(0.1)	(0.0)	-	-	0.1	-	0.0
<b>Net Change</b>	(17.7)	2.3	(3.2)	-	11.0	-	(7.6)

**Health Systems Division (HSD)**

The OHA rebalance plan includes several adjustments to HSD. Rebalance issues in this program result in overall net savings of \$17.7 million General Fund. The plan includes a net increase in Other Funds of \$14 million, and a decrease in Federal Funds of \$923.7 million.

OHA reports General Fund savings of \$3.6 million from caseload changes, as can be seen in the table below. The updated Spring 2017 caseload forecast resulted in a decrease of 3,637 individuals on the caseload, compared to the Fall 2016 forecast. Most of this decline is in the ACA expansion population and the Children’s Medicaid Program, which is offset by an increase in the Children’s Health Insurance Program (CHIP). The state receives a better match rate for CHIP than for the Children’s Medicaid Program, so the movement of children into CHIP results in a General Fund savings overall. The Parent/Caretaker Relative category has increased since the Fall 2016 forecast. This category is decreasing over time, but not as quickly as was assumed in the last forecast. The financial impact of caseload changes result in a savings to General Fund costs of \$9.5 million. This is offset by the \$6 million of caseload costs that was not funded in the December 2016 rebalance, but rather left as a hole in the agency budget.

The rebalance includes several adjustments that result in savings to the General Fund. This includes an increase of \$5 million in the tobacco tax forecast and \$6 million more in anticipated drug rebate revenues. A savings of \$5.3 million General Fund results from the Special Needs Rate Group settlement from Coordinated Care Organizations (CCOs). This is the final settlement related to a risk-sharing arrangement with CCOs for costs of certain high risk populations when they were moved from Fee-for-Service to CCOs. There is \$3.7 million General Fund savings related to the ONE system. Costs have come in lower than expected, partially due to staff turnover in the processing center. LFO recommends another \$4 million in

General Fund savings as a result of underspending in the rural provider insurance subsidy program. This results in an overall General Fund savings of \$21.7 million in HSD.

2015-17 Biennium	Approved Budget	May 2017	Difference	% Change	\$MM Difference
<b>Medicaid Caseload Eligibility Category</b>					
Affordable Care Act (ACA) Adults	409,098	404,970	(4,128)	-1.0%	(40.1)
Parent/Caretaker Relative	68,770	70,491	1,721	2.5%	22.0
Pregnant Women	16,639	16,471	(168)	-1.0%	(4.8)
Children's Medicaid Program	344,965	341,051	(3,914)	-1.1%	(18.3)
Aid to Blind and Disabled	82,008	82,154	146	0.2%	5.3
Old Age Assistance	42,338	42,133	(205)	-0.5%	(2.0)
Foster/Adoption/BCCP	20,046	20,050	4	0.0%	(0.1)
Children's Health Insurance Program	61,706	65,281	3,575	5.8%	14.0
Medicare Buy-in, CAWEM	71,255	70,587	(668)	-0.9%	(1.6)
<b>TOTAL</b>	<b>1,116,825</b>	<b>1,113,188</b>	<b>(3,637)</b>	<b>-0.3%</b>	<b>(\$25.5)</b>
Total General Fund Impact					(\$9.5)
Unfunded caseload from December 2016 Rebalance					\$6.0
Net General Fund Impact					<b>(\$3.6)</b>

The plan also includes increased costs for the “clawback” for the current biennium of \$5.9 million General Fund. This is the funding that the state is required to pay to our federal partners for the cost of prescription drug benefits under Medicare Part D for clients that are eligible for both Medicaid and Medicare.

The HSD plan includes a decrease in Federal Funds expenditure limitation of \$923.7 million. Most of this was a result of caseload changes in the December 2016 rebalance. The Federal Funds were unscheduled at that time, since the Emergency Board does not have the authority to reduce the agency budget. This empty limitation is now being removed from the budget.

### **Health Policy and Analytics**

The Health Policy and Analytics plan result in overall net costs of \$2.3 million General Fund. The plan includes a net increase in Other Funds of \$2.3 million, and a decrease in Federal Funds of \$76,500. Costs of \$4.8 million are related to legal costs incurred by the agency as a result of the Cover Oregon litigation. Savings of \$2.4 million General Fund resulted from a no cost extension of the State Innovation Model (SIM) grant that was originally awarded in 2013 for the period ending September 2016. The extension allowed the agency to utilize grant funding to complete work that would have otherwise been paid by General Fund.

### **Public Health**

The Public Health plan results in \$3.2 million in General Fund savings. The CARE Assist program has \$3 million General Fund available, because of an increase in Other Funds revenues from

rebates on insurance premiums that are paid through this program. The Breast and Cervical Cancer Screening Program also expects to underspend their General Fund budget by \$227,000. Demand for services through this program has been decreasing since the Affordable Care Act increased the number of Oregonians that have insurance.

***Central Services/Shared Services/Statewide Assessments & Enterprise-Wide Costs***

The rebalance plan for Statewide Assessments & Enterprise-Wide Costs includes a net increase in General Fund of \$11 million. Higher utilization of Department of Administrative Services (DAS) usage-based services as well as cost allocation changes for State Government Service Charges has resulted in an increase of \$0.3 million. The continued implementation of the new DAS telephone system, MUSIC, is expected to cost \$0.4 million General Fund more than budgeted during the current biennium. Risk charges offset these costs with \$0.3 million in General Fund savings.

Shared Services costs continue to be affected by changes in cost allocation, partially resulting from the inclusion of the Oregon State Hospital in cost allocation. The General Fund cost is expected to be an additional \$6.6 million. Because these are shared services across both OHA and DHS, there is a General Fund savings in DHS related to this item. Finally, costs have increased by \$3.9 million because of increased utilization and cost allocation for Enterprise Technology Services (ETS).

**Legislative Fiscal Office Recommendations**

LFO recommends the following actions to implement the DHS and OHA 2015-17 rebalance plans with the adjustments as described above.

**Department of Human Services**

	General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
Self Sufficiency						
Child Welfare						
Vocational Rehabilitation	(32,202,000)	-	(9,254,132)	(41,456,132)	-	-
Adults & People with Disabilities						
Intellectual & Developmental Disabilities	(17,535,382)	-	10,708,805	(6,826,577)		
Central Services						
Program Design Services						
SAEC	(1,700,153)	512,831	-	(1,187,322)	-	-
Debt Service	-	-	-	-	-	-
Shared Services	-	-	-	-	-	-
<b>TOTAL</b>	<b>(51,437,535)</b>	<b>512,831</b>	<b>1,454,673</b>	<b>(49,470,031)</b>	<b>-</b>	<b>-</b>

**Oregon Health Authority**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>	<b>Positions</b>	<b>FTE</b>
<b>Health Services Programs</b>	(22,582,478)	16,304,929	(924,045,139)	(930,322,688)	-	-
<b>Central/SAEC</b>	11,030,371	475,262	(17,306,106)	(5,800,473)	-	-
<b>TOTAL</b>	(11,552,107)	16,780,191	(941,351,245)	(936,123,161)	-	-

1. Approve the -1 amendment to SB 5543 to adjust General Fund appropriations, and Other Funds and Federal Funds expenditure limitations.

**Motion #1: I move to adopt the -1 amendment to SB 5543**

2. Move the bill as amended to the Full Committee on Ways and Means with a “do pass” recommendation, as amended.

**Motion #2: I move SB 5543 to the Joint Committee on Ways and Means with a “do pass” recommendation, as amended.**

**HB 2661 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Keny-Guyer

**Joint Committee On Ways and Means**

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**Action Date:** 06/29/17

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**House Vote**

**Yeas:** 11 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith G, Smith Warner, Stark, Whisnant, Williamson

**Senate Vote**

**Yeas:** 11 - DeBoer, Devlin, Frederick, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Thomsen, Winters

**Nays:** 1 - Girod

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

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**Department of Human Services**

**2017-19**



## **Budget Summary**

	2015-17 Legislatively Approved Budget	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 57,401	\$ 57,401	
Other Funds Limited	\$ -	\$ -	\$ 56,250	\$ 56,250	
Total	\$ -	\$ -	\$ 113,651	\$ 113,651	

## **Position Summary**

Authorized Positions	0	0	2	2	
Full-time Equivalent (FTE) positions	0.00	0.00	0.50	0.50	

## **Summary of Revenue Changes**

House Bill 2661 requires people providing long-term care referrals to register with and pay a fee to the Department of Human Services (DHS), every two years. The bill authorizes DHS to establish an initial registration fee of \$750 and to impose civil penalties relating to the registration. DHS is also authorized to establish a renewal fee, by rule, up to \$750. The fees are expected to generate approximately \$56,520 for the 2017-19 biennium, assuming there will be 75 entities required to register with DHS.

## **Summary of Human Services Subcommittee Action**

House Bill 2661 requires people 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 Subcommittee approved a \$57,401 General Fund appropriation and \$56,250 Other Funds expenditure limitation (\$113,651 total funds) for two permanent part-time positions (0.50 FTE); one Operations and Policy Analyst 3 position and one Administrative Specialist 2 position, to implement and administer the provisions of the bill. Members noted that the mix of General Fund and fee revenue needed to adequately support the program after implementation may vary depending on the number of registered agents and level of agency effort needed to meet statutory requirements.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Department of Human Services  
 Tamara Brickman -- (503) 378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<b>SCR 060-08 - Aging and People with Disabilities</b>									
Personal Services	\$ 22,942	\$ -	\$ -	\$ -	\$ -	\$ -	22,942	2	0.50
Services and Supplies	\$ 34,459	\$ -	\$ 56,250	\$ -	\$ -	\$ -	90,709		
<b>SUBCOMMITTEE RECOMMENDATION</b>	<b>\$ 57,401</b>	<b>\$ -</b>	<b>\$ 56,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>113,651</b>	<b>2</b>	<b>0.50</b>

**SB 5526 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Steiner Hayward

**Joint Committee On Ways and Means**

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**Action Date:** 06/30/17

**Action:** Do pass with amendments. (Printed A-Eng.)

**Senate Vote**

**Yeas:** 12 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Thomsen, Winters

**House Vote**

**Yeas:** 7 - Gomberg, Holvey, Nathanson, Rayfield, Smith G, Smith Warner, Williamson

**Nays:** 4 - Huffman, McLane, Stark, Whisnant

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

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**Department of Human Services**

**2017-19**

## Budget Summary\*

	2015-17 Legislatively Approved Budget <sup>(1)</sup>	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 2,723,349,217	\$ 3,270,198,241	\$ 3,102,015,964	\$ 378,666,747	13.9%
General Fund Debt Service	\$ 3,863,400	\$ 4,893,959	\$ 4,893,959	\$ 1,030,559	26.7%
Other Funds Limited	\$ 539,710,476	\$ 546,806,345	\$ 551,495,145	\$ 11,784,669	2.2%
Federal Funds Limited	\$ 4,805,209,969	\$ 5,279,895,699	\$ 5,323,663,179	\$ 518,453,210	10.8%
Federal Funds Nonlimited	\$ 2,514,345,331	\$ 2,214,345,331	\$ 2,214,345,331	\$ (300,000,000)	(11.9%)
<b>Total</b>	<b>\$ 10,586,478,393</b>	<b>\$ 11,316,139,575</b>	<b>\$ 11,196,413,578</b>	<b>\$ 609,935,185</b>	<b>5.8%</b>

## Position Summary

Authorized Positions	8,053	8,238	8,224	171
Full-time Equivalent (FTE) positions	7,902.39	8,164.88	8,080.44	178.05

## Emergency Board

	2015-17 Legislatively Approved Budget <sup>(1)</sup>	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 750,000	\$ 750,000	100.0%
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>100.0%</b>

<sup>(1)</sup>Includes adjustments through June 2017

\* Excludes Capital Construction expenditures

## Summary of Revenue Changes

The Department of Human Services (DHS) is funded with a mix of General Fund, Other Funds and Federal Funds revenues. Almost all the General Fund is used as match or to meet state maintenance of effort requirements to receive Federal Funds. Other Funds revenues come from a wide variety of sources, such as nursing home provider taxes, child care development funds, grants, unitary tax assessment, collections of overpayments, estate collections, third party recoveries, fees and charges for services.

The largest single Federal Funds source is the Title XIX Medicaid program, which is expected to supply at least \$3.8 billion to support programs across the agency. The Supplemental Nutrition Assistance Program (SNAP) is the next largest federal contributor; \$2.2 billion in estimated benefits are reflected in the budget as Nonlimited Federal Funds. Other Federal Funds subject to expenditure limitation include Temporary Assistance to Needy Families (TANF); Title IV-B Child Welfare Services; Title IV-E Foster Care and Adoption Assistance; Title XX Social Services

Block Grant; Developmentally Disabled Services Act (DDSA) funds; Family Violence Prevention grant funds; Older Americans Act funds; Nutrition Services Incentive Program (NSIP) funds; Rehabilitation Act grants; and Basic 110, Section 633, and Section 711 Rehabilitation funds. Some of these sources are capped block grants (e.g., TANF, Social Services Block Grant); others provide federal matching funds as partial reimbursement of state costs (e.g., Medicaid, Foster Care, and Adoption Assistance).

Federal Child Care and Development Fund (CCDF) grants are received by the Oregon Department of Education and passed through to the department where they are spent as Other Funds in the Employment Related Day Care program; \$97.0 million in CCDF is anticipated for DHS use in 2017-19.

Three major methodologies are used to project revenues for the department: 1) the category of expenditures based on estimated Average Daily Populations (ADP) and Cost per Case (CPC) is primarily used for federal entitlement grants, 2) grant cycles and where they fall within the biennium are considered for block grants; assumptions based on the results of prior grant averaging and the anticipated effect of the federal budget process are both used to project the amount of funds to be received, and 3) the historical receipt trends method is used for Other Funds sources such as collections of overpayments and fees unless the agency has additional information, such as anticipated special projects, which would increase revenue or a temporary need for additional staff and will change the projections for a specific time period.

The Subcommittee noted the budget authority and revenue projections are based on current law and do not reflect potential adjustments to federal programs and funding streams presently being discussed at the federal level. Many of these proposals would directly affect DHS' ability to provide food assistance and to support programs helping seniors and people with disabilities.

### **Summary of Human Services Subcommittee Action**

The mission of DHS is to help Oregonians, in their own communities, achieve safety, well-being and independence through services that protect, empower, respect choice and preserve dignity. DHS is responsible for the care of some of Oregon's most vulnerable citizens – children, families, people with intellectual and developmental disabilities and seniors. DHS also serves Oregonians at times when they are most in need – when they have experienced abuse, when they are hungry and when they are homeless.

DHS's budget is divided into five distinct programs areas: Child Welfare, Self Sufficiency, Vocational Rehabilitation, Aging and People with Disabilities and Intellectual/Developmental Disabilities. These program areas are supported by Central Services, Shared Services and Program Design Services; the budget includes a reorganization of this last support area, which eliminates the budget unit going forward.

The Subcommittee approved a budget of \$3,106,909,923 General Fund, \$551,495,145 Other Funds expenditure limitation, \$5,323,663,179 Federal Funds expenditure limitation, \$2,214,345,331 Federal Funds Nonlimited (\$11,196,413,578 total funds) and 8,224 positions (8,080.44 FTE). This is a 5.8 percent total funds increase from the 2015-17 Legislatively Approved Budget. To develop the budget, the Subcommittee

discussed and reviewed packages used to build the Governor's Budget, examined stakeholder budget requests, and incorporated the agency's repricing ("reshoot") adjustments for caseload, cost-per-case, and other changes since budget development began in early 2016. Caseload and associated cost adjustments are based on the Spring 2017 forecast. Also included in the Subcommittee's recommended budget are 2015-17 interim actions that have an impact on the agency's 2017-19 budget.

After holding public hearings on the agency's programs and reviewing budget information, the Subcommittee identified three priority areas for action and follow up during the interim. A budget note was subsequently approved to ensure routine communication and formal opportunities for Legislative feedback:

### **Budget Note**

The Department of Human Services (DHS) will provide interim reports to the Legislature on the three topics outlined below; the agency may choose to submit either combined or separate status reports but should be consistent in approach once reporting has begun, unless otherwise instructed. Reports will be submitted for review and approval at each meeting of the appropriate interim budget committee (either Joint Committee on Ways and Means or Emergency Board) throughout the 2017-19 interim; an update during the 2018 legislative session may also be requested by either the agency or budget committee.

1. **Child Welfare** - This program has been struggling to meet legislative and stakeholder expectations around child safety, provider oversight, policy alignment, program performance, and system accountability. To help address this struggle, the recommended budget does contain funding and positions to help support the program, with a focus on foster parents, other providers, and agency caseworkers. However, for the latter group, there continues to be legislative concern that more training and positions alone will not be sufficient to improve agency performance in recruiting, hiring and retaining quality caseworkers. It is also likely that although the new Consultant Educator Trainer (CET) positions are intended to improve safety by providing the clinical consultation and training, the impacts will not be immediate as many of the agency's most experienced casework staff will likely apply for these positions creating the need to backfill those positions with new casework staff that will need to be trained before being fully functioning. Interim reporting is directed to keep the Legislature aware and focused on agency progress in this area.

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.

**2. Intellectual and Developmental Disabilities** - 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.

**3. Position Management** - 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 a position’s funding versus actual cost and to determine if a vacant position is no longer needed. It is also not consistent with truth in budgeting and makes it challenging to set baselines for cost containment strategies, budget growth metrics or program capacity analyses.

At a minimum, at each interim meeting, the Department will report on progress, 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.

As of June 1, 2017, DHS had 494 double filled positions, 814 vacant positions and 7,767 employees.

Program Design Services

During the 2013-15 biennium, certain staff in each program were consolidated into a single agency-wide budget structure called Program Design Services (PDS). The following offices were set up in the new structure: Licensing and Regulatory Oversight, Information Technology Business Supports, Business Intelligence and Program Integrity. Since that time, the agency has determined some of these functions would be more effective if embedded in the programs; the resulting reorganization is expected to improve client safety and responsiveness to provider oversight issues.

The Subcommittee approved a complete reorganization of this division, which fully redistributes the program to other budget structures, and thus no funding or positions are recommended for PDS. The Subcommittee’s budget eliminates this division through a combination of actions in Package 095, December 2016 Rebalance, and Package 801, LFO Analyst Adjustments. Positions (and their commensurate funding) were transferred as outlined in the table below:

	Licensing and Regulatory Oversight		Information Technology Business Supports		Business Intelligence		Program Integrity		Total	
	POS	FTE	POS	FTE	POS	FTE	POS	FTE	POS	FTE
<b>FROM:</b>	(113)	(113.00)	(37)	(37.00)	(26)	(26.00)	(39)	(39.00)	(215)	(215.00)
<b>TO:</b>										
<b>Aging and People with Disabilities</b>	87	87.00	9	9.00	-	-	-	-	96	96.00
<b>Intellectual and Developmental Disabilities</b>	17	17.00	12	12.00					29	29.00
<b>Child Welfare</b>	9	9.00							9	9.00
<b>Central Services</b>			15	15.00	26	26.00	39	39.00	80	80.00
<b>Shared Services</b>			1	1.00					1	1.00
									<b>Total</b>	<b>215 215.00</b>

The reorganization maintains centralized efforts for Business Intelligence and Program Integrity, but moves them into the Central Services budget structure. Central Services will also house some of the resources formerly in Information Technology Business Supports (ITBS); now



called the Office of Technology and Information Supports. This unit consists of business analysts and other staff supporting the agency's enterprise level, cross-program systems or projects such as ONE Integrated Eligibility and Medicaid Eligibility. The other business analyst positions from ITBS were supporting systems specific to the Aging and People with Disabilities (APD) and the Intellectual and Developmental Disabilities (IDD) programs and transfer to those areas.

The program-related Licensing and Regulatory Oversight positions and associated expenditures, including contracts for the Oregon Board of Nursing and the Oregon State Fire Marshall, are moved to the appropriate program: APD, IDD, or Child Welfare. Other changes approved by the Subcommittee include reducing all other differential costs by \$2.5 million General Fund and moving the Mass Transit tax expenditure from PDS to the State Assessments and Enterprise-wide Costs (SAEC) program to recentralize the expenditures for Mass Transit within that budget structure.

### Self Sufficiency Programs

Self Sufficiency Programs (SSP) provide assistance for low-income families to help them meet critical needs, while helping them become self-supporting. The major programs in this area are: Supplemental Nutrition Assistance Program (SNAP); Temporary Assistance to Needy Families (TANF); Employment Related Day Care (ERDC); the Refugee Program; and Youth Services.

DHS administers these programs through coordination and collaboration with families and individuals, as well as community partners and through direct services provided by state staff. Field staff provides program services and benefits to clients through more than 100 field and branch offices throughout the state.

General Fund supports 11.2 percent of this budget, Other Funds 3.2 percent, and Federal Funds 85.6 percent. The major source of Other Funds is federal Child Care Development Fund dollars transferred from the Department of Education for the Employment Related Day Care program. The budget also includes child support recoveries and client trust account funds from client resources, such as federal Supplemental Security Income disability payments. Overpayment recovery revenues are also used to offset General Fund.

Funding for SNAP benefits is the single largest source and use of Federal Funds in SSP. SNAP benefits are projected at \$2.2 billion for the 2017-19 biennium. Federal Funds also help pay for program administrative costs on a 50.0 percent state/50.0 percent federal basis. Other Federal Funds come from capped or formula-based block grants, payments for partial reimbursement of eligible state costs and miscellaneous grants for specific amounts and purposes. Oregon receives a base federal TANF block grant, which pays for cash assistance, JOBS services, child care and other self-sufficiency programs, as well as child welfare services such as foster care and residential care.

The Subcommittee approved budget for SSP is \$345,563,959 General Fund, \$100,235,704 Other Funds limitation, \$440,852,155 Federal Funds limitation, \$2,214,345,331 Federal Funds Nonlimited (\$3,100,997,149 total funds) and 2,049 positions (2,048.63 FTE). This is an 8.6 percent total

funds decrease from the 2015-17 Legislatively Approved Budget; while there are some reductions in the budget, the decrease is mostly attributable to a continued decline in the TANF caseload due to improvements in the economy and employment market since the last recession.

The Subcommittee approved a Revenue Shortfall package (Package 070), which decreased the 2017-19 current service level by \$9.2 million Other Funds. This reflects a lower transfer-in of Child Care Development Funds (CCDF) from the Oregon Department of Education (ODE) than what is budgeted for the 2015-17 ERDC program and is equivalent to the loss of about 500 cases. This same amount of CCDF is restored in another action due to the availability of funds unspent in 2015-17; however, it is not enough to offset General Fund reductions due to statewide funding constraints.

Other approved actions include the transfer of a position from Child Welfare into Self Sufficiency, and the transfer of several Electronic Benefit Transfer (EBT) positions from APD to Self Sufficiency, for a net gain of six positions (6.00 FTE) within SSP. These are part of the December 2016 Rebalance (Package 095).

Finally, the Subcommittee approved increasing vacancy savings (hiring slowdown) by three percent, reducing services and supplies by three percent, carrying forward \$20 million in one-time TANF Federal Funds to expend in place of General Fund in 2017-19, moving mass transit tax expenditures from SSP to SAEC (occurring in every program to recentralize these costs), and transferring three positions from Legal and Client Relations Office (LCRO) into SSP.

Other changes include adjustments for caseload and cost per case changes, which reflect about \$60 million in lower projected General Fund costs between the Fall 2016 and Spring 2017 caseload forecasts. For TANF, 2017-19 average caseload projection decrease by more than 3,000 families between forecasts. A policy change saving \$3.4 million General Fund in the TANF program was also approved; Non-Needy Caretaker Relative income will now count in the eligibility calculation, which will reduce or eliminate grants for some families. Regarding TANF, the budget assumes ongoing suspensions to certain TANF requirements put in place via HB 2469 (2007). These program components have set aside for multiple biennia, due to both funding issues and other programs that have evolved over time. The Subcommittee encouraged the agency to review the TANF statutes to see if modifications streamlining or better aligning with current practice should be developed for the 2019 legislative session. More specifically, the HB 2469 (2007) suspensions should be examined for a more permanent approach and for consistency with more recent law changes - known as TANF reinvestment - enacted under HB 3535 (2015).

The approved budget reduces ERDC by \$11.7 million General Fund, which equates to about 650 cases. This is in addition to 500 cases lost due to fewer federal dollars being available for the program. Another \$9.2 million General Fund is pulled from the program on a one-time basis and backfilled with CCDF carryforward from the 2015-17 biennium. Overall, while the program is 11 percent below current service level, it is still expected to serve about 8,900 families in 2017-19.

The total transfer-in for CCDF is estimated at \$97.0 million; while these dollars primarily fund ERDC subsidies, \$2.7 million of the funding will also support the Teen Parent child care subsidy program, which is moving from ODE to DHS effective January 1, 2018. Another program providing child care to parents while they participate in alcohol and drug treatment programs is also being shifted to DHS, but there is no funding coming with it since recent federal rule changes around CCDF usage do not appear to mesh with the intermittent nature of these services. The historical biennial program cost has been about \$1.4 million. The department believes there is a path to continue serving these families through similar programs or by using other funding sources; determining this will require additional analysis and research. Due to concerns about the outcome of the work, the Subcommittee approved the following budget note:

**Budget Note**

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.

**Child Welfare**

Child Welfare (CW) program services are provided to children reported to be abused or neglected and families who are impacted by abuse dynamics; typically, substance abuse and domestic violence. DHS is required by statute to assess reports of alleged child abuse or neglect, complete comprehensive safety assessments of children, assess parent or caregiver capacity to protect and determine whether child abuse or neglect has occurred. Primary funding for CW programs (including Child Safety, Well Being, and Permanency) consists of General Fund and various federal resources derived from the United States Department of Health and Human Services.

The Subcommittee approved budget is \$553,248,129 General Fund, \$28,136,610 Other Funds limitation, \$490,146,539 Federal Funds limitation (\$1,071,531,278 total funds) and 2,745 positions (2,686.79 FTE). This is an 11.3 percent total funds increase from the 2015-17 Legislatively Approved Budget.

Adjustments approved as part of the DHS December 2016 Rebalance (Package 095) include moving a position (1.00 FTE) from Child Welfare to Self Sufficiency; and reclassifying/realigning positions within the program to help improve policy and field support for foster care services. These actions result in a net zero funding change and a net abolishment of seven positions (7.00 FTE). The Subcommittee also approved an increase in rates for foster parents (Package 108), which should increase the base rate by an average of 14.0 percent on January 1, 2018. In Package 109, the Subcommittee approved an update to the rate model for the Behavioral Rehabilitation Services (BRS) program, including an increase in rates for BRS providers (a net average increase of 16 percent) to address inflationary cost increases in this program beginning July 1, 2017.

The Subcommittee approved a General Fund appropriation (Package 110) to the department to be used as a block grant to pay the Oregon Department of Justice to represent caseworkers in child dependency cases. This investment is consistent with one of the recommendations from the Interim Task Force on Legal Representation in Childhood Dependency and is expected to improve both the legal process and caseworker workload, job satisfaction and retention.

In connection with SB 102 (2017), the Subcommittee approved, Package 113, which appropriates \$3.3 million General Fund to meet federal requirements by transferring these funds into the new account established by Senate Bill 102. The bulk of these funds, based on savings reported for federal fiscal years 2016 and 2016, will be used to establish a child care stipend to assist working foster parents.

In Package 801, LFO Adjustments, the Subcommittee approved several modifications to the CW budget, which include: associated with caseload and cost per case changes from the Spring 2017 forecast, an increase of \$1.9 million General Fund (\$3.9 million total funds); reducing services and supplies; moving the Mass Transit tax payment to the SAEC program; not backfilling \$9.9 million General Fund for flat funded Federal grants; adjusting for the new Federal Medicaid Assistance Percentage (FMAP) rate, which determines the federal share of eligible program expenditures and saves \$1.0 million General Fund; assuming a three percent vacancy rate (hiring slowdown), which saves \$8.3 million General Fund; transferring in nine positions (9.00 FTE) from ORLO; transferring one position out to SSP (1.00 FTE); and making some technical adjustments to clean up positions and correct budget entries.

The Subcommittee approved the addition of 50 Consultant, Educator, Trainer (CET) positions (44.00 FTE) totaling \$6.5 million General Fund (\$9.3 million total funds) to provide training, role playing and hands on support of child welfare frontline workers (Package 802, Other Child Welfare Needs). In the same package, the Subcommittee added \$2.3 million General Fund to mitigate against the three percent vacancy savings (hiring slowdown) assumptions to assist the agency in filling its most critical vacancies. Also, related to workforce structure and capacity, the Subcommittee approved an adjustment to the current service level staffing model, which allows for fewer positions, but for a longer period. This change frees up \$6.1 million General Fund for other budget needs (Package 801).

Additionally, in Package 802, the Subcommittee approved \$1.0 million General Fund for workforce professional development and \$2.0 million General Fund for supervisor training. DHS is expected to report on its plan for these efforts as part of the required interim reporting on Child Welfare and, where possible, the program will maximize federal funding for these initiatives. The Subcommittee's recommendation also includes \$0.3 million General Fund (\$0.4 million total funds) and one limited duration position (0.50 FTE) to support the requirements of SB 243 (2017).

SB 5526 includes a section establishing a \$750,000 General Fund appropriation to the Emergency Board for foster parent supports; the Subcommittee expects the agency to request these funds when it has worked with stakeholders to determine the highest need/best use for the dollars.

### Vocational Rehabilitation

Vocational Rehabilitation (VR) works with businesses, schools and community programs to assist youth and adults with disabilities (other than blindness) to obtain, maintain or advance in employment.

The Subcommittee approved budget is \$29,129,564 General Fund, \$2,331,562 Other Funds limitation, \$81,820,748 Federal Funds limitation (\$112,741,874 total funds) and 259 positions (258.25 FTE). This is a 1.8 percent increase in total funds from the 2015-17 Legislatively Approved Budget.

The budget includes a technical adjustment to correct a keying error; \$2.1 million General Fund for 11 positions (11.00 FTE) are moved from IDD back to VR, as part of the agency's December 2016 rebalance (Package 95). These are positions associated with a 2015 policy package that added resources to improve employment outcomes for people with intellectual and developmental disabilities; the positions were rekeyed into the wrong program during 2017-19 current service level development. As with other programs, the Subcommittee approved a reduction in services and supplies, a three percent increase in the assumed vacancy rate (hiring slowdown), and movement of the Mass Transit tax payment to the SAEC program (Package 801). This package also expends \$4.9 million Federal Funds, from one-time reallocation dollars, in lieu of General Fund; although these funds are one-time in nature the agency has been successful in repeatedly drawing down these funds in recent biennia. The elimination of two long-term vacant positions (2.00 FTE) is approved in Package 812, Vacant Position Elimination.

### Aging and People with Disabilities

The Aging and People with Disabilities (APD) program assists seniors and people with disabilities of all ages to achieve well-being through opportunities for community living, employment, family support and services that promote independence, choice and dignity. APD administers Oregon's Medicaid long-term care program primarily under the Community First Choice Option (K Plan) under Section 1915(k) of the Social Security Act. Oregon Project Independence (OPI) provides in-home services outside of the Medicaid program. Federal Older American Act services include help with abuse prevention, caregiver supports, medication management, nutrition services, legal issues and other services.

The Subcommittee approved a \$3,547,218,226 total funds budget, which is 14.7 percent higher than the 2015-17 Legislatively Approved Budget. The budget contains \$1,030,457,768 General Fund, \$227,622,469 Other Funds limitation, \$2,289,137,989 Federal Funds limitation and 1,452 positions (1,388.21 FTE).

Tied to the PDS reorganization, the Subcommittee's approval includes \$10.2 million General Fund (\$28.0 million total funds) for the transfer of 83 positions (83.00 FTE) licensing and regulatory positions, as part of the agency's December 2016 rebalance (Package 95). As with other programs, the Subcommittee approved: reducing services and supplies; a three percent increase in the assumed vacancy rate (hiring slowdown), allowing \$3.0 million General Fund to be repurposed for other budget needs; moving the Mass Transit tax payment to the SAEC program; not backfilling \$0.6 million General Fund for flat funded Federal grants; adjusting for the new Federal Medicaid Assistance Percentage (FMAP) rate,

which determines the federal share of eligible program expenditures, saving \$7.8 million General Fund. The Subcommittee also approved the transfer of nine positions (9.00 FTE) from PDS into APD; and a correction to the funding split for the General Assistance program (Package 801).

The Subcommittee, in Package 801, also approved reshoot adjustments to account for caseload growth and cost per case changes based on the spring 2017 forecast. Savings in Community Based Care (CBC) and In Home programs help offset other costs, including a rate increase specifically for Assisted Living, Residential Care, Memory Care and In-home agency providers at \$17.1 million General Fund (\$56.2 million total funds). In the nursing facilities program, \$13.8 million in one-time Other Funds (long-term care facility assessment carryforward revenues) cover most of a reshoot gap of \$15.3 million General Fund (\$49.8 million total funds) to cover caseload increases and set the nursing facility rate per the statutory methodology. The daily rate for year one rate is set at \$301.70 (7.3 percent increase), with the year two rate estimated to be \$320.40.

To finish the project and move to training/operations for the Centralized Abuse Management (CAM) system, the Subcommittee approved \$1.7 million General Fund (plus \$2 million from remaining bond proceeds) and two full-time, permanent positions (1.50 FTE); an operations and policy analyst and one trainer (Package 102).

The Subcommittee approved an adjustment to the current service level staffing workload model that shifts position start dates out further into the biennium. Twelve positions are removed from the model and used to create 6 positions (5.28 FTE) to catch up and keep up with facility surveys and corrective action work (Package 801).

Current service level also includes an ongoing caregiver training initiative, at a cost of \$3.4 million General Fund. The Subcommittee approved this expenditure and expects the agency will continue its relationship with Oregon Care Partners to deliver this training. Since it began in 2013-15, the program has provided training to more than 11,800 individuals; participants include family caregivers, public safety workers, volunteers and employees of various care facilities.

The Subcommittee approval (Package 801) also contains the following reductions or projected cost savings:

- Eliminating the live in program effective October 1, 2017. The program has been phasing out over the last biennium due to high costs resulting from federal overtime rule changes. This action reduces the budget by \$4.5 million General Fund (\$14.8 million total funds).
- Capturing an estimated four percent caseload reduction expected to occur from strengthening the assessment used to determine an individual's level of service need. This action reduces the budget by \$10.0 million General Fund (\$31.0 million total funds).
- Reducing hours of care authorized once updated timings are implemented based on a recent time study indicating that task times need to be both increased and decreased, but will ultimately result in a net reduction of hours. This assumption is expected to result in \$12.5 million General Fund (\$40.5 million total funds) being eliminated.

- Eliminating the discontinued Home Care Choice program, which reduces the budget by close to \$1 million General Fund (\$16.4 million total funds) and five positions (5.00 FTE).

### Intellectual and Developmental Disabilities

The Intellectual and Developmental Disabilities (IDD) program area serves children and adults with intellectual and developmental disabilities throughout their life span. This program's mission is to help individuals be fully engaged in life and, at the same time, address any critical health and safety needs. The state, counties, brokerages, providers, families and self-advocates are all critical parts of Oregon's Developmental Disabilities service system that focuses on individuals with IDD, living in the community and having the best quality of life at any age. All clients are served in the community and most of these services are administered under Medicaid waivers.

General Fund makes up 32.6 percent of the IDD budget, with most of the General Fund used to match federal Title XIX Medicaid dollars. Other Funds revenue supports 1.0 percent of the overall budget, coming primarily from clients' contributions towards their care. Federal matching funds for the Medicaid program are determined by the FMAP rate, which determines the federal share of eligible program expenditures. The program match rate changes each federal fiscal year.

The Subcommittee approved budget is \$886,869,630 General Fund, \$27,960,269 Other Funds limitation, \$1,809,055,259 Federal Funds limitation (\$2,723,885,158 total funds) and 903 positions (902.00 FTE). This is a 17.0 percent total funds increase from the 2015-17 Legislatively Approved Budget.

As part of the December 2016 Rebalance (Package 095), the Subcommittee approved \$2.2 million General Fund (\$4.5 million total funds) for the transfer of 18 positions (18.00 FTE) from other areas, primarily licensing and regulatory positions from PDS; correcting positions and keying errors related to position movements; and updating the PERS rate for Stabilization and Crisis Unit (SACU) staff - these employees receive a higher rate due to police and fire level benefits authorized by HB 2618 (2015). As with other programs, the Subcommittee approved: reducing services and supplies; a three percent increase in the assumed vacancy rate (hiring slowdown), allowing \$1.8 million General Fund to be repurposed for other budget needs; moving the Mass Transit tax payment to the SAEC program; adjusting for the new Federal Medicaid Assistance Percentage (FMAP) rate, which determines the federal share of eligible program expenditures and saving \$13.0 million General Fund.

The Subcommittee also: increased General Fund (\$3.3 million) related to the Medicaid participation rate for County Developmental Disability Programs (CDDP) and Brokerages as fewer individuals are projected to be eligible for Medicaid; approved the transfer of 13 positions (13.00 FTE) from both PDS and APD into IDD; removed unfunded positions and expenditures related the Developmental Disability Council; and corrected employee representation codes in SACU (Package 801).

The Subcommittee, in Package 801, approved reshoot adjustments to account for caseload growth and cost per case changes based on the spring 2017 forecast. While the reshoot request contained \$20.8 million General Fund (\$43.2 million total funds) to update CDDP and Brokerage workload models, the recommended budget funds this component at \$5.8 million General Fund. Overall, including a current service increase, these entities will receive an increase of \$21.3 million General Fund (\$50.5 million total fund) over the 2015-17 level; CCDPs and Brokerages will still be able to add staff to help with workload demands.

The budget approved by the Subcommittee also contains the following program reductions in Package 801:

- Eliminating regional programs (\$4.1 million General Fund, \$7.1 million total funds) supporting crisis services. With the shift to the K Plan, clients are more likely to already be receiving services decreasing the need for crisis placements. The program may have to reprioritize internally to fill service gaps if this trend does not materialize.
- Reducing the family support program by half (\$1.3 million General Fund). This action could affect approximately 500 children and their families.
- Capping bed hold payments at 21 days, instead of 45. This action saves \$1.0 million General Fund.
- Decreasing 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 services.
- Reducing \$12.0 million General Fund (\$24.0 million total funds) through implementing a new assessment tool and other actions helping curb cost growth. These efforts will be reported on as part of the agency's budget note on interim reporting.

The Subcommittee approved \$13.5 million General Fund (\$45.5 million total funds) to increase provider rates by five percent effective October 1, 2017.

#### Central Services, Shared Services, State Assessments and Enterprise-Wide Costs

Central Services includes functions directly related to policy and program, in the agency, such as the Director's Office, communications, portions of budget and human resources, and the Governor's Advocacy Office. With the approved PDS reorganization action, it also contains the Business Intelligence, Program Integrity, and Technology and Information Supports offices.

Shared Services provides several support functions, including information technology, financial services, budget, human resources, facilities, and procurement. Some of these functions are housed in the Oregon Health Authority (OHA) and some in DHS, but all shared services units support both agencies. The two agencies have a joint governance model under which service-level agreements define the relationship between the



agency providing the service and the agency receiving the service. Shared Services funding is all Other Funds, based on revenues received from other parts of DHS and from OHA for purchased services. DHS' Shared Services budget includes the Shared Services Administration; Budget Center; Office of Forecasting, Research and Analysis; Office of Financial Services; Office of Human Resources; Office of Facilities; Office of Imaging and Records Management; Office of Contracts and Procurement; Internal Audit and Consulting Unit; Office of Payment Accuracy and Recovery; Rules Coordinator; and the Office of Adult Abuse Prevention and Investigations.

SAEC contains statewide assessments including various Department of Administrative Services' assessments/charges (e.g., State Data Center, Risk Management, Chief Financial Office), Central Government Services Charges, Oregon State Library and Secretary of State audits. It also includes the budgets for rent, debt service and computer replacements.

For these three programs, the Subcommittee approved a budget of \$261,640,873 General Fund, \$165,208,531 Other Funds expenditure limitation, \$213,190,489 Federal Funds limitation (\$640,039,893 total funds) and 816 positions (796.56 FTE). This is a 10.1 percent total funds increase from the 2015-17 Legislatively Approved Budget. A large portion of this increase is due to an agency reorganization and the movement of 80 positions (80.00 FTE) from the PDS program (being eliminated) into Central Services.

The Subcommittee approved Package 095, December 2016 Rebalance, which accounts for the movement of positions between programs in the agency and increased costs for telecommunications and APD Waiver Case Management. As with other programs, the Subcommittee approved: reducing services and supplies; a three percent increase in the assumed vacancy rate (hiring slowdown), allowing \$1.6 million General Fund to be repurposed for other budget needs; recentralizing the Mass Transit tax payment to the SAEC program; not backfilling General Fund for flat funded Federal grants; and correcting the funding related to positions (Package 801).

Additionally, in Package 801, the Subcommittee: reduced the Oregon Enterprise Data Analytics program by 2.61 FTE (1.0 million total funds), leaving a total of nine positions between DHS and the Oregon Health Authority (OHA); reduced funding (\$0.6 million total funds) for DHS Shared Services Payments to OHA as a result of information technology positions being transferred from OHA to the Department of Administrative Services for a centralized Information Security program; and increasing total funds by \$25.8 million total funds for the transfer of 80 positions (80.00 FTE) from PDS to Central Services.

In Shared Services, to finish the project and move to training/operations for the Centralized Abuse Management (CAM) system (Package 102) the Subcommittee approved \$0.2 million General Fund (\$0.3 million total funds) and one position (0.75 FTE). In SAEC, \$3.7 million General Fund (\$5.8 total funds) increase was approved to address higher costs related to Enterprise Technology Services (ETS) received from the Department of Administrative Services, however, this amount was reduced from the amount DHS requested (Package 801).

An additional \$1.2 million General Fund was approved to cover anticipated billings from the Secretary of State for performance audits. Federal rule changes no longer allow federal dollars to be used for this purposes, however, Federal Funds can still cover financial audits related to federally funded programs (Package 801).

Between Central and Shared Services (Package 812), the Subcommittee eliminated fourteen vacant positions (14.00 FTE), which results in saving \$0.8 million General Fund (\$2.3 million total funds).

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services  
 Tamara Brickman -- (503) 378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2015-17 Legislatively Approved Budget at June 2017 <sup>(1)*</sup>	\$ 2,727,212,617	\$ -	\$ 539,710,476	\$ -	\$ 4,805,209,969	\$ 2,514,345,331	\$ 10,586,478,393	8,053	7,902.39
2017-19 Current Service Level (CSL)*	\$ 3,275,092,200	\$ -	\$ 546,806,345	\$ -	\$ 5,279,895,699	\$ 2,214,345,331	\$ 11,316,139,575	8,238	8,164.88
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 010-55 - Program Design Services</b>									
Package 095 December 2016 Rebalance									
Transfer Positions from OLRO to APD	\$ (10,065,310)	\$ -	\$ (1)	\$ -	\$ (14,711,946)	\$ -	\$ (24,777,257)	(87)	(87.00)
Transfer Positions from OLRO to IDD	\$ (2,058,670)	\$ -	\$ (10,105)	\$ -	\$ (2,249,926)	\$ -	\$ (4,318,701)	(17)	(17.00)
Move OBN and Fire Marshal Contracts to APD	\$ (161,050)	\$ -	\$ (1,385,878)	\$ -	\$ (1,992,399)	\$ -	\$ (3,539,327)		
Package 801 LFO Analyst Adjustments									
Reorganization									
From ITBS to APD	\$ (1,858,350)	\$ -	\$ (4,730)	\$ -	\$ (46,440)	\$ -	\$ (1,909,520)	(9)	(9.00)
From ITBS to IDD	\$ (2,425,226)	\$ -	\$ (927)	\$ -	\$ (61,920)	\$ -	\$ (2,488,073)	(12)	(12.00)
From ITBS to Central Services	\$ (7,915,733)	\$ -	\$ (44,675)	\$ -	\$ (2,721,544)	\$ -	\$ (10,681,952)	(15)	(15.00)
From ITBS to Shared Services	\$ (216,918)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (216,918)	(1)	(1.00)
From Business Intelligence to Central Services	\$ (4,002,838)	\$ -	\$ (173,695)	\$ -	\$ (3,204,130)	\$ -	\$ (7,380,663)	(26)	(26.00)
From Program Integrity to Central Services	\$ (4,132,466)	\$ -	\$ (53,393)	\$ -	\$ (3,543,066)	\$ -	\$ (7,728,925)	(39)	(39.00)
From OLRO to Child Welfare	\$ (1,073,444)	\$ -	\$ (139)	\$ -	\$ (966,741)	\$ -	\$ (2,040,324)	(9)	(9.00)
Mass Transit Recentralization	\$ (132,021)	\$ -	\$ (1,569)	\$ -	\$ -	\$ -	\$ (133,590)		
Reduce all other differential	\$ (2,500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,500,000)		
<b>SCR 060-01 - Self Sufficiency - Program</b>									
Package 070 Revenue Shortfall	\$ -	\$ -	\$ (9,183,772)	\$ -	\$ -	\$ -	\$ (9,183,772)		
Package 095 December 2016 Rebalance									
Position Transfers	\$ 528,081	\$ -	\$ -	\$ -	\$ 503,273	\$ -	\$ 1,031,354	6	6.00
Package 801 LFO Analyst Adjustments									
Caseload forecast/cost per case	\$ (59,993,464)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (59,993,464)		
Reorganization	\$ 579,082	\$ -	\$ 8,458	\$ -	\$ 443,684	\$ -	\$ 1,031,224	3	3.00
Mass Transit Recentralization	\$ (619,916)	\$ -	\$ (2,364)	\$ -	\$ -	\$ -	\$ (622,280)		
Reduce Services & Supplies by 3%	\$ (372,894)	\$ -	\$ (4,620)	\$ -	\$ (562,925)	\$ -	\$ (940,439)		
Vacancy Savings @ 3%	\$ (3,047,913)	\$ -	\$ (21,882)	\$ -	\$ (3,892,899)	\$ -	\$ (6,962,694)		
Apply TANF Carryforward	\$ (20,000,000)	\$ -	\$ -	\$ -	\$ 20,000,000	\$ -	\$ -		
TANF Count NNCR income	\$ (3,413,214)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,413,214)		
ELD keep 3rd party, move teen parent to DHS	\$ -	\$ -	\$ (355,510)	\$ -	\$ -	\$ -	\$ (355,510)		
Move balance of shift to ERDC standard	\$ -	\$ -	\$ 355,510	\$ -	\$ -	\$ -	\$ 355,510		
ELD A&D treatment child care to DHS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
ERDC reduce caseload due to GF constraints	\$ (11,716,187)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,716,187)		
ERDC use CCDF carryforward	\$ (9,183,772)	\$ -	\$ 9,183,772	\$ -	\$ -	\$ -	\$ -		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SCRs 060-02, 060-03, 060-04, 060-06 - Child Welfare</b>									
Package 095 December 2016 Rebalance									
Position Transfers	\$ (208,649)	\$ -	\$ -	\$ -	\$ (151,091)	\$ -	(359,740)	(1)	(1.00)
Position restructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	(7)	(7.00)
Pkg 108: Family Foster Care Rate Reimbursement									
Rate increase effective 1/1/2018	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 3,692,070	\$ -	9,692,070		
Pkg 109: BRS Rates									
Update rates per model review	\$ 2,116,547	\$ -	\$ -	\$ -	\$ 3,823,804	\$ -	5,940,351		
Pkg 110: Legal Representation in Child Welfare									
Block grant + caseworkers fully represented	\$ 6,916,041	\$ -	\$ -	\$ -	\$ 12,957,561	\$ -	19,873,602		
Pkg 113: Applicable Child Fed Reqs/SB 102									
GF Payment to OF Account; 15-17 savings calc	\$ 3,303,810	\$ -	\$ 3,303,810	\$ -	\$ -	\$ -	6,607,620		
Pkg 801: LFO Analyst Adjustments									
Caseload forecast/Cost per case	\$ 1,901,511	\$ -	\$ 407,106	\$ -	\$ 1,597,107	\$ -	3,905,724		
From OLRO to Child Welfare + 1 pos to SS	\$ 861,712	\$ -	\$ 139	\$ -	\$ 855,703	\$ -	1,717,554	8	8.00
Mass Transit Recentralization	\$ (1,038,681)	\$ -	\$ (6,562)	\$ -	\$ -	\$ -	(1,045,243)		
Reduce Services & Supplies by 3%	\$ (640,747)	\$ -	\$ (13,295)	\$ -	\$ (544,611)	\$ -	(1,198,653)		
Vacancy Savings @ 3%	\$ (8,283,027)	\$ -	\$ (45,120)	\$ -	\$ (5,948,406)	\$ -	(14,276,553)		
Deny GF backfill for capped federal grants	\$ (9,909,989)	\$ -	\$ -	\$ -	\$ -	\$ -	(9,909,989)		
FMAP Rate Change	\$ (977,800)	\$ -	\$ -	\$ -	\$ 977,800	\$ -	-		
Position clean up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	(1)	0.00
Correct FF negative entry	\$ (684)	\$ -	\$ -	\$ -	\$ 684	\$ -	-		
Modify CSL staffing increase	\$ (6,101,918)	\$ -	\$ -	\$ -	\$ (1,225,819)	\$ -	(7,327,737)	(31)	(40.36)
Pkg 802: Other Child Welfare Program Needs									
Consultant, Educator, Trainer (CET) positions	\$ 6,494,170	\$ -	\$ -	\$ -	\$ 2,774,980	\$ -	9,269,150	50	44.00
Mitigate vacancy savings in the field	\$ 2,344,674	\$ -	\$ -	\$ -	\$ 1,004,860	\$ -	3,349,534		
Professional development	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	1,000,000		
Supervisor Training	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	2,000,000		
SB 243	\$ 314,000	\$ -	\$ -	\$ -	\$ 134,606	\$ -	448,606	1	0.50
<b>SCR 060-07 - Vocational Rehabilitation</b>									
Pkg 095: December 2016 Rebalance									
Fix keying error; positions from IDD to VR	\$ 2,143,674	\$ -	\$ -	\$ -	\$ -	\$ -	2,143,674	11	11.00
Pkg 801: LFO Analyst Adjustments									
Mass Transit Recentralization	\$ (40,533)	\$ -	\$ -	\$ -	\$ -	\$ -	(40,533)		
Vacancy Savings @ 3% of Personal Services	\$ (305,610)	\$ -	\$ (12,414)	\$ -	\$ (1,096,335)	\$ -	(1,414,359)		
Reduce Services & Supplies by 3%	\$ (21,329)	\$ -	\$ -	\$ -	\$ (99,667)	\$ -	(120,996)		
Use federal reallotment dollars (one-time)	\$ (4,900,000)	\$ -	\$ -	\$ -	\$ 4,900,000	\$ -	-		
Pkg 812: Vacant Position Elimination									
	\$ (167,823)	\$ -	\$ (778)	\$ -	\$ (122,505)	\$ -	(291,106)	(2)	(2.00)

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SCR 060-08 - Aging and People with Disabilities</b>									
Pkg 095: December 2016 Rebalance									
Move OLRO to APD + other transfers	\$ 10,176,299	\$ -	\$ 1,364,893	\$ -	\$ 16,480,931	\$ -	28,022,123	83	83.00
Pkg 102: Centralized Abuse Management (CAM) System									
Finish project, training, operations & maintenance	\$ 1,694,922	\$ -	\$ 2,050,000	\$ -	\$ 147,945	\$ -	3,892,867	2	1.50
Pkg 801: LFO Analyst Adjustments									
Caseload forecast/Cost per case CBC and in Home	\$ (13,157,570)	\$ -	\$ -	\$ -	\$ (31,248,674)	\$ -	(44,406,244)		
Caseload forecast/Cost per case Nursing Facilities	\$ 15,312,793	\$ -	\$ 2,988,834	\$ -	\$ 31,512,272	\$ -	49,813,899		
Workload model update spring forecast	\$ 1,596,671	\$ -	\$ -	\$ -	\$ 1,593,483	\$ -	3,190,154	1	1.00
FMAP Rate Change	\$ (7,808,676)	\$ -	\$ (13,518)	\$ -	\$ 7,822,194	\$ -	-		
Reorganization (PDS)	\$ 1,903,127	\$ -	\$ 7,517	\$ -	\$ 108,221	\$ -	2,018,865	9	9.00
Mass Transit Recentralization	\$ (350,387)	\$ -	\$ (3,165)	\$ -	\$ -	\$ -	(353,552)		
Reduce Services & Supplies by 3%	\$ (351,488)	\$ -	\$ (325,064)	\$ -	\$ (336,892)	\$ -	(1,013,444)		
Vacancy Savings @ 3%	\$ (3,047,913)	\$ -	\$ (21,882)	\$ -	\$ (3,892,899)	\$ -	(6,962,694)		
Deny GF backfill for capped federal grants	\$ (548,791)	\$ -	\$ -	\$ -	\$ -	\$ -	(548,791)		
Correct CSL for General Assistance	\$ (153,350)	\$ -	\$ -	\$ -	\$ 153,350	\$ -	-		
Modify CSL staffing increase	\$ (16,684,645)	\$ -	\$ -	\$ -	\$ (12,077,503)	\$ -	(28,762,148)	0	(58.00)
Further reduce state field staff in CSL	\$ (570,983)	\$ -	\$ -	\$ -	\$ (569,101)	\$ -	(1,140,084)	(12)	(6.00)
Repurpose APD field positions reduced above	\$ 570,983	\$ -	\$ -	\$ -	\$ 569,101	\$ -	1,140,084	6	5.28
Eliminate live in program; effective 10/1/17	\$ (4,502,000)	\$ -	\$ (41,302)	\$ -	\$ (10,290,379)	\$ -	(14,833,681)		
Strengthen assessment	\$ (10,000,000)	\$ -	\$ -	\$ -	\$ (21,000,000)	\$ -	(31,000,000)		
Implement new in home algorithm, per time study	\$ (12,500,000)	\$ -	\$ -	\$ -	\$ (28,000,000)	\$ -	(40,500,000)		
Use provider tax balance to offset NF costs	\$ (13,854,831)	\$ -	\$ 13,854,831	\$ -	\$ -	\$ -	-		
Increase CBC and in home agency rates	\$ 17,143,417	\$ -	\$ -	\$ -	\$ 39,010,478	\$ -	56,153,895		
Eliminate discontinued Home Care Choice Program	\$ (960,737)	\$ -	\$ (15,436,070)	\$ -	\$ -	\$ -	(16,396,807)	(5)	(5.00)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		
<b>SCR 060-09- Intellectual and Developmental Disabilities</b>									
Pkg 095: December 2016 Rebalance									
Move OLRO to IDD + 1 other position transfer	\$ 2,166,637	\$ -	\$ 10,105	\$ -	\$ 2,357,890	\$ -	4,534,632	18	18.00
Position clean up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	(1)	(0.50)
Fix keying error; positions from IDD to VR	\$ (2,143,674)	\$ -	\$ -	\$ -	\$ -	\$ -	(2,143,674)	(11)	(11.00)
SACU Interest Arbitration + PERS Police & Fire	\$ 1,041,140	\$ -	\$ -	\$ -	\$ 1,920,731	\$ -	2,961,871		
Pkg 801: LFO Analyst Adjustments									
Caseload forecast/Cost per case	\$ 7,579,485	\$ -	\$ -	\$ -	\$ 16,100,965	\$ -	23,680,450		
CDDP/Brokerage workload model update	\$ 20,810,283	\$ -	\$ -	\$ -	\$ 22,341,938	\$ -	43,152,221		
Modify CDDP/Brokerage model increase	\$ (15,002,432)	\$ -	\$ -	\$ -	\$ (17,463,214)	\$ -	(32,465,646)		
FMAP Rate Change	\$ (6,802,153)	\$ -	\$ (63,354)	\$ -	\$ 6,865,507	\$ -	-		
SACU FMAP Adjustment	\$ (6,196,463)	\$ -	\$ (646,875)	\$ -	\$ 6,843,338	\$ -	-		
CDDP/Brokerage participation rate	\$ 1,886,836	\$ -	\$ -	\$ -	\$ (1,886,836)	\$ -	-		
Reorganization	\$ 2,512,528	\$ -	\$ 927	\$ -	\$ 149,219	\$ -	2,662,674	13	13.00
Position clean up	\$ 43,642	\$ -	\$ (353,250)	\$ -	\$ (278,822)	\$ -	(588,430)	(3)	(3.00)
Mass Transit Recentralization	\$ (215,165)	\$ -	\$ (1,924)	\$ -	\$ -	\$ -	(217,089)		
Reduce Services & Supplies by 3%	\$ (171,115)	\$ -	\$ (41,649)	\$ -	\$ (232,558)	\$ -	(445,322)		
Vacancy Savings @ 3%	\$ (1,782,867)	\$ -	\$ (42,885)	\$ -	\$ (2,644,269)	\$ -	(4,470,021)		
Eliminate regional staff	\$ (4,189,855)	\$ -	\$ -	\$ -	\$ (2,901,270)	\$ -	(7,091,125)		
Reduce family support program by 1/2	\$ (1,317,352)	\$ -	\$ -	\$ -	\$ -	\$ -	(1,317,352)		
Cap bed hold payments at 21 days	\$ (1,045,347)	\$ -	\$ -	\$ -	\$ -	\$ -	(1,045,347)		
Higher match rate for CDDP/Brokerage admin	\$ (3,322,675)	\$ -	\$ -	\$ -	\$ 3,322,675	\$ -	-		
Perform QA on caseload records	\$ (2,181,824)	\$ -	\$ -	\$ -	\$ (2,535,435)	\$ -	(4,717,259)		
More robust assessment + other actions	\$ (12,000,000)	\$ -	\$ -	\$ -	\$ (12,000,000)	\$ -	(24,000,000)		
Rate increase for IDD providers	\$ 13,480,024	\$ -	\$ -	\$ -	\$ 29,034,299	\$ -	42,514,323		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SCRs 010-040, 010-045, 010-050 - Central Svcs, Shared Svcs, SAEC</b>									
Pkg 095: December 2016 Rebalance									
Position transfers; waived CM limitation	\$ (16,710)	\$ -	\$ 1,841,742	\$ -	\$ (128,159)	\$ -	1,696,873	(1)	(1.00)
Pkg 102: Centralize Abuse Management (CAM) System									
Funding for Shared Services position	\$ 157,072	\$ -	\$ 157,072	\$ -	\$ -	\$ -	314,144	1	0.75
Pkg 801: LFO Analyst Adjustments									
Mass Transit Recentralization	\$ 2,397,147	\$ -	\$ 15,584	\$ -	\$ -	\$ -	2,412,731		
Mass Transit, UI, Telecom Reprojection	\$ (978,393)	\$ -	\$ (466,674)	\$ -	\$ (233,182)	\$ -	(1,678,249)		
Facilities Reprojection	\$ -	\$ -	\$ 1,135,000	\$ -	\$ (10,501,747)	\$ -	(9,366,747)		
Enterprise Technology Services projection	\$ 3,714,137	\$ -	\$ 14,138	\$ -	\$ 2,029,259	\$ -	5,757,534		
SOS Performance Audits and CGSC projection	\$ 2,380,651	\$ -	\$ (36,702)	\$ -	\$ (2,343,949)	\$ -	-		
Adjustment for Shared Services position changes	\$ 184,899	\$ -	\$ -	\$ -	\$ 31,299	\$ -	216,198		
Vacancy Savings @ 3% of Personal Services	\$ (1,579,291)	\$ -	\$ (1,781,648)	\$ -	\$ (1,454,558)	\$ -	(4,815,497)		
Reduce Services & Supplies by 3%	\$ (1,447,989)	\$ -	\$ (208,983)	\$ -	\$ (1,347,188)	\$ -	(3,004,160)		
Deny GF backfill for capped federal grants	\$ (3,189,403)	\$ -	\$ -	\$ -	\$ -	\$ -	(3,189,403)		
Reduce Oregon Enterprise Data Analytics capacity	\$ (265,275)	\$ -	\$ (540,236)	\$ -	\$ (203,173)	\$ -	(1,008,684)	0	(2.61)
Position transfers; various	\$ (499,429)	\$ -	\$ 222,058	\$ -	\$ (481,726)	\$ -	(759,097)	(2)	(2.00)
ISPO Move to DAS	\$ (347,732)	\$ -	\$ (10,703)	\$ -	\$ (266,327)	\$ -	(624,762)		
PDS Dissolution:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		
From ITBS to Central Services	\$ 7,915,733	\$ -	\$ 44,675	\$ -	\$ 2,721,544	\$ -	10,681,952	15	15.00
From Business Intelligence to Central	\$ 4,002,838	\$ -	\$ 173,695	\$ -	\$ 3,204,130	\$ -	7,380,663	26	26.00
From Program Integrity to Central	\$ 4,132,466	\$ -	\$ 53,393	\$ -	\$ 3,543,066	\$ -	7,728,925	39	39.00
Pkg 812: Vacant Position Elimination	\$ (816,618)	\$ -	\$ (1,147,146)	\$ -	\$ (302,256)	\$ -	(2,266,020)	(14)	(14.00)
<b>TOTAL ADJUSTMENTS</b>	<b>\$ (168,182,277)</b>	<b>\$ -</b>	<b>\$ 4,688,800</b>	<b>\$ -</b>	<b>\$ 43,767,480</b>	<b>\$ -</b>	<b>(119,725,997)</b>	<b>(14)</b>	<b>(84.44)</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 3,106,909,923</b>	<b>\$ -</b>	<b>\$ 551,495,145</b>	<b>\$ -</b>	<b>\$ 5,323,663,179</b>	<b>\$ 2,214,345,331</b>	<b>\$ 11,196,413,578</b>	<b>8,224</b>	<b>8,080.44</b>
% Change from 2015-17 Leg Approved Budget	13.9%	0.0%	2.2%	0.0%	10.8%	(11.9%)	5.8%	2.1%	2.3%
% Change from 2017-19 Current Service Level	(5.1%)	0.0%	0.9%	0.0%	0.8%	0.0%	(1.1%)	(0.2%)	(1.0%)

<sup>(1)</sup>Includes adjustments through June 2017  
\*Excludes Capital Construction Expenditures

**EMERGENCY BOARD**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS
			LIMITED	NONLIMITED	LIMITED	NONLIMITED	
Special Purpose Appropriation for Foster Parents	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	750,000

# Legislatively Approved 2017 - 2019 Key Performance Measures

Published: 6/28/2017 3:56:06 PM

**Agency:** Human Services, Department of

**Mission Statement:**

Assisting people to become independent, healthy and safe.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. OVRS CLOSED - EMPLOYED – The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed.		Approved	62.34%	63%	65%
2. TANF FAMILY STABILITY - Rate per 1,000 of TANF recipient children entering child welfare (foster care or in home)		Approved	No Data	TBD	TBD
3. TANF RE-ENTRY - The percentage of Temporary Assistance for Needy Families (TANF) cases who have not returned within 18 months after exit due to employment.		Approved	65.10%	66%	67%
4. SNAP (Supplemental Nutrition Assistance Program) UTILIZATION - The ratio of Oregonians served by SNAP to the number of low-income Oregonians.		Approved	94.20%	90%	90%
5. SNAP (Supplemental Nutrition Assistance Program) ACCURACY - The percentage of accurate SNAP payments		Approved	94.89%	95%	95%
6. ENHANCED CHILD CARE - The percentage of children receiving care from providers who are receiving the enhanced or licensed rate for child care subsidized by DHS		Approved	63.70%	65%	65%
7. ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.		Approved	94.60%	96%	97%
8. TIMELY REUNIFICATION - The percentage of foster children exiting to reunification within 12 months of foster care entry.		Approved	66.10%	75%	76%
9. TIMELINESS OF ADOPTION ONCE LEGALLY FREE - Percent of Legally free children adopted in less than 12 months		Approved	46.10%	53.70%	54%
10. LTC NEED PREVENTION - Percentage of seniors (65+) needing publicly-funded long term care services.		Approved	3.09%	3.10%	3.08%
11. LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES - The percentage of Oregonians accessing publicly-funded long-term care services who are living outside of nursing facilities.		Approved	86.90%	88%	89%
12. DEVELOPMENTAL DISABILITY SUPPORT SERVICES - The percentage of eligible adults who are receiving adult support services within 90 days of request.		Approved	61.84%	86%	86%
13. PEOPLE WITH DISABILITIES LIVING AT HOME - The percentage of individuals enrolled in the Intellectual/Developmental disabilities program who are receiving services in their own home.		Approved	73.52%	80%	80%
14. SUPPORTED EMPLOYMENT - Increase the number of individuals who receive developmental disability services in supported employment.		Approved	2,971	3,020	3,140
15. ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES - The percentage of people with developmental disabilities experiencing abuse.		Approved	1.83%	1.80%	1.70%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
16. Abuse Investigation Timeliness - Percent of abuse reports assigned for field contact that meet policy timelines.		Approved	No Data	95%	95%
17. CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved	74%	75%	75%
	Accuracy		84%	85%	85%
	Overall		82%	82%	82%
	Helpfulness		83%	85%	85%
	Expertise		84%	85%	82%
	Availability of Information		86%	88%	88%
18. Disparity in foster youth achieving permanency within 2 years by race/ethnicity - Disparity is calculated by taking the ratio of two percentages: Percent of Non-White & Hispanic children achieving permanency goals / Percent of Non-Hispanic White children achieving permanency goals. The permanency goal is the percent of foster youth achieved permanency within 24 months (of those that entered 24 months ago)	Disparity of Non-Hispanic African American Youth	Approved	No Data	1	1
	Disparity of Non-Hispanic Asian/Pacific Islander Youth		No Data	1	1
	Disparity of Non-Hispanic White Youth (always=1)		No Data	1	1
	Disparity of Non-Hispanic Native American/Alaska Native Youth		No Data	1	1
	Disparity of Hispanic (any race) Youth		No Data	1	1
19. CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME - The percent of children served in Child Welfare on an average daily basis (In Home and Foster Care) who were served while residing in their parent's home.		Approved	23.90%	33%	33%
20. TANF JOBS PLACEMENTS - The percentage of clients who achieve job placement each month compared to those anticipated to achieve placement.		Approved	122.40%	100%	100%
2. TANF FAMILY STABILITY - The percentage of children receiving TANF who entered foster care.		Legislatively Deleted	0.67%	0.50%	0%
16. ABUSE OF SENIORS AND PEOPLE WITH DISABILITIES - The percentage of seniors and adults with physical disabilities experiencing abuse.		Legislatively Deleted	0.73%	2.20%	0%
18. PLACEHOLDER: SERVICE EQUITY		Legislatively Deleted	No Data	0%	0%

**LFO Recommendation:**

Approve the Key Performance Measures (KPMs) and targets as proposed; this includes new measures replacing #2, #16, and #18. Data for the new measures should be available in reporting year 2018; with targets for KPM #2 to be developed from that data for the next biennial report.

Direct the Department to review existing key performance measures for all programs and propose changes for the 2019-21 biennium as needed or based on legislative feedback; please note the current customer service KPM should not be modified as that is a standardized, statewide measure.

Due to legislative concerns about Child Welfare workforce retention and training adequacy, the agency is directed to propose at least two KPMs that will help measure results in this area; such as measures around turnover rates or number of annual training hours received. The agency should be able to distinguish between trends for the newer workforce (for example, one year of service or less) and the more established segment.

In addition to legislative interest, this direction is driven by a pending agency head change and new program leaders that want to relook at the current measures for possible improvements or to develop measures more in line with evolving programs. The Department will provide a written progress update to the Legislative Fiscal Office by February 1, 2018 and may be asked to present that work to the Subcommittee during the 2015-2016 A



legislative session or at an interim meeting, based on agency progress and committee workload.

**SubCommittee Action:**

The Subcommittee approved the LFO Recommendation.

The Subcommittee also expressed interest in seeing data on disparity in foster youth achieving permanency with regard to mental illness and intellectual/developmental disability. In addition, there was discussion about ensuring the agency is adequately demonstrating its performance in the areas of abuse prevention and investigation.

**HB 3359 C BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Gelser

**Joint Committee On Ways and Means**

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**Action Date:** 07/06/17

**Action:** Do pass with amendments to resolve conflicts. (Printed C-Eng.)

**Senate Vote**

**Yeas:** 12 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Thomsen, Winters

**House Vote**

**Yeas:** 10 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith Warner, Stark, Whisnant, Williamson

**Nays:** 1 - Smith G

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

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**Department of Human Services**

**2017-19**

**Budget Summary**

	2015-17 Legislatively Approved Budget	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ -	\$ -	\$ 1,274,528	\$ 1,274,528	
Federal Funds Limited	\$ -	\$ -	\$ 1,271,273	\$ 1,271,273	
Total	\$ -	\$ -	\$ 2,545,801	\$ 2,545,801	

**Position Summary**

Authorized Positions	0	0	10
Full-time Equivalent (FTE) positions	0.00	0.00	8.80

**Summary of Revenue Changes**

House Bill 3359 updates licensing fees for residential care and long term care facilities and changes civil penalties the Department of Human Services (DHS) is authorized to impose on facilities. The bill creates a new license for “conversion” facilities wishing to convert from a long-term care facility to a residential care facility. The civil penalty changes are estimated to generate approximately \$200,000; the updates to application and licensing fees are expected to generate \$425,940 (long term care facilities) and \$502,900 (residential care facilities) for a total of \$1.1 million. The revenue generated from establishing the new conversion fee in the bill, is indeterminate at this point, but will be additive to the total amount of revenue depending on how many facilities convert. DHS will use funds from the increase in initial licensing application fees as well as current balances in the Quality Care Fund (QCF) to support the work required by this bill. Funds existing in the QCF, derived from licensing fees, will be used to fund licensing activities and the revenue derived from fines will be used to fund one-time information technology costs of \$550,000. For the 2017-19 biennium, \$478,055 from QCF will be needed to subsidize the startup work required by this bill.

**Summary of Human Services Subcommittee Action**

HB 3359 modifies statutes related to licensing and supervision of residential care facilities. It authorizes the creation and imposition of civil penalties and establishes different penalty levels, based on the type of harm caused. The bill establishes the Residential Care Quality Measurement Program in DHS, and creates an eight-member Quality Measurement Council to advise the department regarding the operation of this program.

The bill authorizes DHS to impose a condition on the license of a facility in response to a substantiated finding and requires re-inspection and re-evaluation of a facility within 15 business days of receipt of the facility's written assertion of substantial compliance. DHS must also respond, within five days, to providers with results of the inspections, abuse or a rule violation, whether or not the finding of immediate jeopardy is substantiated at the time the license condition is imposed.

The bill requires DHS to establish a uniform system for residential care facilities to report quality metrics, publish annual reports on performance metrics and develop online training modules to address top issues identified in surveys or other licensing actions. In addition, HB 3359 requires DHS to develop an enhanced oversight and supervision program for residential care facilities; and to develop, in collaboration with residential care facilities, an objective, technology-based, acuity-based staffing tool used to evaluate whether a residential care facility has adequate staffing to meet the 24-hour scheduled and unscheduled needs of each resident. Finally, the bill requires the Oregon Medical Board to encourage physicians to obtain continuing education in the detection and early diagnosis of Alzheimer's disease.

#### Aging and People with Disabilities

The Subcommittee approved Other Funds expenditure limitation of \$1,274,528, Federal Funds expenditure limitation of \$1,271,273 (\$2,545,801 total funds), and 10 positions (8.80 FTE) to implement and administer the provisions of the bill.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Department of Human Services  
 Tamara Brickman -- (503) 378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<b>Aging and People with Disabilities</b>									
Personal Services	\$ -	\$ -	\$ 803,861	\$ -	\$ 803,861	\$ -	\$ 1,607,722	10	8.80
Services and Supplies	\$ -	\$ -	\$ 470,667	\$ -	\$ 467,412	\$ -	\$ 938,079		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 1,274,528	\$ -	\$ 1,271,273	\$ -	\$ 2,545,801	10	8.80
SUBCOMMITTEE RECOMMENDATION	\$ -	\$ -	\$ 1,274,528	\$ -	\$ 1,271,273	\$ -	\$ 2,545,801	10	8.80

**HB 5006 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Devlin

**Joint Committee On Ways and Means**

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**Action Date:** 07/03/17

**Action:** Do pass the A-Eng bill.

**Senate Vote**

**Yeas:** 11 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Winters

**Nays:** 1 - Thomsen

**House Vote**

**Yeas:** 7 - Gomberg, Holvey, Huffman, Nathanson, Rayfield, Smith Warner, Williamson

**Nays:** 1 - McLane

**Exc:** 3 - Smith G, Stark, Whisnant

**Prepared By:** Laurie Byerly and Gregory Jolivette, Legislative Fiscal Office

**Reviewed By:** Paul Siebert, Legislative Fiscal Office

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**Emergency Board**

**2017-19**

**Various Agencies**

**2015-17**

## **Budget Summary\***

	<b><u>2015-17 Legislatively Approved Budget</u></b>	<b><u>2017-19 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Emergency Board</u></b>			
General Fund - General Purpose	-	\$ 50,000,000	\$ 50,000,000
General Fund - Special Purpose Appropriations			
State Agencies for state employee compensation	-	\$ 100,000,000	\$ 100,000,000
State Agencies for non-state worker compensation	-	\$ 10,000,000	\$ 10,000,000
Reduction to SB 505 special purpose appropriation	-	\$ (600,000)	\$ (600,000)
 <b><u>ADMINISTRATION PROGRAM AREA</u></b>			
<b><u>Department of Administrative Services</u></b>			
General Fund	-	\$ 9,091,000	\$ 9,091,000
General Fund Debt Service	-	\$ (4,962,907)	\$ (4,962,907)
Lottery Funds	-	\$ 180,000	\$ 180,000
Lottery Funds Debt Service	-	\$ (2,317,505)	\$ (2,317,505)
Other Funds	-	\$ 23,939,750	\$ 23,939,750
Other Funds Debt Service	-	\$ 1,080,828	\$ 1,080,828
 <b><u>Advocacy Commissions Office</u></b>			
General Fund	-	\$ 10,471	\$ 10,471
 <b><u>Employment Relations Board</u></b>			
General Fund	-	\$ (29,574)	\$ (29,574)
Other Funds	-	\$ (16,497)	\$ (16,497)
 <b><u>Oregon Government Ethics Commission</u></b>			
Other Funds	-	\$ (28,614)	\$ (28,614)
 <b><u>Office of the Governor</u></b>			
General Fund	-	\$ (525,236)	\$ (525,236)
Lottery Funds	-	\$ (138,447)	\$ (138,447)
Other Funds	-	\$ (110,630)	\$ (110,630)
 <b><u>Oregon Liquor Control Commission</u></b>			
Other Funds	-	\$ (1,458,427)	\$ (1,458,427)

## **Budget Summary\***

	<b><u>2015-17 Legislatively Approved Budget</u></b>	<b><u>2017-19 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Public Employees Retirement System,</u></b>			
Other Funds	-	\$ (2,508,616)	\$ (2,508,616)
<b><u>Racing Commission</u></b>			
Other Funds	-	\$ (89,929)	\$ (89,929)
<b><u>Department of Revenue</u></b>			
General Fund	-	\$ (5,581,902)	\$ (5,581,902)
General Fund Debt Service	-	\$ (6,870,670)	\$ (6,870,670)
Other Funds	-	\$ 7,676,661	\$ 7,676,661
<b><u>Secretary of State</u></b>			
General Fund	-	\$ (346,704)	\$ (346,704)
Other Funds	-	(1,030,747)	\$ (1,030,747)
Federal Funds	-	\$ (472,720)	\$ (472,720)
<b><u>State Library</u></b>			
General Fund	-	\$ 128,123	\$ 128,123
Other Funds	-	\$ (137,871)	\$ (137,871)
Federal Funds	-	\$ (1,625)	\$ (1,625)
<b><u>State Treasurer</u></b>			
General Fund	-	\$ 1,013,497	\$ 1,013,497
Other Funds	-	\$ (1,557,357)	\$ (1,557,357)
<b><u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u></b>			
<b><u>State Board of Accountancy</u></b>			
Other Funds	-	\$ (56,046)	\$ (56,046)
<b><u>Chiropractic Examiners Board</u></b>			
Other Funds	-	\$ (51,085)	\$ (51,085)



## Budget Summary\*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Consumer and Business Services</u></b>			
Other Funds	-	\$ (5,252,286)	\$ (5,252,286)
Federal Funds	-	\$ (475,260)	\$ (475,260)
<b><u>Construction Contractors Board</u></b>			
Other Funds	-	\$ (461,875)	\$ (461,875)
<b><u>Board of Dentistry</u></b>			
Other Funds	-	\$ (38,848)	\$ (38,848)
<b><u>Health Related Licensing Boards</u></b>			
Other Funds	-	\$ (83,199)	\$ (83,199)
<b><u>Bureau of Labor and Industries</u></b>			
General Fund	-	\$ (127,909)	\$ (127,909)
Other Funds	-	\$ (278,736)	\$ (278,736)
Federal Funds	-	\$ (960)	\$ (960)
<b><u>Licensed Professional Counselors and Therapists. Board of</u></b>			
Other Funds	-	\$ (24,871)	\$ (24,871)
<b><u>Licensed Social Workers, Board of</u></b>			
Other Funds	-	\$ (25,841)	\$ (25,841)
<b><u>Medical Board</u></b>			
Other Funds	-	\$ (345,981)	\$ (345,981)
<b><u>Board of Nursing</u></b>			
Other Funds	-	\$ (450,604)	\$ (450,604)
<b><u>Board of Pharmacy</u></b>			
Other Funds	-	\$ (261,147)	\$ (261,147)

**Budget Summary\***

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Psychologist Examiners Board</u></b>			
Other Funds	-	\$ (26,589)	\$ (26,589)
<b><u>Public Utility Commission</u></b>			
Other Funds	-	\$ (1,156,876)	\$ (1,156,876)
Federal Funds	-	\$ (6,858)	\$ (6,858)
<b><u>Real Estate Agency</u></b>			
Other Funds	-	\$ (276,826)	\$ (276,826)
<b><u>Tax Practitioners Board</u></b>			
Other Funds	-	\$ (18,835)	\$ (18,835)
<b><u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u></b>			
<b><u>Oregon Business Development Department</u></b>			
General Fund	-	\$ 3,628,465	\$ 3,628,465
General Fund Debt Service	-	\$ (1,481,045)	\$ (1,481,045)
Lottery Funds	-	\$ (247,934)	\$ (247,934)
Lottery Funds Debt Service	-	\$ (1,410,613)	\$ (1,410,613)
Other Funds	-	\$ 151,174,323	\$ 151,174,323
Other Funds Nonlimited	-	\$ 30,000,000	\$ 30,000,000
Federal Funds	-	\$ (13,232)	\$ (13,232)
<b><u>Employment Department</u></b>			
Other Funds	-	\$ (3,490,798)	\$ (3,490,798)
Federal Funds	-	\$ (4,403,080)	\$ (4,403,080)
<b><u>Housing and Community Services Department</u></b>			
General Fund	-	\$ 21,433,916	\$ 21,433,916
General Fund Debt Service	-	\$ 2,640,239	\$ 2,640,239
Lottery Funds	-	\$ 350,000	\$ 350,000
Other Funds	-	\$ 25,972,449	\$ 25,972,449
Federal Funds	-	\$ (7,227,385)	\$ (7,227,385)

**Budget Summary\*****Department of Veterans' Affairs**

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
General Fund	-	\$ (136,724)	\$ (136,724)
Lottery Funds	-	\$ -	\$ -
Other Funds	-	\$ (140,617)	\$ (140,617)
Federal Funds	-	\$ -	\$ -

**EDUCATION PROGRAM AREA****Department of Education**

General Fund	-	\$ (1,685,086)	\$ (1,685,086)
General Fund Debt Service	-	\$ (1,587,898)	\$ (1,587,898)
Other Funds	-	\$ 270,433,393	\$ 270,433,393
Federal Funds	-	\$ (957,295)	\$ (957,295)

**State School Fund**

General Fund	-	\$ (30,372,945)	\$ (30,372,945)
Lottery Funds	-	\$ 12,465,745	\$ 12,465,745
Other Funds	-	\$ 17,907,200	\$ 17,907,200

**Higher Education Coordinating Commission**

General Fund	-	\$ 8,532,950	\$ 8,532,950
General Fund Debt Service	-	\$ (13,840,783)	\$ (13,840,783)
Lottery Funds Debt Service	-	\$ (73,975)	\$ (73,975)
Other Funds	-	\$ 6,614,787	\$ 6,614,787
Federal Funds	-	\$ (430,293)	\$ (430,293)

**Chief Education Office**

General Fund	-	\$ (369,306)	\$ (369,306)
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**Teacher Standards and Practices**

Other Funds	-	\$ (214,668)	\$ (214,668)
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## Budget Summary\*

### HUMAN SERVICES PROGRAM AREA

#### Commission for the Blind

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
General Fund	-	\$ (41,304)	\$ (41,304)
Other Funds	-	\$ (11,467)	\$ (11,467)
Federal Funds	-	\$ (157,969)	\$ (157,969)

#### Oregon Health Authority

General Fund	-	\$ (59,956,387)	\$ (59,956,387)
General Fund Debt Service	-	\$ 4,001	\$ 4,001
Lottery Funds	-	\$ (4,617)	\$ (4,617)
Other Funds	-	\$ 71,374,612	\$ 71,374,612
Federal Funds	-	\$ (9,456,614)	\$ (9,456,614)

#### Department of Human Services

General Fund	-	\$ (8,487,786)	\$ (8,487,786)
General Fund Debt Service	-	\$ 10,521,010	\$ 10,521,010
Other Funds	-	\$ 45,175,634	\$ 45,175,634
Federal Funds	-	\$ 138,153,153	\$ 138,153,153

#### Long Term Care Ombudsman

General Fund	-	\$ (272,509)	\$ (272,509)
Other Funds	-	\$ (2,593)	\$ (2,593)

#### Psychiatric Security Review Board

General Fund	-	\$ (33,233)	\$ (33,233)
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### JUDICIAL BRANCH

#### Judicial Department

General Fund	-	\$ (7,171,498)	\$ (7,171,498)
General Fund Debt Service	-	\$ (2,555,411)	\$ (2,555,411)
Other Funds	-	\$ 195,971,790	\$ 195,971,790

**Budget Summary\***

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Commission on Judicial Fitness and Disability</u></b>			
General Fund	-	\$ (577)	\$ (577)
<b><u>Public Defense Services Commission</u></b>			
General Fund	-	\$ 1,060,699	\$ 1,060,699
<b><u>LEGISLATIVE BRANCH</u></b>			
<b><u>Legislative Administration Committee</u></b>			
General Fund	-	\$ 4,109,449	\$ 4,109,449
General Fund Debt Service	-	\$ (445,481)	\$ (445,481)
Other Funds	-	\$ 239,358	\$ 239,358
Other Funds Debt Service	-	\$ (28,305)	\$ (28,305)
<b><u>Legislative Assembly</u></b>			
General Fund	-	\$ (1,324,394)	\$ (1,324,394)
<b><u>Legislative Commission on Indian Services</u></b>			
General Fund	-	\$ (1,750)	\$ (1,750)
<b><u>Legislative Counsel</u></b>			
General Fund	-	\$ (232,754)	\$ (232,754)
Other Funds	-	\$ (59,154)	\$ (59,154)
<b><u>Legislative Fiscal Office</u></b>			
General Fund	-	\$ (183,583)	\$ (183,583)
Other Funds	-	\$ (124,420)	\$ (124,420)
<b><u>Legislative Revenue Office</u></b>			
General Fund	-	\$ (18,516)	\$ (18,516)
<b><u>Legislative Policy and Research Office</u></b>			
General Fund	-	\$ (45,374)	\$ (45,374)

## Budget Summary\*

### NATURAL RESOURCES PROGRAM AREA

#### State Department of Agriculture

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
General Fund	-	\$ (1,066,655)	\$ (1,066,655)
Lottery Funds	-	\$ (231,617)	\$ (231,617)
Other Funds	-	\$ (2,054,053)	\$ (2,054,053)
Federal Funds	-	\$ (388,340)	\$ (388,340)

#### Columbia River Gorge Commission

General Fund	-	\$ 24,081	\$ 24,081
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#### State Department of Energy

Other Funds	-	\$ (538,561)	\$ (538,561)
Federal Funds	-	\$ (72,012)	\$ (72,012)

#### Department of Environmental Quality

General Fund	-	\$ (352,190)	\$ (352,190)
Lottery Funds	-	\$ (77,348)	\$ (77,348)
Other Funds	-	\$ (3,614,762)	\$ (3,614,762)
Federal Funds	-	\$ (461,243)	\$ (461,243)

#### State Department of Fish and Wildlife

General Fund	-	\$ 182,646	\$ 182,646
Lottery Funds	-	\$ (167,378)	\$ (167,378)
Other Funds	-	\$ (3,153,172)	\$ (3,153,172)
Federal Funds	-	\$ (3,058,576)	\$ (3,058,576)

#### Department of Forestry

General Fund	-	\$ (1,201,103)	\$ (1,201,103)
General Fund Debt Service	-	\$ (410,919)	\$ (410,919)
Lottery Funds Debt Service	-	\$ (5,594)	\$ (5,594)
Other Funds	-	\$ 96,885,643	\$ 96,885,643
Other Funds Debt Service	-	\$ 79,996	\$ 79,996
Federal Funds	-	\$ (495,371)	\$ (495,371)

## Budget Summary\*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Department of Geology and Mineral Industries</u></b>			
General Fund	-	\$ (104,725)	\$ (104,725)
Other Funds	-	\$ (141,422)	\$ (141,422)
Federal Funds	-	\$ (65,496)	\$ (65,496)
<b><u>Department of Land Conservation and Development</u></b>			
General Fund	-	\$ (395,929)	\$ (395,929)
Other Funds	-	\$ (1,373)	\$ (1,373)
Federal Funds	-	\$ (108,803)	\$ (108,803)
<b><u>Land Use Board of Appeals</u></b>			
General Fund	-	\$ 266	\$ 266
<b><u>Oregon Marine Board</u></b>			
Other Funds	-	\$ (335,800)	\$ (335,800)
Federal Funds	-	\$ (1,373)	\$ (1,373)
<b><u>Department of Parks and Recreation</u></b>			
Lottery Funds	-	\$ (1,881,005)	\$ (1,881,005)
Lottery Funds Debt Service	-	\$ (895,019)	\$ (895,019)
Other Funds	-	\$ 3,232,341	\$ 3,232,341
Federal Funds	-	\$ (7,925)	\$ (7,925)
<b><u>Department of State Lands</u></b>			
General Fund	-	\$ 5,000,000	\$ 5,000,000
Other Funds	-	\$ 11,149,657	\$ 11,149,657
Federal Funds	-	\$ (3,183)	\$ (3,183)
<b><u>Water Resources Department</u></b>			
General Fund	-	\$ (748,813)	\$ (748,813)
Lottery Funds Debt Service	-	\$ (2,078,875)	\$ (2,078,875)
Other Funds	-	\$ 21,943,095	\$ 21,943,095
Federal Funds	-	\$ -	\$ -

## Budget Summary\*

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Watershed Enhancement Board</u></b>			
Lottery Funds	-	\$ (205,451)	\$ (205,451)
Federal Funds	-	\$ (1,136)	\$ (1,136)
<b><u>PUBLIC SAFETY PROGRAM AREA</u></b>			
<b><u>Department of Corrections</u></b>			
General Fund	-	\$ (23,762,896)	\$ (23,762,896)
General Fund Debt Service	-	\$ 1,268,059	\$ 1,268,059
Other Funds	-	\$ 272,630	\$ 272,630
Federal Funds	-	\$ (10,323)	\$ (10,323)
<b><u>Oregon Criminal Justice Commission</u></b>			
General Fund	-	\$ (87,794)	\$ (87,794)
Other Funds	-	\$ (1,137)	\$ (1,137)
Federal Funds	-	\$ (3,503)	\$ (3,503)
<b><u>District Attorneys and their Deputies</u></b>			
General Fund	-	\$ (23,359)	\$ (23,359)
<b><u>Department of Justice</u></b>			
General Fund	-	\$ (3,386,309)	\$ (3,386,309)
General Fund Debt Service	-	\$ 3,235,629	\$ 3,235,629
Other Funds	-	\$ 15,825,892	\$ 15,825,892
Federal Funds	-	\$ 29,064,361	\$ 29,064,361
<b><u>Oregon Military Department</u></b>			
General Fund	-	\$ 932,333	\$ 932,333
General Fund Debt Service	-	\$ (802,765)	\$ (802,765)
Other Funds	-	\$ 4,796,923	\$ 4,796,923
Other Funds Debt Service	-	\$ 448,429	\$ 448,429
Federal Funds	-	\$ (1,156,392)	\$ (1,156,392)



## **Budget Summary\***

	<b><u>2015-17 Legislatively Approved Budget</u></b>	<b><u>2017-19 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Oregon Board of Parole</u></b>			
General Fund	-	\$ (340,944)	\$ (340,944)
<b><u>Oregon State Police</u></b>			
General Fund	-	\$ (2,667,382)	\$ (2,667,382)
Lottery Funds	-	\$ (240,268)	\$ (240,268)
Other Funds	-	\$ (26,542)	\$ (26,542)
Federal Funds	-	\$ (142,526)	\$ (142,526)
<b><u>Department of Public Safety Standards and Training</u></b>			
Other Funds	-	\$ (1,183,157)	\$ (1,183,157)
Federal Funds	-	\$ 464,466	\$ 464,466
<b><u>Oregon Youth Authority</u></b>			
General Fund	-	\$ (4,902,061)	\$ (4,902,061)
General Fund Debt Service	-	\$ 1,925,787	\$ 1,925,787
Other Funds	-	\$ 567,980	\$ 567,980
Federal Funds	-	\$ (218,984)	\$ (218,984)
<b><u>TRANSPORTATION PROGRAM AREA</u></b>			
<b><u>Department of Aviation</u></b>			
Other Funds	-	\$ (39,973)	\$ (39,973)
Federal Funds	-	\$ (1,538)	\$ (1,538)
<b><u>Department of Transportation</u></b>			
General Fund	-	\$ (389,942)	\$ (389,942)
General Fund Debt Service	-	\$ (1,037,553)	\$ (1,037,553)
Lottery Funds Debt Service	-	\$ (6,039,258)	\$ (6,039,258)
Other Funds	-	\$ (1,415,838)	\$ (1,415,838)
Other Funds Debt Service	-	\$ 10	\$ 10
Federal Funds	-	\$ (227,030)	\$ (227,030)

**Budget Summary\***

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<b>2017-19 Budget Summary</b>			
General Fund Total	-	\$ 58,172,743	\$ 58,172,743
General Fund Debt Service	-	\$ (14,400,707)	\$ (14,400,707)
Lottery Funds Total	-	\$ 9,801,680	\$ 9,801,680
Lottery Funds Debt Service	-	\$ (12,820,839)	\$ (12,820,839)
Other Funds Total	-	\$ 938,856,278	\$ 938,856,278
Other Funds Debt Service	-	\$ 1,580,778	\$ 1,580,778
Other Funds Nonlimited	-	\$ 30,000,000	\$ 30,000,000
Federal Funds Total	-	\$ 137,654,935	\$ 137,654,935

\* Excludes Capital Construction

	<u>2015-17 Legislatively Approved Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
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**2015-17 Supplemental Appropriations**

**Commission on Judicial Fitness and Disability**

General Fund	-	\$ 35,000	\$ 35,000
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**Department of Transportation**

Other Funds	-	\$ 45,500,000	\$ 45,500,000
Federal Funds	-	\$ 8,100,000	\$ 8,100,000

## 2017-19 Position Summary

	<u>2015-17 Legislatively Approved Budget</u>	<u>2017-19 Committee Recommendation</u>	<u>Committee Change</u>
<b>ADMINISTRATION PROGRAM AREA</b>			
<b><u>Department of Administrative Services</u></b>			
Authorized Positions	-	6	6
Full-time Equivalent (FTE) positions	-	6.00	6.00
<b><u>Public Employees Retirement System</u></b>			
Authorized Positions	-	1	1
Full-time Equivalent (FTE) positions	-	0.92	0.92
<b><u>Department of Revenue</u></b>			
Authorized Positions	-	33	33
Full-time Equivalent (FTE) positions	-	9.00	9.00
<b><u>State Treasurer</u></b>			
Authorized Positions	-	2	2
Full-time Equivalent (FTE) positions	-	2.34	2.34
<b>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</b>			
<b><u>Consumer and Business Services</u></b>			
Authorized Positions	-	11	11
Full-time Equivalent (FTE) positions	-	9.68	9.68
<b><u>Bureau of Labor and Industries</u></b>			
Authorized Positions	-	3	3
Full-time Equivalent (FTE) positions	-	2.50	2.50
<b>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</b>			
<b><u>Housing and Community Services Department</u></b>			
Authorized Positions	-	3	3
Full-time Equivalent (FTE) positions	-	0.75	0.75

## 2017-19 Position Summary

2015-17 Legislatively  
Approved Budget

2017-19 Committee  
Recommendation

Committee Change

### HUMAN SERVICES PROGRAM AREA

#### Oregon Health Authority

Authorized Positions	-	63	63
Full-time Equivalent (FTE) positions	-	51.46	51.46

#### Department of Human Services

Authorized Positions	-	113	113
Full-time Equivalent (FTE) positions	-	74.33	74.33

### JUDICIAL BRANCH

#### Judicial Department

Authorized Positions	-	4	4
Full-time Equivalent (FTE) positions	-	2.00	2.00

### NATURAL RESOURCES PROGRAM AREA

#### Oregon Department of Agriculture

Authorized Positions	-	(1)	(1)
Full-time Equivalent (FTE) positions	-	(1.00)	(1.00)

#### Department of Fish and Wildlife

Authorized Positions	-	6	6
Full-time Equivalent (FTE) positions	-	5.33	5.33

#### Department of Forestry

Authorized Positions	-	4	4
Full-time Equivalent (FTE) positions	-	3.50	3.50

#### Department of State Lands

Authorized Positions	-	1	1
Full-time Equivalent (FTE) positions	-	1.00	1.00

<b><u>2017-19 Position Summary</u></b>	<b><u>2015-17 Legislatively Approved Budget</u></b>	<b><u>2017-19 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Water Resources Department</u></b>			
Authorized Positions	-	1	1
Full-time Equivalent (FTE) positions	-	1.00	1.00
<b>PUBLIC SAFETY PROGRAM AREA</b>			
<b><u>Department of Justice</u></b>			
Authorized Positions	-	68	68
Full-time Equivalent (FTE) positions	-	54.99	54.99
<b><u>Oregon Military Department</u></b>			
Authorized Positions	-	2	2
Full-time Equivalent (FTE) positions	-	2.00	2.00
<b><u>Oregon State Police</u></b>			
Authorized Positions	-	27	27
Full-time Equivalent (FTE) positions	-	25.32	25.32

## **Summary of Revenue Changes**

The General Fund appropriations made in the bill are within resources available as projected in the May 2017 economic and revenue forecast by the Department of Administrative Services, Office of Economic Analysis, supplemented by transfers from various agency accounts to the General Fund for general governmental purposes as authorized in HB 3470, plus other actions to reduce state agency expenditures.

## **Summary of Capital Construction Subcommittee Action**

HB 5006 appropriates General Fund to the Emergency Board for general purpose and targeted special purpose appropriations, and makes other adjustments to individual agency budgets and position authority as described below.

## **Emergency Board**

The Emergency Board allocates General Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. The Subcommittee appropriated \$50 million General Fund to the Emergency Board for general purposes.

HB 5006 makes two special purpose appropriations to the Emergency Board, totaling \$110 million General Fund; the bill also adjusts a special purpose appropriation already approved in a different bill:

- \$100 million General Fund for state employee compensation changes.
- \$10 million General Fund for allocation to state agencies for compensation changes driven by collective bargaining for workers who are not state employees.
- Reduces the special purpose appropriation made by SB 505 for costs associated with the requirement to record grand jury proceedings, by \$600,000 General Fund. The budget for the Judicial Department is increased by this amount.

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2018, any remaining funds become available to the Emergency Board for general purposes.

## **Adjustments to Approved 2017-19 Agency Budgets**

### **STATEWIDE ADJUSTMENTS**

Statewide adjustments reflect budget changes in multiple agencies based on reductions in Department of Administrative Services assessments and charges for services, Attorney General rates, certain services and supplies, and additional vacancy savings expected as a result of a hiring slowdown. Statewide adjustments also reflect net reductions to debt service realized through interest rate savings on bond sales and refunding of outstanding general obligation and lottery revenue bonds. Total savings are \$135.8 million General Fund, \$16.7 million Lottery Funds, \$105.5 million Other Funds, and \$35.6 million Federal Funds.

Specific adjustments include \$126 million total funds savings from implementing a hiring slowdown implemented across all three branches of government; \$25 million in General Fund and Lottery Funds savings from eliminating most inflation on services and supplies implemented across all three branches of government; \$9.3 million total funds from a 10% reduction to travel in Executive Branch agencies to implement the Governor's previously announced cost containment effort; \$68 million total funds reduction from lower Department of Administrative Services assessments and service rates; and \$13 million total funds from lower Attorney General rates.

Section 145 of the budget bill reflects the changes, as described above, for each agency. These adjustments are not addressed in the individual agency narratives, although they are included in the table at the beginning of the budget report.

## **ADMINISTRATION**

### **Department of Administrative Services**

The Subcommittee approved various one-time General Fund appropriations to the Department of Administrative Services (DAS) for the following purposes:

- \$1,895,000 for disbursement to the Rogue River Valley Irrigation District for the Bradshaw Drop Irrigation Canal project to pipe over three miles of irrigation canal to conserve water and provide pressurized water to district patrons.
- \$1,836,000 for disbursement to the City of John Day to extend a fiber optic line along US 395 from US 20 to John Day.
- \$1,000,000 for disbursement to the JPR Foundation, Inc. for the Holly Theater restoration project in Medford.
- \$1,000,000 for disbursement to the Deschutes Rim Clinic Foundation for the Rim Health Clinic in Maupin to supplement capacity at the current facility.
- \$750,000 for disbursement to the Medford Youth Baseball Society for improvements at Harry and David Baseball Park.
- \$500,000 for disbursement to the City of Mosier for a joint use facility, encompassing a city hall, main fire station, and multi-use community space to be built on land donated by Union Pacific Railroad.
- \$500,000 for disbursement to the Oregon Wine Board for marketing and increasing the market access of Oregon produced wine.
- \$420,000 for disbursement to the City of John Day for operations of a public safety answering point through the 2017-19 biennium.
- \$400,000 for disbursement to the Greater Portland YWCA for the Family Preservation Project.
- \$250,000 for disbursement to the Southern Oregon Veterans Benefit organization for construction of a replica of the Vietnam Memorial Traveling Wall.
- \$200,000 for disbursement to the Mid-Columbia Health Foundation for a hospital modernization and expansion project involving a regional rural community hospital in The Dalles that was built in 1859.
- \$50,000 for disbursement to the World of Speed organization as transition funding for the High School Automotive Career Technical Education program as the organization seeks other support for the program.
- \$50,000 for disbursement to the Family YMCA of Marion and Polk Counties for the YMCA Youth and Government program.
- \$50,000 for disbursement to the Bag and Baggage Productions, a professional theater located in Hillsboro, for its Cultural Innovation Project involving the purchase and installation of a 360 degree digitally immersive projection system.
- \$40,000 for disbursement to the Cities of Turner, Aumsville, and Salem, for use as flood mitigation planning match.

A total of \$28,177,202 Other Funds expenditure limitation was added by the Subcommittee for the one-time cost of issuance and special payments associated with the disbursement of proceeds from Lottery Bond sales; projects are detailed below and approved in SB 5530. Cost of issuance for these projects totals \$707,202. There is no debt service allocated in the 2017-19 biennium, as the bonds will not be sold until the

spring of 2019. Total debt service on all the projects described below is estimated at a total of \$4,743,599 Lottery Funds for the 2017-19 biennium and \$47,153,969 over the life of the bonds.

- \$12,235,018 Other Funds for disbursement to the YMCA of Marion and Polk counties for construction of a new YMCA facility in Salem.
- \$6,125,396 Other Funds for disbursement to the Eugene Civic Alliance to redevelop the site of the former Civic Stadium into a community sports and recreation complex.
- \$2,050,587 Other Funds for disbursement to the Gresham Redevelopment Commission for the construction of an innovation and workforce training center in the Rockwood neighborhood in Gresham.
- \$2,050,587 Other Funds for disbursement to the Family Nurturing Center (Rogue Valley Children’s Relief Nursery) to purchase and rehabilitate affordable housing adjacent to the Center’s campus.
- \$1,042,655 Other Funds for disbursement to the Cascade AIDS Project for the acquisition and renovation of a primary care and mental health center for the lesbian, gay, bisexual, transgender, queer, and other minority gender identities and sexual orientation community.
- \$1,041,303 Other Funds for disbursement to the City of Independence for the Independence Landing Revitalization Project.
- \$1,041,303 Other Funds for disbursement to Klamath County for construction of the Klamath Youth Inspiration Program residential treatment center in Klamath Falls.
- \$1,041,303 Other Funds for disbursement to the City of Woodburn to develop a community center in Woodburn.
- \$784,922 Other Funds for disbursement to The Dalles Civic Auditorium Preservation Commission to continue reconstruction of The Dalles Civic Auditorium theater.
- \$764,128 Other Funds for disbursement to the City of Spray to construct a public safety and emergency services center, which includes fire protection and emergency medical services.

The Subcommittee approved two one-time increases to existing subsidy programs funded through the DAS budget: \$150,000 General Fund was added to the special payments made to the Oregon Historical Society, increasing its total state support in 2017-19 to \$900,000 General Fund. The Subcommittee also approved increasing the 2017-19 special payments to county fairs by \$180,000 Lottery Funds, which provides county fairs with a total of \$3,828,000 Lottery Funds in 2017-19.

To complete projects approved in SB 5506, the capital construction bill, the Subcommittee approved the establishment of five limited duration Project Manager 2 positions (5.00 FTE) and one limited duration Project Manager 3 position (1.00 FTE) within the DAS Planning and Construction Management program. This is position establishment authority only, as all position costs will be charged against project funding.

The Subcommittee approved \$1,080,818 in additional Other Funds Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in SB 5505 for renovations at the Portland State Office Building, and an Other Funds expenditure limitation increase of \$214,000 for the cost of issuance of the bonds.



### **Public Employees Retirement System**

An Other Funds expenditure limitation increase of \$209,443 was approved by the Subcommittee, which supports one permanent full-time Principal Executive Manager G (0.92 FTE) to serve as the agency's Chief Financial Officer, with the understanding that the agency competitively recruit for, and hire, a Certified Public Accountant for this position.

### **Department of Revenue**

The Subcommittee approved funding for the final project phase to replace most of the agency's core information technology systems (Core Systems Replacement project). The final phase includes: Timber tax; electrical cooperative tax; rail car tax; gas and oil production tax; County Assessment Funding Assistance; Green Light; Non-profit homes; court fines and assessments; and revenue accounting. The scheduled implementation date is November 13, 2017.

The Subcommittee approved \$8,383,109 of Other Funds expenditure limitation and the establishment of 32 limited duration positions (8.00 FTE), which is to be mostly financed with Article XI-Q bonds approved in SB 5505 (\$4,781,944). Project revenues also include an estimated \$3,501,165 in bond proceeds that were authorized and issued during the 2015-17 biennium, but remained unexpended, and \$100,000 of state marijuana tax revenue. The Department of Administrative Services is directed to unschedule \$276,599 of Other Funds expenditure limitation associated with the Core Systems Replacement project, which may be rescheduled upon the approval of the Legislative Fiscal Office.

The Subcommittee appropriated \$1,000,000 General Fund for vendor contract maintenance costs to support the ongoing maintenance of the vendor product after installation and \$60,000 General Fund for non-bondable expenditures related to the project; these are one-time costs that should be phased out for 2019-21.

To support repayment of Article XI-Q General Obligation bond proceeds approved in SB 5505 for the project, the Subcommittee appropriated \$796,311 in additional General Fund Debt Service and added \$73,056 Other Funds expenditure limitation for the cost of issuance of the bonds.

The Subcommittee increased the General Fund appropriation by \$276,906 and Other Funds expenditure limitation by \$24,079 for one permanent full-time Principal Executive Manager F position (1.00 FTE) to restore funding for the agency's Finance Manager position, a long-term vacancy that was eliminated in SB 5535, with the understanding that the agency competitively recruit for, and fill, this position.

To balance available revenues with Other Funds expenditure limitation, the Subcommittee decreased Other Funds expenditure limitation by \$187,277 for services and supplies in the Property Tax Division.

The Subcommittee increased Other Funds expenditure limitation by \$244,058 for services and supplies in the Marijuana Program. Of the increase, \$200,000 is for a remodel of the cash transaction space in the Salem headquarters building. This will bring the total estimated project

costs to \$1.33 million, of which \$1 million will be funded during the 2017-19 biennium. This is a one-time expense. The remaining \$44,058 is for services and supplies approved by the Emergency Board in May of 2016.

### **Oregon Advocacy Commissions Office**

To restore a reduction in services and supplies included in the budget bill for the Oregon Advocacy Commissions Office (SB 5501), the Subcommittee approved \$17,000 General Fund.

### **State Library**

The Subcommittee approved a \$197,488 General Fund appropriation to restore a reduction to the Ready to Read Grant program included in the budget bill for the State Library (HB 5018). The Ready to Read Grant program provides grants to public libraries for early literacy services and summer reading programs.

### **State Treasurer**

For the Oregon Retirement Savings Board, the Subcommittee increased General Fund by \$1,056,224 and established three permanent full-time positions (2.84 FTE) for additional implementation work. The positions are: one permanent full-time Operations and Policy Analyst 4 to serve as a Public Engagement Manager (1.00 FTE); one permanent full-time Operations and Policy Analyst 3 to serve as a Compliance Manager (0.92 FTE); and one permanent full-time Executive Support Special 1 (0.92 FTE). The Subcommittee abolished one permanent part-time Program Analyst 1 position, a long-term vacant position (-0.50 FTE). A General Fund appropriation is required to fund the Board's operating expenses until the Retirement Savings Plan Administrative Fund has sufficient revenue to support the Board. General Fund expenditures are to be repaid with future administrative fees.

## **CONSUMER AND BUSINESS SERVICES**

### **Department of Consumer and Business Services**

The Subcommittee approved an increase in Other Funds expenditure limitation of \$154,056 for the Department of Consumer and Business Services (DCBS), Division of Financial Regulation and authorized the establishment of a limited duration Operation and Policy Analyst 3 position (0.88 FTE). This position will support work required by the passage of HB 2391, which requires DCBS to establish a reinsurance program for individual and group health insurance policies. The position will assist existing staff at the agency with the additional rulemaking process required to establish the reinsurance program and with the application to the US Department of Health and Human Services for a 1332 waiver to implement the Oregon Reinsurance Program.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$1,748,149 for the DCBS Building Codes Division and the establishment of 10 positions (8.80 FTE). Three of the positions, two Operations and Policy Analyst 3 and a Professional Engineer 2, are for building code development. These positions will provide policy and technical research, analysis, and subject matter expertise related to developing statewide standards, and provide support on special projects related to statewide consistency and uniformity within the building

code. Two Administrative Specialist 2 positions will support analysts, engineers, and subject matter experts in the process of statewide code development, and facilitate and coordinate on special projects, permit services, and project tracking. Two Plans Examiner 2 positions will provide technical expertise and support to special projects, by reviewing plans and specifications for those projects and providing additional support to operational programs in the Pendleton and Coos Bay field offices. One Structural and Mechanical Inspector, a Plumbing Inspector, and one Electrical Inspector will provide field support for site-built construction in the Pendleton and Coos Bay field offices.

### **Bureau of Labor and Industries**

General Fund in the amount of \$413,787 is added to the budget of the Bureau of Labor and Industries for anticipated investigatory and enforcement provisions related to the passage of SB 828. The funding supports a permanent Civil Rights Field Representative (0.75 FTE), and a Permanent Compliance Specialist (0.75 FTE). In addition, funding to support a limited duration Training and Development Specialist 2 position (1.00 FTE) is also included; this position will develop notice materials for posting in the work place, and provide employer training opportunities on the new requirements.

## **ECONOMIC AND COMMUNITY DEVELOPMENT**

### **Oregon Business Development Department**

The Subcommittee established a one-time \$1,650,000 General Fund appropriation for the Arts Commission to distribute grants to the following cultural institutions in the following amounts:

- APANO Cultural Center - \$300,000
- Benton County Historical Society & Museum - Corvallis Museum - \$500,000
- Cottage Theatre Expansion - \$125,000
- High Desert Museum - By Hand Through Memory Exhibit - \$125,000
- Liberty Theatre Foundation - Theatre Restoration in La Grande - \$200,000
- Oregon Coast Council for the Arts - Newport Performing Arts Center - \$300,000
- Portland Institute of Contemporary Art - Capital Campaign NE Hancock \$100,000

The Subcommittee established a one-time \$2,000,000 General Fund appropriation for a grant to the Crescent Sanitary District to support a sewer system/wastewater treatment facility project. To supplement support for the Regional Accelerator Innovation Network (RAIN), the Subcommittee increased the one-time Lottery Funds expenditure limitation by \$500,000. With the expenditure increase in this bill, total support in the budget for RAIN will total \$1,000,000. The Subcommittee also established a one-time Other Funds expenditure limitation of \$3,000,000 to support operating and research expenses of the Oregon Manufacturing Innovation Center (OMIC). The source of these funds are moneys transferred from the Connect Oregon Fund in the Department of Transportation. With the expenditure increase in this bill, support in the Oregon Business Development Department budget for OMIC operations will total \$6.6 million of combined Lottery Funds and Other Funds expenditures.

The Subcommittee increased Other Funds expenditures for distribution of bond proceeds authorized in SB 5505 and SB 5530, and HB 2278 (2015 Session). These expenditures include expenditures for the following projects for the following amounts:

- Seismic Rehabilitation Grants - \$120 million total, including \$100 million for school facilities and \$20 million for emergency services facilities.
- Port of Coos Bay - Channel Deepening Project - \$15,000,000
- Oregon Manufacturing Innovation Center Roads - \$3,390,000
- City of Sweet Home - Wastewater Treatment Plant Upgrade - \$2,000,000
- Crescent Sanitary District Sewer System - \$3,000,000
- Portland Art Museum 0 Connection Campaign - \$1,000,000
- Eugene Ballet Company - Midtown Arts Center - \$700,000
- Friends of the Oregon Caves & Chateau - Balcony Restoration Project - \$750,000
- Regional Solutions - \$1

Regarding Regional Solutions, SB 5530 authorizes \$4 million of lottery bond proceeds for the Regional Infrastructure Fund for Regional Solutions projects. After the Department presents a funding request with identified Regional Solutions projects, the Legislature or Emergency Board will increase the Other Funds expenditure limitation to allow funding of the approved projects. The expenditure limitation applies solely to lottery bond proceeds received in the 2017-19 biennium. Proceeds from previously issued bonds that have been transferred to the Regional Infrastructure Fund, and any earnings in the Fund, are not subject to the \$1 expenditure limitation.

The Subcommittee also increased Nonlimited Other Funds expenditures by \$30 million for distribution of lottery bond proceeds authorized for the Special Public Works Fund. The \$30 million include \$20 million for adding capital to the base Fund, and \$10 million restricted to levee projects.

Other Funds expenditures are increased by a total of \$2,746,249 to pay costs of issuing the general obligation and lottery revenue bonds authorized for the above projects. Proceeds of bonds are used to finance these costs.

Finally, the General Fund appropriation for debt service is increased by \$2,836,985 to pay 2017-19 biennium debt service costs for approved Seismic Rehabilitation Grant bonds. This supports debt service costs for \$25 million of seismic school bonds, and \$10 million of seismic emergency services facility bonds, issued in spring 2018. The remaining seismic bonds, and all lottery bonds authorized for projects in this budget, will be issued in spring 2019, and related debt service will not be paid until the 2019-21 biennium.

## **Housing and Community Services Department**

The Housing and Community Services Department budget is adjusted by the Subcommittee as follows:

Local Innovation and Fast Track (LIFT) housing program - Other Funds expenditure limitation is increased by \$1,090,000 attributable to the cost of issuance for \$80 million in Article XI-Q Bonds for affordable housing development; the housing developed with the bonds will be targeted to low income individuals and families. It is assumed that this investment will result in an additional 1,200 - 1,500 units of new housing, depending on economic factors and the extent to which the program is modified (specifically, to include single family home ownership). Expenditure limitation for a period of six years for the project amount (\$80 million) is in SB 5506. Administration of the \$80 million in additional bond proceeds drives the need for additional expenditure limitation and General Fund support in the 2017-19 biennium, as follows: Two limited duration Loan Specialist positions (0.75 FTE) and two permanent Compliance Specialist positions (1.00 FTE) are authorized to add appropriate underwriting and project monitoring for affordable housing units developed through the LIFT housing program, as authorized by the 2017 Legislative Assembly. The compliance specialist positions are funded through fees charged to the projects, while the loan specialists are supported by General Fund. Finally, General Fund of \$3.4 million is appropriated for debt service, assuming half of the total authorized amount (\$40 million) is issued in the spring of 2018.

Preservation of Affordable Housing - Other Funds expenditure limitation in the amount of \$25,395,235 is included to enable the Housing and Community Services Department (HCSD) to expend lottery bond proceeds for preservation of affordable housing. Of this amount, \$25 million is attributable to project costs, and \$395,235 is related to cost of issuance. Eligible projects for which these funds can be expended will be defined by HCSD and include activities such as: multi-family rental properties where at least 25% of the units are subsidized by a project-based rental assistance contract through the USDA Rural Development or the US Department of Housing and Urban Development; existing manufactured housing communities and affordable housing units to be acquired by a mission-based non-profit organization, resident cooperative, tenants' association, housing authority, or local government; existing multifamily projects with affordability restrictions in need of rehabilitation and contract renewal; and public housing projects undergoing a preservation transaction which involves a comprehensive recapitalization and which will secure ongoing rental subsidies.

Oregon Foreclosure Avoidance Program - General Fund of \$1.3 million is included for the program. This 2017-19 funding is intended to be the final installment for the program, with the expectation that HCSD will cease administration and payment reimbursement by June 30, 2019, or the time at which funds are fully expended, whichever comes first.

Emergency Housing Account and State Homeless Assistance Program - An additional \$13,200,000 General Fund is added to the Emergency Housing Account (EHA) program, and an additional \$6,800,000 General Fund is included for the State Homeless Assistance Program (SHAP). These are one-time enhancements that bring the total 2017-19 budget for EHA to \$27,893,832 (a 93% increase over the 2015-17 legislatively approved budget) and SHAP to \$12,226,228 (a 129% increase over the 2015-17 legislatively approved budget).

Oregon Commission for Voluntary Action and Service - Federal Funds expenditure limitation is reduced by \$7.1 million and one position (1.00 FTE) to reflect funding associated with transfer of administration of the Commission from HCSD to the Office of the Governor. The statutory changes to accomplish the transfer of the program are included in HB 3470.

Measure 96 Lottery Funds Allocation - Lottery Funds expenditure limitation, attributable to the 2016 passage of Measure 96, in the amount of \$350,000 is added for emergency housing assistance to veterans, as provided through the Emergency Housing Account program. The funds are allocated to the Department in SB 140. A budget note in HB 5012 (the HCSD budget bill) directs HCSD and the Department of Veterans' Affairs to report back to the Joint Committee on Ways and Means in February 2018 with advice on strategic investments of available funds that will result in long-term housing stability for veterans.

### **Oregon Department of Veterans' Affairs**

The Subcommittee approved increasing Other Funds expenditure limitation by \$310,000 for costs of issuance on Article XI-Q general obligation bonds authorized in SB 5505 for a parking lot at the Lebanon Veterans' Home, an educational and daycare facility at The Dalles Veterans' Home, and a new veterans' home in Roseburg. Costs of issuance will be paid with bond proceeds. Bonds are scheduled to be sold in spring 2019, with debt service of \$2.2 million General Fund in the 2019-21 biennium.

Due to the shortage of nurses and medical technicians in the City of Roseburg and Douglas County that would be required to staff the approved Veterans' Home, the Subcommittee adopted the following budget note:

#### **Budget Note:**

The Oregon Department of Veterans' Affairs, in collaboration with the Oregon Health Authority and the Oregon State Board of Nursing, is directed to convene a rural medical training facilities workgroup that will investigate issues related to alleviating a shortage of skilled and experienced nurses and medical technicians in the City of Roseburg and in Douglas County. Representatives from the City of Roseburg, Douglas County, local hospital or medical facilities, including the Roseburg VA Medical Center, and local medical practitioners with experience in training nursing and medical technician students should be included in the workgroup membership. The workgroup should consider issues related to establishing a medical training facility in partnership with local academic programs and methods of reintegrating veterans who are transitioning out of military service into society through higher education and career training. The Department shall report the results of the workgroup and recommendations to the Legislature by September 15, 2018.

## **EDUCATION**

### **State School Fund**

The Subcommittee approved a decrease of \$30,372,945 General Fund and an increase of \$12,465,745 Lottery Funds for the State School Fund, which reflects the balancing of available Lottery Funds across the entire state budget. In addition, Other Funds expenditure limitation was

increased by \$17,907,200 to account for the total amount of Marijuana revenues dedicated to the State School Fund. Overall, the net change to the State School Fund is zero from the \$8.2 billion included in SB 5517, the State School Fund budget bill.

### **Department of Education**

The Subcommittee approved \$480,517 General Fund for debt service on Article XI-Q bonds sold for deferred maintenance projects at the Oregon School for the Deaf. The bond proceeds will be used to address long standing deferred maintenance issues including replacement or repair of roofs (\$2.5 million) and various improvements (\$1.8 million) to address accessibility issues at the facility necessary to comply with the Americans with Disabilities Act (ADA). For the sale of Article XI-P bonds for the Oregon School Capital Improvement Matching program, \$100 million Other Funds expenditure limitation is included. The XI-P bonds will be sold later in the biennium, so no debt service is required. For both the sale of XI-Q bonds for the Oregon School for the Deaf and the Article XI-P bonds for school district facilities, an increase of \$1,052,442 in Other Funds expenditure limitation is included for the issuance costs of the bonds.

An Other Funds expenditure limitation of \$170.0 million is included for payments to school districts under Ballot Measure 98. A \$170 million General Fund appropriation was made in SB 5516, the budget bill for the Oregon Department of Education, but payments out of the new High School Graduation and College and Career Readiness Fund must be budgeted as an Other Funds expenditure under the language of Ballot Measure 98 and for accounting practices.

### **Higher Education Coordinating Commission**

The Subcommittee approved an increase of \$6,831,534 in Other Funds expenditure limitation for the Higher Education Coordinating Commission (HECC) for the issuance costs of general obligation bonds sold for public universities and community colleges. These include both Article XI-G and XI-Q bonds for the seven public universities and Article XI-G bonds for community colleges.

A General Fund appropriation of \$1.2 million was approved for a one-time grant to Eastern Oregon University for the construction of a new dedicated technology infrastructure equipment facility. This facility will be the campus hub for communications and network infrastructure. Also approved was \$490,000 General Fund for a one-time grant to Oregon State University for the renovation of the Graduate and Research Center at the Cascades Campus in Bend. This will create office space for teaching and research at the campus as it offers new programs and courses.

An additional \$5.3 million General Fund was approved for the Oregon Promise program which provides financial assistance to recent high school graduates with tuition waivers or subsidies at a community college. The increase, along with \$34.7 million General Fund included in the HECC budget bill (SB 5524), brings 2017-19 funding for this program to \$40 million General Fund. At this funding level, the Commission will need to implement policies limiting participation, including restricting program eligibility based on Earned Family Contribution. The intent is to “grandfather” in the first year’s students who started in the program during the 2016-17 academic year under the former requirements and implement any changes for those students who start during or after the fall quarter of the 2017-18 academic year. SB 1032 will include authority for HECC to limit the number of Oregon Promise participants by setting a maximum Earned Family Contribution for program eligibility.



The Subcommittee also approved a budget note related to community colleges:

**Budget Note:**

The Higher Education Coordinating Commission shall convene a workgroup to develop recommendations for enabling community colleges to offer an associate's degree that is completed in coordination with credits earned in registered apprenticeship or training programs that are at least four years long. The commission shall report their findings and recommendations to the appropriate legislative interim committee.

For College Possible, the Subcommittee approved a one-time \$350,000 General Fund appropriation to HECC for a one-time grant to the organization. This program provides mentoring, coaching, and other assistance to low income students to encourage them to go to college and help them apply for college and financial aid.

One-time funding for two Agricultural Experiment Station positions are added in this bill. One is located at the Hermiston Agricultural Research and Extension Center for potato research and one is at the North Willamette Research and Extension Center. The costs are \$260,000 and \$120,000 General Fund, respectively. Funding for the Renewable Energy Center at the Oregon Institute of Technology was approved in the amount of \$500,000 General Fund.

The Subcommittee approved one-time funding for two projects through Oregon State University resulting, in part, from the work of the Oregon Shellfish Task Force. The first is \$570,000 General Fund for the Molluscan Broodstock program at the Hatfield Marine Science Center in conjunction with the Whiskey Creek Shellfish Hatchery. The second project is \$280,000 General Fund for monitoring the effects of ocean acidification and conducting ocean acidification research at the Whiskey Creek Shellfish Hatchery.

**HUMAN SERVICES**

**Oregon Health Authority**

HB 5006 includes \$10,000,000 General Fund for costs related to treating Hepatitis C - Stage 2 for members of the Oregon Health Plan (OHP). Coverage is already included for Stages 3 and 4. It is estimated that roughly 3,200 OHP members have Hepatitis C at Stage 2, and if all these members pursue treatment, the 2017-19 estimated cost is about \$21.6 million General Fund. The agency will include data on current treatment patterns and costs in its first 2017-19 rebalance, and may need to request additional funding during the 2018 legislative session. A portion of this funding is expected to be one-time, as the existing OHP population is treated and only new cases will need treatment in the following biennium.

The Subcommittee approved \$200,000 General Fund for providing fresh Oregon-grown fruits, vegetables, and cut herbs from farmers' markets and roadside stands to eligible low-income seniors under the Senior Farm Direct Nutrition Program. Another \$1,000,000 General Fund was



added for the same purpose for eligible individuals through the Women, Infants and Children Program. Both program enhancements are one-time.

Additional one-time Tobacco Master Settlement Agreement (TMSA) resources of \$63,250,000 are available because of a series of legal settlements. Other Funds expenditure limitation is increased for OHP by \$63,250,000, and General Fund is reduced by a like amount. Other TMSA resources in the OHP budget include funding that had previously been used for tobacco prevention and cessation programs. The Subcommittee approved the following budget note:

**Budget Note:**

The Oregon Health Authority, in collaboration with the Tobacco Reduction Advisory Committee, shall make recommendations to the Public Health Advisory Board on reductions to the Tobacco Prevention and Education Program, based on the loss of Tobacco Master Settlement Agreement (TMSA) funding, that reflects best practices for tobacco control, to minimize programmatic disruption. The Oregon Health Authority shall report to the Legislature the impact of the loss of TMSA funding to tobacco prevention in Oregon, across state and local programs, health communications, tobacco cessation, and data and evaluation.

In order to balance to the final revenue forecast, an additional \$375,000 of recreational marijuana proceeds are expected to be distributed to the Oregon Health Authority (OHA) for alcohol and drug prevention and treatment programs. Other Funds expenditure limitation is increased by \$375,000 and General Fund is reduced by that same amount.

HB 5006 reduces General Fund by \$401,413 for the Oregon State Hospital, and reduces one FTE. SB 65 consolidates all persons found guilty except for insanity of a felony and committed to the Oregon State Hospital, under the jurisdiction of the Psychiatric Security Review Board. As a result, the State Hospital Review Panel (SHRP) will no longer be needed after June 30, 2018. The Subcommittee approved \$3,226,060 General Fund for rural provider incentive programs. This is funding that was mistakenly taken out of the current service level at Governor's Budget.

HB 5006 increases General Fund by \$10,000 to make the necessary changes to the Medicaid Management Information System (MMIS) to ensure that children who are placed in substitute care are enrolled in a coordinated care organization (CCO). This would apply to children in the legal custody of the Department of Human Services, and eligible for medical assistance. The new MMIS coding would allow a child who changes placement to remain in the original CCO until the transition of the child's care to another CCO has been completed.

The bill includes \$196,111 Other Funds expenditure limitation and one position (0.75 FTE) to implement HB 3440, which will open up the Prescription Drug Monitoring Program to out-of-state practitioners. This will create additional workload as the program will need to implement and manage a process of auditing out-of-state users' credentials and use of the system.

To support the ongoing DHS effort to develop and implement an integrated eligibility system, now called the ONE Integrated Eligibility and Medicaid Eligibility (ONE IE & ME), the Subcommittee approved \$322,233 General Fund, \$13,595,873 Other Funds expenditure limitation,

\$1,306,605 Federal Funds expenditure limitation, and 62 positions (51.71 FTE); 41 of the positions are limited duration. The 21 permanent positions are associated with a core need for legacy system integration, as well as system maintenance and operations.

**Department of Human Services**

The Subcommittee approved \$1,300,000 General Fund, on a one-time basis, to increase funding for the Oregon Hunger Response Fund, which is a 26.2% increase from the 2015-17 funding level. This additional support will help the Oregon Food Bank, through its 20 regional food banks, acquire and distribute a higher volume of food to over 950 local agencies.

Another adjustment in the Self Sufficiency program is a change to a budget reduction included in SB 5526, the primary budget bill for the Department of Human Services (DHS). Instead of a \$3.4 million General Fund reduction in the Temporary Assistance for Needy Families (TANF) program, which affected households with a Non-Needy Caretaker Relative, the Subcommittee decreased funding in the Employment Related Day Care program by \$3.4 million General Fund, which reduces the caseload by about 200 cases.

Regarding TANF, the DHS budget approved in SB 5526, assumes \$22.2 million in General Fund cost avoidance related to program restrictions that have been in place since the 2009-11 biennium; this requires statutory date changes that are included in HB 3470. In addition, \$60.0 million General Fund in TANF program caseload savings was used to help balance the agency-wide budget. These savings were due to the projected 2017-19 caseload decreasing by more than 3,000 families between the fall 2016 and spring 2017 caseload forecasts. The Subcommittee noted that, ideally, TANF savings would be retained within the TANF program to help improve services to families and client outcomes. To help institute this practice, the Subcommittee approved the budget note set out below.

**Budget Note:**

During the 2017-19 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 2017-19 legislatively adopted budget. As part of its first rebalance report to or request of the Legislature following that calculation, the agency will present a proposal for directing any savings to either increase the TANF grant amount or invest in the JOBS program.

For the Intellectual and Developmental Disabilities (IDD) program, the Subcommittee discussed the need to ensure individuals with IDD receive information about all service setting options. Accordingly, DHS is directed to present to all adults with IDD the option to receive in-home services as described in ORS 427.101(3)b. The Subcommittee also approved the following budget note related to IDD group homes:

**Budget Note:**

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 recommended changes that result in consistent applications of fines across the IDD group home system.
- Recommendations for mandatory minimum fines for substantiated abuse.

The Subcommittee approved funding for the continued development and implementation of an integrated eligibility system, now called the ONE Integrated Eligibility and Medicaid Eligibility (ONE IE & ME) project. This effort will integrate eligibility determinations for DHS programs; Non-MAGI Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related Day Care (ERDC); into the OregonONEligibility (ONE) system used by OHA.

While a 2017-19 funding request was always expected, the 2017-19 cost estimate for the project has increased over the budget development timeframe; the current project estimate and approved amount for 2017-19 is \$203,272,716 total funds. (The former estimate for 2017-19 spending was \$132.0 million total funds). This budget includes: state staff costs of \$42.3 million; \$128.2 million for contracted information technology services; \$21.0 million for software costs and hosting charges; \$2.2 million for training; and \$9.5 million for debt service. Cost allocation, contingencies, legacy system integration work, and payments to OHA for its project work are accounted for in these estimates. The state staffing component consists of 113 positions (74.33 FTE) and primarily supports business analytics and training activities; 88 positions (50.83 FTE) are limited duration.

The bulk of the project budget, at \$146.3 million or 72% of 2017-19 costs, is supported by Federal Funds; this is due to enhanced federal funding for the project. Some of that higher match expires on December 31, 2018, but the Medicaid portion at a 90% federal/10% state share does not have a set end date. The current project timeline and updated budget estimates account for these match rates. General Fund supports \$11.5 million of project costs and debt service; the bulk of the state share will be covered by \$45.0 million in proceeds from Article XI-Q bonds.

In SB 5505, the Joint Ways and Means Subcommittee on Capital Construction approved \$34,045,000 Article XI-Q bonds to finance \$33,523,000 of project costs and \$522,000 for costs of issuing the bonds. The Subcommittee also approved additional funding of \$11,477,000 for this project through the repurposing of bond proceeds originally issued for the Oregon Military Department (OMD).

The Joint Legislative Committee on Information Management and Technology (JLCIMT) reviewed the project on May 25, 2017, and recommended incremental, conditional approval of the project and set out detailed next steps in its recommendation, which was adopted. In addition to completion of 26 specific actions, the recommendation requires a minimum of two progress reports to JLCIMT; one in September 2017 and another in February 2018. The agency will also work closely with and regularly report project status to the Office of the State Chief Information Officer (OSCIO) and the Legislative Fiscal Office (LFO) throughout the project's lifecycle. It is likely additional formal reporting may

be required by JCLIMT or interim budget committees, depending on agency progress and any need to address project or budget issues flagged by LFO or OSCIO. The Subcommittee approved the project with the understanding that the funding will be unscheduled until LFO and the Chief Financial Office of the Department of Administrative Services approve rescheduling; agency compliance with the JLCIMT recommendations will be key to making funding available.

Since this project will result in eligibility determinations for multiple programs in both OHA and DHS being done through one system, to perform these determinations most efficiently, eligibility functions (responsibility for the work and staffing) from both agencies will be centralized at DHS. The following budget note was approved by the Subcommittee:

**Budget Note:**

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.

**JUDICIAL BRANCH**

**Judicial Department**

The Subcommittee increased General Fund for the Judicial Department by \$600,000, and established four full-time positions (2.00 FTE) for additional workloads associated with an increased number of preliminary hearings anticipated as a result of SB 505. SB 505 requires grand jury proceeding to be recorded. A special purpose appropriation in SB 505 to the Emergency Board for additional costs associated with the measure was reduced by the same amount.

The Subcommittee also established a \$1,200,000 General Fund appropriation to provide a grant to Clackamas County for planning costs associated with a project to replace the county's courthouse. The county must spend at least an equal amount of matching funds for planning costs. The provision of this support does not establish a commitment or expectation for any additional state support for the capital project.

The Subcommittee added Other Funds expenditures to the budget associated with the authorization, in SB 5505, of Article XI-Q bonds for grants and capital construction projects. This limitation will allow the Judicial Department to provide grants to counties for courthouse capital construction projects through the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF), and pay costs associated with issuing the bonds for both the OCCCIF grants, and for capital construction projects approved in SB 5506. A \$195.2 million Other Funds limitation is established for the OCCCIF, for transfer of \$97.6 million of Article XI-Q proceeds, and an equal amount of county matching funds, for the following two county courthouse replacement projects:

- Multnomah County Courthouse - \$185.2 million (including \$92.6 million of bond proceeds) for the Multnomah County Courthouse replacement project. The funds will permit the county to complete construction of the courthouse project. With these moneys, the state will have provided a total of \$125 million of bond proceeds for the project over a three-biennium period.
- Lane County Courthouse - \$10 million (including \$5 million of bond proceeds) for the Lane County Courthouse replacement project. These funds will provide support for planning and development of the project. With these moneys, the state will have provided a total of \$6.4 million of bond proceeds for the project over a two-biennium period. The provision of this support does not establish a commitment or expectation for any additional state support for the capital project.

Other Funds expenditures were increased by \$1,235,000 for costs of issuing Article XI-Q bonds for the OCCIF-supported projects, and for two capital construction projects approved in SB 5506. Proceeds of bonds are used to finance these costs.

Finally, the Subcommittee established a distinct Other Funds expenditure limitation for the State Court Technology Fund (SCTF), and transferred \$17,942,354 from the Operations expenditure limitation to the newly established SCTF expenditure limitation. The SCTF receives revenues from court filing fees, charges for technology services, and the Criminal Fine Account, and its use is restricted to providing support state court electronic systems.

#### **Public Defense Services Commission**

The Subcommittee approved a \$1,800,000 increase in General Fund for the Professional Services Account. This appropriation brings total General Fund support for the program to the current service level. The Professional Services Account finances the costs of all trial-level and certain appellate-level public defense services.

### **LEGISLATIVE BRANCH**

#### **Legislative Administration Committee**

General Fund of \$5,145,277 for Legislative Administration was approved by the Subcommittee for security enhancements to the Oregon State Capitol. The increased funds include: \$20,000 for a mass communication system, \$528,000 for third party monitoring services, and \$4,597,277 for security cameras and networks, independent distribution facility (network closet) upgrade, safety film installation, garage gate replacement, and other security needs.

The Subcommittee also approved \$906,053 General Fund for debt service on Article XI-Q bonds sold for the Capitol Accessibility, Maintenance, and Safety project. Bonds are scheduled to be sold in spring 2018. In addition, Other Funds expenditure limitation was increased by \$239,358 for costs of issuance on the bonds, which will be paid with bond proceeds.

## **NATURAL RESOURCES**

### **Department of Agriculture**

In the Agricultural Development and Marketing program, the Subcommittee reduced General Fund by \$250,000 due to elimination of a marketing position. This action eliminates one of three permanent full-time positions added to the program during the 2011-13 biennium to increase economic activity in the agriculture sector.

### **Columbia River Gorge Commission**

The Subcommittee added \$24,081 General Fund to the Columbia River Gorge Commission budget to match the amount provided by the State of Washington as required by interstate compact; \$14,686 of the increase is provided for the Joint Expenses Program and the remaining \$9,395 is for Commissioner Expenses.

### **Department of Environmental Quality**

The Subcommittee approved a \$500,000 one-time General Fund appropriation to complete an inventory of non-road diesel engines with the expectation that DEQ would use a third-party contractor to conduct a state-wide and multi-sector inventory of non-road diesel engines currently in use by private and public fleets for the purposes of informing and refining air quality models. This inventory is expected to be completed no later than May 1, 2019. To ensure the survey results are representative of the statewide inventory, data collection shall be conducted using a mix of sampling techniques, including, but not limited to whole fleet inventories (census style counts), representative sampling of fleets by fleet-size, and industry surveying. Results and assumptions should be verified using existing relevant and complementary data, such as fuel use and business asset data collected by county tax assessors. The Department is to consult with interested stakeholders during various phases of the inventory work including, but not limited to, prior to releasing the inventory request-for-proposal and upon the development of preliminary results. The Department shall make the results of this inventory available to interested stakeholders but only in aggregate form.

### **Department of Fish and Wildlife**

The Subcommittee approved three General Fund increases for the Department of Fish and Wildlife (ODFW) totaling \$1,325,000 for several program changes. First, \$425,000 General Fund was added to fund a permanent Natural Resources Specialist 5 position to serve as the Department's Sage Grouse Mitigation Program Coordinator. Approximately \$175,000 of the \$425,000 is for professional services contracts to assist in implementation of the sage grouse mitigation program. Next, \$250,000 General Fund was added to restore and make permanent two positions (1.67 FTE) to work on the Integrated Water Resources Strategy involving water flows necessary to maintain fish habitat and in-stream water rights consultations. In addition, it is expected that the positions would also examine the need for a sediment study of the lower Rogue River. Finally, \$650,000 General Fund was added to restore three of the five permanent full-time positions eliminated from the Western Oregon Stream Program as part of the General Fund reductions taken in HB 5018, the ODFW budget bill. The three positions that were restored work in Clackamas, Roseburg, and Tillamook. Along with the funding for position costs, \$40,839 was added for services and supplies.

The Subcommittee also established a one-time Other Funds expenditure limitation of \$215,000 for the cost of issuance of Article XI-Q General Obligation bonds approved in SB 5505 for repairs and capital improvements at ODFW facilities.

### **Department of Forestry**

The Subcommittee approved a \$57,568 increase in the General Fund appropriation made to the Oregon Department of Forestry (ODF) for the payment of debt service on General Obligation bonds issued for the replacement of a shared facility at Toledo. The Subcommittee also approved an increase in Other Funds expenditure limitation of \$1,114,991 to accommodate the payment of \$79,991 for debt service and \$50,000 in bond issuance costs related to bonds issued for the Toledo facility; the remaining \$985,000 is for the cost of issuance of Certificates of Participation related to the Elliott State Forest.

In addition, the Subcommittee approved the establishment of an Other Funds expenditure limitation for ODF, in the amount of \$100 million, for the payment, from the net proceeds from the sale of Certificates of Participation, of monies to finance the release of all or a portion of the Elliott forest from restrictions resulting from ownership of that forest by the Common School Fund, or to compensate the Common School Fund for the preservation of non-economic benefits of the forest through the imposition, transfer, or sale of restrictions such as easements, use requirements or restrictions, or other methods that preserve non-economic benefits of the forest for the public such as recreation, aesthetics, wildlife or habitat preservation, or other environmental and quality of life considerations.

For the initial work required for the development of a federal Habitat Conservation Plan (HCP), the Subcommittee approved a \$300,000 increase in Other Funds expenditure limitation pursuant to an agreement with the Department of State Lands for the development of the plan. ODF will use this funding to establish four limited duration positions (3.50 FTE) including a project leader, a HCP coordinator, a threatened and endangered species coordinator, and a data manager/analyst to work with federal agencies to develop a Request for Proposal to complete all the technical work needed for completing the HCP. The Department is also expected to apply for a federal grant to help with the cost of developing the Environmental Impact Statement required for completion of the HCP. It is anticipated that the agency will seek additional expenditure limitation once the remaining project costs are better known.

### **Land Use Board of Appeals**

For the Land Use Board of Appeals, the Subcommittee added \$11,650 General Fund to reclassify a position from Executive Support Specialist I to Executive Support Specialist II.

### **Department of Parks and Recreation**

The Subcommittee approved an increase in the Other Funds expenditure limitation for the Oregon Department of Parks and Recreation of \$5,111,682 for the expenditure of lottery bond proceeds for the Oregon Main Street Revitalization program. The funding will be used to provide competitive grants to organizations participating in the Oregon Main Street Network. The program focuses on projects that acquire, rehabilitate, and construct buildings on properties in designated downtown areas and facilitate community revitalization leading to additional private



investment, job creation or retention, expansion or establishment of viable businesses, or creating a stronger tax base. The expenditure limitation increase includes \$111,682 for bond issuance costs.

### **Department of State Lands**

For work related to the Elliott State Forest, the Subcommittee established an Other Funds expenditure limitation of \$3,985,377 and the establishment of a Project Manager 3 position (1.0 FTE). Specifically, \$1,608,930 of the total is for paying costs associated with a custodial forest management contract for the Elliott State Forest. Under the contract, the manager will be responsible for four primary tasks: maintaining road systems for safe public access and fire protection activities; ensuring compliance with all applicable laws; conducting reforestation activities to comply with Oregon's Forest Practices Act; and providing general forest management and oversight. The manager will be the first point of contact for any questions; responsible for identifying problems specific to the property and coordinating with local officials and DSL as necessary; and manage access to the property and coordinate proper disposal of trash and removal of abandoned property.

Other components include \$608,000 for estimated cost of fire patrol assessments to be paid to the Oregon Department of Forestry (ODF) for wildfire protection, \$268,447 for a Project Manager 3 position (1.00 FTE) that will provide general coordination for the Elliott Forest as well as providing project management for the Portland Harbor Superfund Site and Goble cleanup site. Also included is \$1,500,000 for development of a federal Habitat Conservation Plan (HCP) and an Environmental Impact Statement (EIS). The HCP development will be via an agreement with ODF; that agency will lead the collaborative work with other state, federal, and private entities. The initial ODF work is anticipated to cost \$300,000, the remaining \$1,200,000 is to be administratively unscheduled until a better estimate of the total cost to develop the HCP and EIS can be established. ODF anticipates that it will apply for federal grant funding for at least a portion of the cost to develop the EIS.

The Subcommittee approved \$5,000,000 General Fund for the Department of State Lands to deposit into the Portland Harbor Cleanup Fund established in SB 5530; after deposit (payment), the money is available to be spent as Other Funds. In SB 5530, \$3,000,000 in lottery bond proceeds is also allocated for deposit into the Cleanup Fund. To spend the \$8,000,000 total subsequently available, a new \$8,000,000 Other Funds expenditure limitation is established. To pay costs associated with the issuance of the lottery bonds, the Subcommittee approved an increase in Other Funds expenditure limitation of \$57,587.

Monies in the Cleanup Fund are for the coordination and participation in any contracts or agreements relating to or arising out of the Portland Harbor Superfund Site that may include investigation of baseline conditions, investigation of key sediment sites, potential infrastructure needs related to contaminated sediments, development and administration of a comprehensive data management system for the site, satisfaction of obligations under any settlement or administrative order, work required by the United States Environmental Protection Agency in connection with the site, and other activities directly related to minimizing the state's liability for costs related to the Portland Harbor Superfund Site.

### **Water Resources Department**

The Subcommittee approved a General Fund appropriation of \$333,677 for the Water Resources Department (WRD) to fund two Assistant Watermaster positions and an Office Specialist position in Umatilla County, in the Pendleton and Milton-Freewater offices. The former Umatilla



County positions were authorized in the agency's primary budget bill (SB 5542) using Other Funds expenditure limitation of \$433,677. This action assumed Umatilla County would be covering the cost of the positions via contract with WRD. However, available county resources are projected to be able to provide only \$100,000 of this amount, so General Fund will cover the remaining cost. To complete the fundshift, the Subcommittee also approved a \$333,677 reduction in Other Funds expenditure limitation.

To support pilot programs in several locations throughout the state, the Subcommittee approved an increase of \$203,870 General Fund and the establishment of a limited duration, Natural Resource Specialist 4 position (1.00 FTE). The Department was allocated \$750,000 in lottery bond proceeds during the 2015-17 biennium to make grants and provide technical assistance to local governments to establish place-based water resource planning pilot programs. Of that grant funding, \$600,000 is carried forward into the 2017-19 biennium; \$56,000 of that amount remains unobligated. The position authorized by the Subcommittee is a continuation of the limited duration position that was established in the prior biennium to assist in the administration of the program and the distribution of the grant funding.

The Subcommittee approved an increase of \$1,547,235 Other Funds expenditure limitation for making grants, loans, or providing technical assistance for feasibility studies, and for the payment of bond issuance costs from lottery bond sale proceeds deposited into the Water Conservation, Reuse, and Storage Investment Fund. Of the amount allocated to the Fund, \$47,235 is for the payment of bond issuance costs.

For water supply projects, the Subcommittee approved a total increase of \$21,075,301 Other Funds expenditure limitation for making grants, loans, and paying the cost of bond issuance from lottery bond proceeds deposited into the Water Supply Development Fund established under section 3, chapter 784, Oregon Laws 2013. At \$15,000,000, the bulk of the additional limitation provided for the expenditure of net bond proceeds allocated to the fund is for Water Supply Development grants and loans to evaluate, plan, and develop in-stream and out-of-stream water development projects that repair or replace infrastructure to increase the efficiency of water use; provide new or expanded water storage; improve or alter operations of existing water storage facilities in connection with newly developed water; create new, expanded, improved, or altered water distribution, conveyance, or delivery systems in connection with newly developed water; allocate federally stored water; promote water reuse or conservation; provide streamflow protection or restoration; provide for water management or measurement in connection with newly developed water; and, determine seasonally varying flows in connection with newly developed water. To pay for bond issuance costs, \$375,301 Other Funds expenditure limitation is needed.

The remaining expenditure limitation approved by the Subcommittee is for three specific projects that, while comporting to the other requirements of grants made from the Water Supply Development Fund, are not subject to any application process, public benefit scoring, or ranking. The projects and amounts are:

- City of Carlton, Panther Creek Reservoir sediment reduction and water storage capacity increase project - \$2,500,000
- City of Carlton, Finished water supply line loss reduction project - \$2,000,000
- Santiam Water Control District, Mill Creek Corporate Center irrigation conversion and efficiency project - \$1,200,000

## **PUBLIC SAFETY**

### **Department of Corrections**

To purchase two new transport buses to replace vehicles at the end of their service life, the Subcommittee approved a one-time appropriation of \$708,788 General Fund in the Department of Corrections' Operations Division.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$721,466 for cost of issuance of \$39,215,000 in Article XI-Q bonds authorized in SB 5506 for the Department of Corrections' deferred maintenance program and for technology infrastructure upgrades. Bonds will be issued in May 2018 and in March 2019.

The agency's General Fund appropriation for debt service was increased by \$1,926,252 for new debt service estimated to be paid in 2017-19. Debt service for bonds issued in 2017-19 is estimated to be \$7,616,448 General Fund in 2019-21.

### **Oregon Department of Justice**

The Subcommittee approved \$16,573,792 Other Funds expenditure limitation for project costs, which is to be financed with \$16,267,633 of Article XI-Q bonds approved in SB 5505 and \$306,159 in bond proceeds that were authorized and issued during the 2015-17 biennium but remained unexpended. The Subcommittee also approved \$32,136,210 Federal Funds expenditure limitation and the establishment of 32 permanent full-time positions (23.81 FTE). This includes personal services of \$5.8 million and services and supplies of \$43.0 million. The amount for services and supplies includes \$35.8 million total funds of contractor payments for: project management, including organization change management services; implementation; independent quality assurance; and independent verification and validation.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the project are established as permanent full-time under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the CSEAS program (i.e., CSEAS summary cross reference) and may not be transferred to any other program or used for any purpose other than the development of the CSEAS project; and (c) the positions may not be included in any permanent finance plan action.

Other Funds expenditure limitation of \$317,367 is included for the cost of issuance of the bonds. The Subcommittee appropriated \$3,391,920 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in SB 5505.

The Subcommittee approved \$6,916,041 Other Funds expenditure limitation and 35 permanent full-time positions (30.80 FTE) for the Civil Enforcement Division - Child Advocacy Section to represent Child Welfare caseworkers in court and provide full access to legal representation, legal counsel, legal advice, litigation support, and training. The revenue to support this package was approved in SB 5526, the primary budget bill for the Department of Human Services (DHS). DHS will be billed by DOJ no more than \$6.9 million for the increase in juvenile dependency workload using DOJ's traditional fee-for-service billing model. DOJ will also provide DHS with a monthly billing summary of the legal work performed. DOJ has committed to tracking quality assurance measures, including outcome measures.

Statewide implementation will be through a three-phase approach across all 36 counties: Phase-I will be completed by January 1, 2018 for: Benton; Coos; Gilliam; Grant; Hood River; Josephine; Lane; Lincoln; Linn; Morrow; Polk; Sherman; Tillamook; Wasco; and Wheeler Counties. Phase-II will be completed by July 1, 2018 for: Columbia; Crook; Deschutes; Douglas; Harney; Jackson; Jefferson; Klamath, Lake; Malheur; Umatilla; and Yamhill counties. Phase-III will be completed by January 1, 2019 for: Baker; Clackamas; Clatsop; Curry; Marion; Multnomah; Union; Washington; and Willowa counties. The final implementation schedule, however, may change depending upon the needs of a specific county. Both DOJ and DHS will work collaboratively with county District Attorneys to ensure juvenile dependency cases are handled in a consistent and coordinated manner with as much continuity as possible throughout the legal proceedings.

This investment in legal services was, in part, the result of work completed by the Task Force on Legal Representation in Childhood Dependency, which was established by SB 222 (2015). While, due to limited General Fund resources, the Legislature was unable to fund most Task Force recommendations, the affected state agencies and legal partners are committed to continuing to work on system improvements. In recognition of this commitment, the Subcommittee approved the following budget note:

**Budget Note:**

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.

In addition, the Legislature, under separate legislation (HB 3470), extended the sunset on the provision authorizing DHS to appear as a party in a juvenile court proceeding without appearance of an Attorney General from June 30, 2018 to June 30, 2020 to accommodate the planned implementation schedule.

The Department of Administrative Services is directed to unschedule \$4.0 million of the General Fund in the DHS budget and \$4.0 million of the Other Funds expenditure limitation in the DOJ budget pending demonstration to the Legislative Fiscal Office that the work performed, billing, reporting, and communication between the agencies is consistent with the budget cap, implementation schedule, and service level expectations for the caseworker legal representation program.

For SB 243, the Subcommittee approved implementation costs of \$123,932 Other Funds and established one permanent part-time Assistant Attorney General position (0.38 FTE) in DOJ's Civil Enforcement Division. The Division provides services to train caseworkers and certifiers on the new legal standard of abuse, advises Department of Human Services (DHS) in the preparation and adoption of administrative rules, as well as child protective services investigations, confidentiality laws, and release of records. The Division also provides advice and legal representation to DHS in all administrative appeals of those investigations and related certification actions for certified foster homes. The revenue source to fund this expense is legal service charges billed to DHS. The roll-up costs are estimated to be \$89,084 Other Funds and one position (0.25 FTE) for the 2019-21 biennium.

The Subcommittee approved \$500,000 General Fund to support Community Assessment Centers, as a one-time increase, in order to provide child abuse medical assessments. The funding will be administered through the Oregon Department of Justice, Crime Victims Services Division, as pass through funds distributed to the statewide Community Assessment Centers network association, which will ensure equitable distribution.

To support the Oregon Crime Victims Law Center, the Subcommittee also appropriated \$175,000 General Fund as a one-time increase. This will bring total funding for the Law Center from the Department of Justice to \$554,559, including \$504,599 General Fund and \$50,000 Other Funds; the latter is from the renewal of a state grant funded from punitive damage awards.

### **Oregon Military Department**

The Subcommittee approved an increase in Other Funds expenditure limitation of \$448,244 for cost of issuance of \$23,730,000 in Article XI-Q bonds authorized in SB 5506 for three Regional Armory Emergency Enhancement projects in Salem, Newport, and Coos Bay; an Armory Service Life Extension project at the Grants Pass armory; and to re-issue bonds for the Regional Training Institute and Youth Challenge capital construction projects in 2017-19. Bonds are planned to be issued in October 2017, and in March 2019.

The agency's General Fund appropriation for debt service was decreased by \$378,344 for debt service estimated to be paid in 2017-19 due to anticipated debt service savings. Debt service in 2019-21 for bonds issued in 2017-19 is estimated to be \$4,305,134 General Funds.

The Subcommittee approved a one-time appropriation of \$1,000,000 General Fund for construction of or repairs to the Oregon Military Museum at Camp Withycombe in Clackamas, Oregon.

To operationalize the provisions of HB 2687, the Subcommittee increased Other Funds expenditure limitation in the Oregon Military Department, Office of Emergency Management by \$5,000,000 to capitalize the Resiliency Grant Fund, and increased Other Funds expenditure limitation by \$70,000 to pay for the cost of bond issuance. Other Funds limitation is funded by the sale of Article XI-Q bonds authorized in SB 5506. The Subcommittee added \$181,178 General Fund and increased Federal Funds expenditure limitation by \$181,178 and approved two permanent positions (2.00 FTE) to administer the program and the grant-making process.

### **Department of Public Safety Standards and Training**

The Department of Public Safety Standards and Training's Federal Funds expenditure limitation was increased by \$469,566 to allow the expenditure of grant funds from the federal Assistance to Firefighters grant program on a new mobile fire training unit, to replace equipment at the end of its service life.

### **Oregon State Police**

The Subcommittee increased Other Funds expenditure limitation in the Patrol Division by \$2,521,711 to support the addition of six troopers and one sergeant (7.00 FTE) in the Capitol Mall Security Unit.

The Subcommittee approved \$6,230,000 General Fund and established twenty sworn positions (18.32 FTE) to increase highway patrol coverage statewide, and to provide additional drug enforcement detectives in central and southern Oregon counties.

### **Oregon Youth Authority**

To continue the installation of video monitoring systems to supplement the Oregon Youth Authority's sexual abuse prevention, detection, and response efforts for adherence to the US Prison Rape Elimination Act of 2003 (PREA), the Subcommittee approved a one-time appropriation of \$771,000 General Fund.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$676,086 for cost of issuance of \$39,995,000 in Article XI-Q bonds authorized in SB 5506 to remodel five living unit cottages at the MacLaren Youth Correctional Facility, to remodel two dormitory spaces at the Rogue Valley Youth Correctional Facility, and to undertake deferred maintenance projects in 2017-19. Bonds are planned to be issued in May 2018 and in March 2019.

The agency's General Fund appropriation for debt service was increased by \$1,695,236 for new debt service estimated to be paid in 2017-19. Debt service for bonds issued in 2017-19 is estimated to be \$6,104,546 General Fund in 2019-21.

## **TRANSPORTATION**

### **Department of Transportation**

Other Funds expenditure limitation for the Oregon Department of Transportation (ODOT) for the 2017-19 biennium is decreased by \$406,813 as an adjustment to Central Services to account for the transfer of positions from ODOT to the Office of the State Chief Information Officer.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Transportation Program Development section of \$30 million in lottery bond proceeds for ConnectOregon VII. In addition, the Other Funds expenditure limitation is increased by \$433,693 for cost of issuance expenses. There is no debt service in the 2017-19 biennium as the bonds will not be sold until the spring of 2019.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Public Transit Program of \$5 million in lottery bond proceeds for the Lane Transit District's expansion of the EmX Bus Rapid Transit network. In addition, the limitation is increased by \$119,541 for cost of issuance expenses. There is no debt service in the 2017-19 biennium as the bonds will not be sold until the spring of 2019.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Local Government Program of \$2 million in lottery bond proceeds for City of Portland SW Capitol Highway safety improvements. In addition, the Other Funds expenditure limitation is increased by \$50,587 for cost of issuance expenses. There is no debt service in the 2017-19 biennium as the bonds will not be sold until the spring of 2019.

### **Adjustments to 2015-17 Budgets**

#### **Commission on Judicial Fitness and Disability**

The Subcommittee increased the 2015-17 biennium General Fund appropriation for extraordinary expenses by \$35,000 to fund costs incurred for the investigation and prosecution of cases of judicial misconduct.

#### **Oregon Department of Transportation**

Other Funds expenditure limitation for the Oregon Department of Transportation for the 2015-17 biennium was increased by \$45.5 million for Highway Division programs for costs associated with winter storms, implementation of an ADA-related settlement agreement, and for increased project payout.

Federal Funds expenditure limitation for the Oregon Department of Transportation for the 2015-17 biennium was increased by \$8.1 million to complete commitments carried over from the 2013-15 biennium.

## Legislative Fiscal Office

900 Court St. NE, H-178  
Salem OR 97301  
503-986-1828



## Oregon Legislative Emergency Board

Sen. Peter Courtney, Senate Co-Chair  
Rep. Tina Kotek, House Co-Chair

### Certificate

September 26, 2018

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 276.390; ORS 291.326(1)(a), (b), (c), and (d); and ORS 291.375; this hereby certifies that the Emergency Board, meeting on September 26, 2018, took the following actions:

**1. Treasurer of State**

Acknowledged receipt of a report on investment expenses related to the Oregon Public Employees Retirement Fund.

**2. Secretary of State**

Acknowledged receipt of a report on Help America Vote Act funds, with the understanding that the agency will include an update on the actions taken to enhance elections security with its 2019-21 biennium agency request budget.

**3. Department of Education**

**Department of Human Services**

Increased the Federal Funds expenditure limitation established for the Department of Education by section 5(1), chapter 590, Oregon Laws 2017, Early learning programs, by \$7,207,837 and authorized the establishment of 12 limited duration positions (3.96 FTE) for the expenditure of additional federal Child Care Development Block Grant funding.

**4. Department of Education**

Allocated \$13,547 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Education by section 1(1), chapter 590, Oregon Laws 2017, Operations, and allocated \$338,687 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Education by section 2(4), chapter 590, Oregon Laws 2017, Other K-12 grant-in-aid programs, for grants to school districts for connecting schools to high-speed telecommunications and the internet and for related administrative costs.

**5. Department of Education**

Increased the Other Funds expenditure limitation established for the Department of Education by section 3(1), chapter 590, Oregon Laws 2017, Operations, by \$163,889 and authorized the establishment of three limited duration positions (0.87 FTE) to increase the capacity of business services staff.

- 6. Department of Education**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Agriculture, Food Nutrition Service in the amount of \$100,000 for the Child and Adult Care Food Program Meal Service Training grant.
- 7. Department of Education**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Education in the amount of up to \$750,000 for the Grants to States for School Emergency Management Program.
- 8. Department of Education**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Education in the amount of \$642,435 for the Pathways to STEM Apprenticeship for High School Career and Technical Students grant.
- 10. Higher Education Coordinating Commission**  
Acknowledged receipt of a report on the statewide criteria developed to evaluate and prioritize public university capital requests proposed in the Commission's agency request budget.
- 11. Higher Education Coordinating Commission**  
Approved, retroactively, the submission of a federal grant application to the Corporation for National Community Services Training and Technical Assistance in the amount of \$161,537 for the Oregon Volunteers AmeriCorps program.
- 12. Department of Human Services**  
Acknowledged receipt of a report on the agency's workforce-related efforts in the child welfare program.
- 13. Department of Human Services**  
Acknowledged receipt of a report on efforts to curb costs in the Intellectual and Developmental Disabilities program.
- 14. Department of Human Services**  
Approved, retroactively, the submission of a federal grant application to the Administration for Community Living in the amount of up to \$560,000 annually over two years, to support business case development for the No Wrong Door System within the Aging and People with Disabilities Program.
- 15. Department of Human Services**  
Approved, retroactively, the submission of a federal grant application to the Administration for Community Living in the amount of \$350,000 over 18 months, to expand dementia-capable services offered in home and community-based settings by the Aging and People with Disabilities Program.
- 16. Department of Human Services**  
Acknowledged receipt of a report on the agency's work to improve position management practices.



- 17. Department of Human Services**  
Acknowledged receipt of a report and allocated \$300,000 from the special purpose appropriation made to the Emergency Board by section 132(1), chapter 99, Oregon Laws 2018, to supplement the appropriation made to the Department of Human Services by section 1(3), chapter 597, Oregon Laws 2017, Aging and people with disabilities and intellectual/developmental disabilities programs, for ventilator-assisted services in nursing facilities.
- 18. Department of Human Services**  
Approved, retroactively, the submission of a federal grant application to the Administration on Children, Youth and Families for one-time funding in the amount of \$301,558 to support kinship navigator efforts for the Child Welfare program.
- 19. Department of Human Services**  
Acknowledged receipt of a report on increasing rural jobs in Oregon.
- 20. Department of Justice  
Department of Human Services**  
Acknowledged receipt of a report on the phased-in implementation of full legal representation for child welfare caseworkers.
- 21. Oregon Health Authority**  
Allocated \$160,450 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Oregon Health Authority by section 1(1), chapter 545, Oregon Laws 2017, Programs, for the Drinking Water Services Program and authorized the establishment of one permanent Natural Resources Specialist 4 position and one limited duration Natural Resources Specialist 3 position for a total of 0.66 FTE to work on emerging contaminants and emergency preparedness related to water quality.
- 22. Oregon Health Authority**  
Approved, retroactively, the submission of a federal grant application to the Centers for Disease Control and Prevention, State Physical Activity and Nutrition (SPAN) Program, in the amount of up to \$1.3 million annually over five years, to support the state in its continued efforts to improve nutrition and increase safe and accessible physical activities.
- 23. Oregon Health Authority**  
Approved, retroactively, the submission of a federal grant application to the Centers for Disease Control and Prevention, State Actions to Improve Oral Health Outcomes, in the amount of up to \$3,125,000 over five years, to support the state in its efforts to decrease dental caries and oral health disparities.
- 24. Oregon Health Authority**  
Approved, retroactively, the submission of a federal grant application to the Substance Abuse and Mental Health Services Administration, Improving Life Trajectories for Youth and Young Adults with Serious Mental Disorders Program, in the amount of up to \$1 million per year for up to five years, to improve access to developmentally appropriate

and culturally and linguistically competent treatment and support services for Oregonians between the ages of 16 and 25 who have serious mental disorders.

**25. Oregon Health Authority**

Approved, retroactively, the submission of a federal grant application to the Substance Abuse and Mental Health Services Administration in the amount of up to \$400,000 per year for four years to identify youth who are at high risk for developing psychosis and to provide early interventions.

**26. Oregon Health Authority**

Approved, retroactively, the submission of a federal grant application to the Centers for Disease Control and Prevention in the amount of up to \$80,000 over a 19-month period to supplement the current Pregnancy Risk Assessment Monitoring System grant.

**27. Department of State Police**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART) program in the amount of \$397,166 over a three-year period to improve Oregon's sex offender registration and notification processes and systems.

**28. Department of State Police**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, National Institute of Justice in the amount of \$288,605 to improve the quality and timeliness of forensic science and medical examiner's office services.

**29. Department of State Police**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, National Institute of Justice in the amount of \$841,009 over a two-year period to increase the ability of the state's forensic laboratory to process and analyze DNA samples more quickly and efficiently.

**30. Department of State Police**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, National Institute of Justice in the amount of \$805,650 over a three-year period to increase the ability of the state's forensic laboratory to analyze and identify skeletal, decomposed, and/or partial human remains in the possession of the Department of State Police.

**31. Department of State Police**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Bureau of Justice Statistics in the amount of \$848,741 over a two-year period to improve the completeness, automation, and transmittal of records to state and federal systems used by the National Instant Criminal Background Check System for firearm background checks.

- 32. Department of State Police**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Bureau of Justice Statistics in the amount of \$159,520 over a two-year period to purchase finger- and palm-print biometric scanning equipment for local criminal justice agencies.
- 33. Department of State Police**  
Allocated \$134,709 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of State Police by section 1(4), chapter 581, Oregon Laws 2017, Administrative services, agency support, criminal justice information services and office of the State Fire Marshal, to pay for the balance of the agency's implementation costs for the technology solution chosen for the STOP program.
- 34. Department of State Police**  
Allocated \$9,865,644 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of State Police by section 1(4), chapter 581, Oregon Laws 2017, Administrative services, agency support, criminal justice information services and office of the State Fire Marshal, and increased the expenditure limitation established for the Department of State Police by section 2(4), chapter 581, Oregon Laws 2017, Administrative services, agency support, criminal justice information services and office of the State Fire Marshal, by \$7,104,707, to address costs incurred during the 2018 wildfire season, with instructions.
- 35. Military Department**  
Acknowledged receipt of a report on the agency's assessment of its processes, policies, and practices for internal control over grants management.
- 36. Military Department**  
Allocated \$123,275 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Military Department by section 1 (4), chapter 566, Oregon Laws 2017, Community Support, to reimburse the agency for costs associated with state activation of the Oregon National Guard to support two drinking water delivery missions for the City of Salem during May and June 2018.
- 37. Military Department**  
Deferred action on the request for a \$50,000 Emergency Fund allocation and a limited duration position to coordinate emergency drinking water resources until the 2019 legislative session.
- 38. Department of Justice**  
Authorized the transfer of \$87,193 from the General Fund appropriation established for the Department of Justice, by section 1(2), chapter 576, Oregon Laws 2017, Civil Enforcement Division, to the General Fund appropriation established for the Department of Justice, by section 1(3), chapter 576, Oregon Laws 2017, Criminal Justice Division, for the Regional Automated Information Network (RAIN) coordinator position.

**39. Department of Justice**

Allocated \$2,640,456 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Justice by section 1(6), chapter 576, Oregon Laws 2017, Division of Child Support, for a revenue shortfall in Temporary Assistance for Needy Families (TANF) recoveries and additional various program budget shortfalls, with the understanding that the Department of Administrative Services will unschedule \$1,250,000 for the TANF shortfall.

**40. Department of Justice**

Increased the Federal Funds expenditure limitation for the Department of Justice established by section 3(3), chapter 576, Oregon Laws 2017, Crime Victims' Services Division, by \$14,430,275; authorized the transfer of \$5,000,000 from the Federal Funds expenditure limitation established by section 3(4), chapter 576, Oregon Laws 2017, Division of Child Support, to the Federal Funds expenditure limitation established by section 3(3), chapter 576, Oregon Laws 2017, Crime Victims' Services Division; and authorized the transfer of \$553,521 from the Federal Funds expenditure limitation established by section 36, chapter 702, Oregon Laws 2017, for the child support enforcement automated system in the child support enforcement automated program, to the Federal Funds expenditure limitation established by section 3(3), chapter 576, Oregon Laws 2017, Crime Victims' Services Division, for expenditure of federal grant funding.

**41. Department of Human Services**

**Department of Justice**

**Judicial Department**

**Public Defense Services Commission**

Acknowledged receipt of a report on progress made toward implementing strategies to improve juvenile dependency systems.

**42. Department of Justice**

Increased the Other Funds expenditure limitation established for the Department of Justice by section 2(2), chapter 576, Oregon Laws 2017, Appellate Division, by \$507,367; increased the Other Funds expenditure limitation established for the Department of Justice by section 2(3), chapter 576, Oregon Laws 2017, Civil Enforcement Division, by \$356,936; increased the Other Funds expenditure limitation established for the Department of Justice by section 2(6), chapter 576, Oregon Laws 2017, General Counsel Division, by \$1,185,059; increased the Other Funds expenditure limitation established for the Department of Justice by section 2(7), chapter 576, Oregon Laws 2017, Trial Division, by \$444,547; authorized the transfer of \$196,115 General Fund from the appropriation made to the Department of Justice by section 1(2), chapter 576, Oregon Laws 2017, Civil Enforcement Division, to the appropriation made to the Department of Justice by section 1(3), chapter 576, Oregon Laws 2017, Criminal Justice Division; and authorized, within the Other Funds expenditure limitations established for the Department of Justice by section 2, chapter 576, Oregon Laws 2017, the transfer of \$500,000 from subsection (5), Crime Victims' Services Division, to subsection (3), Civil Enforcement Division; for intra-agency charges to fund the Administration Division.

**43. Department of Justice**

Allocated \$1,343,260 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Justice by section 1(6), chapter 576, Oregon Laws 2017, Division of Child Support, for the Child Support Enforcement Automated System Project; authorized the transfer of \$553,521 from the Other Funds expenditure limitation established for the Department of Justice by section 2(5), chapter 576, Oregon Laws 2017, Crime Victims' Services Division, to supplement the expenditure limitation established for the Department of Justice by section 33, chapter 702, Oregon Laws 2017, for the child support enforcement automated system in the child support enforcement automated program; authorized the transfer of \$886,798 from the Other Funds expenditure limitation established for the Department of Justice by section 2(8), chapter 576, Oregon Laws 2017, Division of Child Support, to supplement the expenditure limitation established for the Department of Justice by section 33, chapter 702, Oregon Laws 2017, for the child support enforcement automated system in the child support enforcement automated program; for project expenditures.

**44. District Attorneys and Their Deputies**

Deferred action on the request to allocate funds from the special purpose appropriation made to the Emergency Board for costs related to grand jury recordation until the December 2018 meeting of the Emergency Board.

**45. Department of Public Safety Standards and Training**

Increased the Federal Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 3, chapter 583, Oregon Laws 2017, by \$325,955, for expenditure of a grant award from the federal Assistance to Firefighters grant program.

**46. Department of Public Safety Standards and Training**

Increased the Other Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 2(1), chapter 583, Oregon Laws 2017, Operations, by \$77,282 and authorized the establishment of one limited duration Training and Development Specialist 2 position (0.38 FTE) in the Private Security Program.

**47. Criminal Justice Commission**

Approved, retroactively, a grant application to the U.S. Department of Justice, Bureau of Justice Assistance in the amount of \$181,887 for a Project Safe Neighborhoods grant.

**48. Department of Corrections**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Bureau of Justice Assistance in the amount of \$750,000 over a three-year period to provide treatment to both adults in custody and offenders re-entering the community who suffer from co-occurring substance abuse and mental health disorders.

- 49. Department of Corrections**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention in the amount of \$750,000 over a three-year period to pilot Phase II of the *Parenting Inside Out* program at three agency institutions.
- 50. Columbia River Gorge Commission**  
Allocated \$18,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Columbia River Gorge Commission by section 1, chapter 474, Oregon Laws 2017, for operational expenses.
- 51. Department of Fish and Wildlife**  
Established a Federal Funds Capital Construction expenditure limitation of \$550,000 for the Department of Fish and Wildlife for the acquisition of 564 acres near the Summer Lake Wildlife Area.
- 53. Department of Agriculture**  
Increased the Lottery Funds expenditure limitation established for the Department of Agriculture by section 3, chapter 562, Oregon Laws 2017, by \$1,359,653 to fund efforts to eradicate Japanese Beetle in northwest Portland.
- 54. Department of Agriculture**  
Allocated \$100,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Agriculture by section 1(3), chapter 562, Oregon Laws 2017, Natural resources, and authorized the establishment of three seasonal limited duration survey biotechnician positions (0.75 FTE) for the initial phase of the Gypsy moth eradication plan.
- 55. Department of Agriculture**  
Allocated \$730,295 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Agriculture by section 1(2), chapter 562, Oregon Laws 2017, Food safety, and authorized the establishment of one limited duration position (0.38 FTE) to purchase laboratory equipment and conduct method development on a potential test for the presence of cyanotoxins in manufactured food products.
- 56. Department of Forestry**  
Acknowledged receipt of a preliminary report on the 2018 fire season and increased the Other Funds expenditure limitation established for the Department of Forestry by section 2(2), chapter 592, Oregon Laws 2017, Fire protection, by \$68,379,072 for fire suppression costs; and deferred action on the request for a \$1,415,825 Emergency Fund allocation until the 2014 fire season costs are finalized.
- 57. Department of Forestry**  
Allocated \$1,000,000 from the amount reserved in the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Forestry by section 1(3), chapter 592, Oregon Laws 2017, Private

forests, for the direct treatment of the EU1 lineage of Phytophthora Ramorum (Sudden Oak Death) infested sites, with instructions.

**58. Department of Energy**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Energy in the amount of \$600,248 for data collection and research toward developing industry standard practices for energy efficient residential building energy codes.

**59. Department of Geology and Mineral Industries**

Approved, retroactively, the submission of a federal grant application to the U.S. Geological Survey in the amount of \$274,000 for the 3D Elevation Program initiative.

**60. Department of Geology and Mineral Industries**

Approved, retroactively, the submission of a federal grant application to the Federal Emergency Management Agency in the amount of \$1,150,000 for the Cooperating Technical Partners Program.

**61. Department of Geology and Mineral Industries**

Approved, retroactively, the submission of a federal grant application to the National Oceanic and Atmospheric Administration in the amount of \$361,295 for the National Tsunami Hazard Mitigation Program.

**62. Department of Geology and Mineral Industries**

Increased the Other Funds expenditure limitation established for the Department of Geology and Mineral Industries by section 2(2), chapter 508, Oregon Laws 2017, Mined land reclamation, by \$450,000 for the Mined Land Regulation and Reclamation Program.

**63. Parks and Recreation Department**

Increased the Lottery Funds expenditure limitation established for the Parks and Recreation Department by section 2(3), chapter 547, Oregon Laws 2017, Parks development, by \$1,900,000 for facilities investment projects.

**64. Parks and Recreation Department**

Increased the Lottery Funds expenditure limitation established for the Parks and Recreation Department by section 2(4), chapter 547, Oregon Laws 2017, Direct services, by \$2,000,000 for maintenance projects on state park property.

**65. Parks and Recreation Department**

Increased the Lottery Funds expenditure limitation established for the Parks and Recreation Department by section 2(4), chapter 547, Oregon Laws 2017, Direct services, by \$100,000 for enforcement officer training.

**66. Parks and Recreation Department**

Increased the Other Funds expenditure limitation established for the Parks and Recreation Department by section 1(4), chapter 547, Oregon Laws 2017, Direct services, by \$455,448 to expend funds received from the Oregon State Parks Foundation for the construction of the Cottonwood Canyon Experience Center.

- 67. Parks and Recreation Department**  
Increased the Lottery Funds expenditure limitation established for the Parks and Recreation Department by section 2(2), chapter 547, Oregon Laws 2017, Central services, by \$1,208,230 for increased costs in merchant services and phone reservation fees.
- 68. Parks and Recreation Department**  
Increased the Lottery Funds expenditure limitation established for the Parks and Recreation Department by section 2(3), chapter 547, Oregon Laws 2017, Parks development, by \$1,500,000 for the acquisition of state park property.
- 69. Water Resources Department**  
Allocated \$1,352,526 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Water Resources Department by section 1(5), chapter 606, Oregon Laws 2017, Director's office, for anticipated legal costs through the end of the 2017-19 biennium.
- 70. Department of Environmental Quality**  
Allocated \$380,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Environmental Quality by section 1(2), chapter 591, Oregon Laws 2017, Water quality, and authorized the establishment of four limited duration positions (1.50 FTE) for the lab testing of cyanotoxins in the state's drinking water.
- 71. Department of Aviation**  
Deferred action on the request to retroactively approve the submission of a federal grant application to the Federal Aviation Administration in the amount of \$37 million for a runway extension project at the Aurora State Airport until the December 2018 meeting of the Emergency Board, with instructions the agency coordinate with Oregon Solutions at Portland State University for a stakeholder discussion.
- 72. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the Federal Transit Administration in the amount of up to \$5,166,470 for a Bus and Bus Facilities Infrastructure Discretionary grant on behalf of rural transit providers.
- 73. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the Federal Transit Administration in the amount of up to \$3,926,885 for a Low or No Emissions Bus Discretionary grant for the purchase of buses.
- 74. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the Federal Rail Administration in the amount of \$3 million for a 2017 Consolidated Rail Infrastructure and Safety Improvements grant to complete significant rail safety and efficiency improvements aimed at reducing congestion and delays for passenger and freight trains at the North Portland and Peninsula Junctions of the Union Pacific line.



- 75. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the Federal Rail Administration in the amount of \$3 million for a 2018 Consolidated Rail Infrastructure and Safety Improvements grant to complete significant rail safety and efficiency improvements aimed at reducing congestion and delays for passenger and freight trains at the North Portland and Peninsula Junctions of the Union Pacific line.
- 76. Department of Transportation**  
Increased the Other Funds expenditure limitation established for the Department of Transportation by section 4(1), chapter 604, Oregon Laws 2017, Capital improvement, by \$3,331, 972 for the construction of salt sheds.
- 77. Department of Transportation**  
Increased the Other Funds expenditure limitation established for the Department of Transportation by section 4(15), chapter 604, Oregon Laws 2017, Central services, by \$5,078,026 to increase use of the Emerging Small Business Program.
- 78. Department of Transportation**  
Increased the Other Funds expenditure limitation established for the Department of Transportation by section 1(6)(b), chapter 808, Oregon Laws 2015, Meacham Maintenance Station, by \$7,200,000 for the replacement of the Meacham Maintenance Station.
- 79. Department of Transportation**  
Increased the Other Funds expenditure limitation established for the Department of Transportation by section 4(2), chapter 604, Oregon Laws 2017, Maintenance and emergency relief programs, by \$19,895,997 to offset expenses resulting from the Eagle Creek fire and winter storm damages.
- 80. Oregon Business Development Department**  
Increased the Other Funds expenditure limitation established for the Oregon Business Development Department by section 55(9), chapter 702, Oregon Laws 2017, regional solutions, by \$3,999,999 for project support.
- 81. Employment Department**  
Acknowledged receipt of a report on specific aspects of the agency's liquidated and delinquent accounts receivable.
- 82. Department of Consumer and Business Services**  
Approved, retroactively, the submission of a federal grant application to the Centers for Medicare and Medicaid Services in the amount of \$282,754 to research health insurance plan affordability and availability.
- 84. Public Employees Retirement System**  
Increased the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(2), chapter 600, Oregon Laws 2017, Financial and Administrative Services Division, by \$79,291, and authorized the establishment of one investment accountant position (0.38 FTE), with the understanding that the Department

of Administrative Services will unschedule the limitation pending Public Employees Retirement System updating the position duties to only include trust fund-related activities.

**86. Public Employees Retirement System**

Authorized, within the Other Funds expenditure limitations established for the Public Employees Retirement System by section 1, chapter 600, Oregon Laws 2017, the transfer of \$258,244 and four positions (1.50 FTE) from subsection (4), Operations Division, to subsection (1), Central Administration Division; the transfer of \$100,000 from subsection (4), Operations Division, to subsection (2), Financial and Administrative Services Division; and the transfer of \$100,000 from subsection (4), Operations Division, to subsection (5), Compliance, Audit, and Risk Division, for an agency rebalance.

**87. Oregon Liquor Control Commission**

Increased the Other Funds expenditure limitation established for the Oregon Liquor Control Commission by section 1(2), chapter 578, Oregon Laws 2017, Marijuana regulation, by \$800,000 for fees associated with the Cannabis Tracking System; and increased the Other Funds expenditure limitation established for the Oregon Liquor Control Commission by section 1(1), chapter 578, Oregon Laws 2017, Administrative expenses, by \$1,182,058 for administrative expenses related to replacement and administration of agency information technology systems, with the understanding that the Department of Administrative services will unschedule \$728,596 of the limitation for administrative expenses pending a negotiated contract that demonstrates utilization of the funds.

**88. Department of Revenue**

Acknowledged receipt of a report on the agency's progress to develop an outcome-based assessment.

**89. Department of Revenue**

Increased the Other Funds expenditure limitation established for the Department of Revenue by section 2(4), chapter 601, Oregon Laws 2017, Business Division, by \$91,124 and increased the Other Funds expenditure limitation established for the Department of Revenue by section 2(2), chapter 601, Oregon Laws 2017, Property Tax Division, by \$4,500 for the implementation of HB 4139 (2018).

**90. Department of Revenue**

Increased the Other Funds expenditure limitation established for the Department of Revenue by section 2(4), chapter 601, Oregon Laws 2017, Business Division, by \$18,098 for the implementation of HB 3180 (2017).

**92. Department of Administrative Services**

Increased the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(6), chapter 572, Oregon Laws 2017, Enterprise Asset Management, by \$1,505,301 for the purchase of 70 vehicles.

- 93. Department of Administrative Services**  
Established a Federal Funds expenditure limitation of \$847,000 for the Department of Administrative Services, Office of the State Chief Information Officer – Policy, to accommodate grants and contracts for statewide aerial imagery.
- 94. Department of Administrative Services**  
Increased the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(5)(a), chapter 572, Oregon Laws 2017, Office of the State Chief Information Officer – State Data Center, Operations, by \$9,300,000, and authorized the transfer of \$10,000,000 from the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(5)(b), chapter 572, Oregon Laws 2017, Office of the State Chief Information Officer – State Data Center, Pass-through expenditures, to the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(5)(a), chapter 572, Oregon Laws 2017, Office of the State Chief Information Officer – State Data Center, Operations, for increased services.
- 95. Department of Administrative Services**  
Acknowledged receipt of a report on uniform rent rates and recommended to the 2019 Legislative Assembly that it approve, for each agency, an amount sufficient to pay rentals required under the final schedule for uniform rent based on the 2019-21 legislatively adopted budget for the Department of Administrative Services as required under ORS 276.390.
- 96. Department of Public Safety Standards and Training**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Commerce, National Institute of Standards and Technology in the amount of \$214,006 to develop three-dimensional maps of indoor public spaces in Oregon.
- 97. Oregon Business Development Department**  
Approved, retroactively, the submission of a federal grant application to the U.S. Environmental Protection Agency in the amount of \$500,000 for additional capitalization of Oregon Brownfields Cleanup Fund which provides cleanup financing for sites contaminated by hazardous substances and petroleum.
- 98. Oregon Business Development Department**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Agriculture in the amount of \$300,000 to support targeted technical assistance and other training leading to the development or expansion of small and emerging private businesses in rural areas.
- 99. Military Department**  
Allocated \$188,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Military Department by section 1(3), chapter 566, Oregon Laws 2017, Emergency management, for emergency preparedness equipment for fuel distribution facilities.

## Legislative Fiscal Office

900 Court St. NE, H-178  
Salem OR 97301  
503-986-1828



## Oregon Legislative Emergency Board

Sen. Peter Courtney, Senate Co-Chair  
Rep. Tina Kotek, House Co-Chair

### Certificate

December 14, 2018

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 291.326(1)(a), (b), (c), and (d); ORS 291.371; ORS 291.375; and ORS 656.612(6) this hereby certifies that the Emergency Board, meeting on December 14, 2018, took the following actions:

- 1. Public Defense Services Commission**  
Allocated \$66,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Public Defense Services Commission by section 1(3), chapter 582, Oregon Laws 2017, Contracts and Business Services Division, to address workflow needs through the end of the biennium.
- 2. Public Defense Services Commission**  
Acknowledged receipt of a report on the status of the Professional Services Account.
- 3. Public Defense Services Commission**  
Acknowledged receipt of a report on the implementation of SB 505 (2017), related to grand jury recordation.
- 4. Judicial Department**  
Acknowledged receipt of a report on the implementation of SB 505 (2017), related to grand jury recordation, and authorized the use of funds appropriated by section 16, chapter 650, Oregon Laws 2017, for statewide implementation of SB 505.
- 5. Judicial Department**  
Approved, retroactively, the submission of a federal grant application to the State Justice Institute in the amount of \$50,000 for development of a two-year strategic plan.
- 6. Department of Education**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Health and Human Services in the amount of up to \$6,000,000 for the Preschool Development Grant Birth-to-Five.
- 8. Department of Education  
Department of Human Services**  
Increased the Federal Funds expenditure limitation established for the Department of Education by section 4(1), chapter 590, Oregon Laws 2017, Operations, by \$1,874,873, increased the Federal Funds expenditure limitation established for the Department of

Education by section 5(1), chapter 590, Oregon Laws 2017, Early learning programs, by \$5,442,069, and authorized the establishment of 4 limited duration positions (0.84 FTE); and increased the Other Funds expenditure limitation established for the Department of Human Services by section 2(2), chapter 597, Oregon Laws 2017, Child welfare, self-sufficiency and vocational rehabilitation services, by \$7,122,984; for the expenditure of additional federal Child Care Development Block Grant funding.

**9. Oregon Health Authority**

Approved the transfer of General Fund appropriations, increased and transferred Other Funds expenditure limitations, increased Federal Funds expenditure limitation, and established and transferred positions, per the attached table, with the understanding that the Department of Administrative Services will unschedule \$11,879,295 General Fund.

**10. Oregon Health Authority**

Allocated \$260,949 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Oregon Health Authority by section 1(2), chapter 545, Oregon Laws 2017, Central services, statewide assessments and enterprise-wide costs; increased the Other Funds expenditure limitation established for the Oregon Health Authority by section 2(2), chapter 545, Oregon Laws 2017, Central services, statewide assessments and enterprise-wide costs, by \$32,282; increased the Federal Funds expenditure limitation established for the Oregon Health Authority by section 4(2), chapter 545, Oregon Laws 2017, Central services, statewide assessments and enterprise-wide costs, by \$180,359; and authorized the establishment of 6 permanent positions (1.76 FTE) to support ombuds services for individuals eligible for medical assistance programs.

**11. Oregon Health Authority**

Allocated \$1,500,000 from the special purpose appropriation made to the Emergency Board by section 130(1), chapter 99, Oregon Laws 2018, to supplement the appropriation made to the Oregon Health Authority by section 1(1), chapter 545, Oregon Laws 2017, Programs, to invest in community programs aimed at reducing the number of Aid and Assist patients sent to the Oregon State Hospital.

**12. Oregon Health Authority**

Acknowledged receipt of a report on mental health residential rate standardization.

**13. Oregon Health Authority**

Acknowledged receipt of a report on creating a single plan of shared accountability for behavioral health coordination within each geographic service area.

**14. Department of Human Services**

Acknowledged receipt of a report on the agency's workforce-related efforts in the child welfare program.

**15. Department of Human Services**

Acknowledged receipt of a report on efforts to curb costs in the Intellectual and Developmental Disabilities program.

- 16. Department of Human Services**  
Acknowledged receipt of a report on the agency’s work to improve position management practices.
- 17. Department of Human Services**  
Allocated \$6,343,891 from the special purpose appropriation made to the Emergency Board by section 130(1), chapter 99, Oregon Laws 2018, to supplement appropriations made to the Department of Human Services, approved the transfer of General Fund appropriations, increased and transferred Other Funds expenditure limitations, transferred Federal Funds expenditure limitations, and transferred positions; per the attached table.
- 18. Department of Human Services**  
Allocated \$2,500,000 from the special purpose appropriation made to the Emergency Board by section 179(1), chapter 99, Oregon Laws 2018, to supplement the appropriation made to the Department of Human Services by section 1(2), chapter 597, Oregon Laws 2017, Child welfare, self-sufficiency, and vocational rehabilitation, for the child welfare program.
- 19. Department of Human Services**  
Allocated \$255,882 from the special purpose appropriation made to the Emergency Board by section 130(1), chapter 99, Oregon Laws 2018, to supplement the appropriation made to the Department of Human Services by section 1(3), chapter 597, Oregon Laws 2017, Aging and people with disabilities and intellectual/developmental disabilities programs; increased the Federal Funds expenditure limitation established for the Department of Human Services by section 3(3), chapter 597, Oregon Laws 2017, Aging and people with disabilities and intellectual/developmental disabilities programs, by \$969,092; and authorized the establishment of 15 permanent positions (3.75 FTE), to comply with a federal directive on nursing facility complaint investigations.
- 20. Department of Human Services**  
Increased the Other Funds expenditure limitation established for the Department of Human Services by section 2(3), chapter 597, Oregon Laws 2017, Aging and people with disabilities and intellectual/developmental disabilities programs, by \$246,504, and authorized the establishment of 4 permanent positions (1.00 FTE), to embed dedicated case managers in four hospitals.
- 21. Department of State Police**  
Allocated \$6,300,000 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of State Police by section 1(4), chapter 581, Oregon Laws 2017, Administrative services, agency support, criminal justice information services and office of the State Fire Marshal, to support cash flow depleted by extraordinary wildfire fighting costs incurred during the 2017 and 2018 wildfire seasons, with instructions.

- 22. Military Department**  
Established a Federal Funds Capital Construction expenditure limitation of \$5,300,000 for the Military Department, Capital Construction program, for the Oregon Youth Challenge Program expansion project.
- 23. Military Department**  
Established a Federal Funds Capital Construction expenditure limitation of \$1,300,000 for the Military Department, Capital Construction program, to construct an outdoor combat pistol qualification course at Camp Najaf in Corvallis, Oregon.
- 24. Military Department**  
Increased the Federal Funds expenditure limitation established for the Military Department by section 3(1), chapter 566, Oregon Laws 2017, Operations, by \$4,000,000 for the demolition of structures at Camp Umatilla in Umatilla, Oregon.
- 25. Military Department**  
Established a Federal Funds Capital Construction expenditure limitation of \$9,000,000 for the Military Department, Capital Construction program, for the Camp Umatilla Regional Training Institute Re-Set Project at Camp Umatilla in Umatilla, Oregon.
- 26. Military Department**  
Established an Other Funds Capital Improvement expenditure limitation of \$500,000 for the Military Department, Capital Improvement program, to purchase real property adjoining the Camp Rilea Armed Forces Training Center in Warrenton, Oregon.
- 27. Military Department**  
Acknowledged receipt of a report on the agency's assessment of its processes, policies, and practices for internal control over grants management.
- 28. Department of Justice**  
Acknowledged receipt of a report on the Legal Tools Replacement project.
- 29. Criminal Justice Commission**  
Increased the Other Funds expenditure limitation established for the Criminal Justice Commission by section 2, chapter 505, Oregon Laws 2017, by \$200,498, and authorized the establishment of 2 limited duration positions (0.50 FTE) to spend a grant award on the Statistical Transparency of Policing program.
- 30. Department of Public Safety Standards and Training**  
Increased the Other Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 2(1), chapter 583, Oregon Laws 2017, Operations, by \$244,264, for wildland firefighter training expenses incurred during the 2018 fire season.
- 31. Department of Public Safety Standards and Training**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Homeland Security in the amount of \$498,850 for firefighter training equipment.

- 32. Department of Corrections**  
Increased the Federal Funds expenditure limitation established for the Department of Corrections by section 3, chapter 573, Oregon Laws 2017, by \$741,924, for expenditure of a federal Second Chance Act grant on the Parenting Inside Out family visiting program.
- 33. District Attorneys and Their Deputies**  
Established a General Fund appropriation for grand jury recordation by allocating \$386,107 from the special purpose appropriation made to the Emergency Board by section 17(1), chapter 650, Oregon Laws 2017, to the Department of Justice for the payment of expenses of District Attorneys and Their Deputies; and directed the Department of Justice to reimburse counties for eligible grand jury recordation expenses, as approved by the Emergency Board.
- 34. Department of Veterans' Affairs**  
Increased the Lottery Funds expenditure limitation established for the Department of Veterans' Affairs by section 2(1), chapter 585, Oregon Laws 2017, For services provided by the Department of Veterans' Affairs, by \$201,550, and authorized the establishment of 3 permanent positions (0.75 FTE) to establish the agency as the U.S. Department of Veterans' Affairs State Approving Agency for veterans' education programs; and recommended that the Department's Veterans' Services Program Lottery Funds allocation be increased by \$201,550 during the 2019 legislative session.
- 36. Department of Forestry**  
Acknowledged receipt of a report on the 2018 fire season; allocated \$1,886,696 from the special purpose appropriation made to the Emergency Board by section 5(1), chapter 592, Oregon Laws 2017, to supplement the appropriation made to the Department of Forestry by section 1(2), chapter 592, Oregon Laws 2017, Fire protection; allocated \$1,601,221 from the Emergency Fund established by section 1, chapter 702, Oregon Laws 2017, to supplement the appropriation made to the Department of Forestry by section 1(2), chapter 592, Oregon Laws 2017, Fire protection, for interest expenses and district deductibles associated with the 2018 fire season; increased the Other Funds expenditure limitation established for the Department of Forestry by section 2(2), chapter 592, Oregon Laws 2017, Fire protection, by \$1,107,962 for 2018 fire season costs and by \$13,727,764 to support the timely processing of payments related to the 2018 fire season; and recommended an increase of \$31,545,752 General Fund appropriation for large fire costs be included in a budget rebalance bill during the 2019 legislative session.
- 37. Water Resources Department**  
Acknowledged receipt of a report on publicly owned high-hazard dams in Oregon that have unsatisfactory or poor condition ratings.
- 38. Water Resources Department**  
Approved, retroactively, the submission of a federal grant application to the U.S. Geological Survey for a grant of up to \$150,000 for activities related to the National Groundwater Monitoring Network Data Providers program.



- 39. Department of Geology and Mineral Industries**  
Approved, retroactively, the submission of a federal grant application to the U.S. Geological Survey in the amount of \$300,000 for the 2019 State Geological Survey project.
- 40. Department of Aviation**  
Approved, retroactively, the submission of a grant application to the Federal Aviation Administration in the amount of \$37,000,000 for a runway extension project at Aurora State Airport, with instructions.
- 41. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the Federal Transit Administration in the amount of up to \$500,000 for the Innovative Coordinated Access and Mobility Program.
- 42. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the Federal Highway Administration, Competitive Highway Bridge Program in the amount of \$44,500,000 for replacement and rehabilitation of deficient bridges.
- 43. Department of Consumer and Business Services**  
Acknowledged receipt of a report on workers' compensation premium assessment rates.
- 44. Public Utility Commission**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration in the amount of up to \$58,000 for inspections of underground natural gas storage facilities in Oregon.
- 45. Public Employees Retirement System**  
Authorized the transfer of \$424,500 from the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(4), chapter 600, Oregon Laws 2017, Operations Division, to the Other Funds expenditure limitation established by section 1(2), chapter 600, Oregon Laws 2017, Financial and Administrative Services Division, for the Oregon Savings Growth Plan.
- 46. Public Employees Retirement System**  
Increased the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(5), chapter 600, Oregon Laws 2017, Compliance, Audit and Risk Division, by \$119,542 and authorized the establishment of 2 permanent positions (0.50 FTE) for cybersecurity and business continuity planning; and authorized the transfer of \$500,000 from the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(3), chapter 600, Oregon Laws 2017, Information Services Division to the Other Funds expenditure limitation established by section 1(5), chapter 600, Oregon Laws 2017, Compliance, Audit and Risk Division, for a disaster recovery program.

- 47. Department of Revenue**  
Deferred action on the request to transfer \$262,712 General Fund from the Personal Tax and Compliance appropriation to the Administration appropriation to fund a projected budget shortfall.
- 48. Department of Revenue**  
Authorized the transfer of \$687,519 from the General Fund appropriation established for the Department of Revenue by section 1(3), chapter 601, Oregon Laws 2017, Personal Tax and Compliance Division, to the General Fund appropriation established for the Department of Revenue by section 1(2), chapter 601, Oregon Laws 2017, Property Tax Division, for a budget shortfall.
- 49. Department of Administrative Services**  
Acknowledged receipt of a report on compensation plan changes.
- 51. Department of Administrative Services**  
Increased the Other Funds Capital Construction expenditure limitation established for the Department of Administrative Services by section 1(1)(k), chapter 747, Oregon Laws 2017, State Data Center Power Upgrades, by \$6,782,000 to complete the State Data Center Power Upgrades project.
- 52. Department of Administrative Services**  
Increased the Federal Funds expenditure limitation established for the Department of Administrative Services, Office of the State Chief Information Officer–Policy, by the Emergency Board at its September 2018 meeting, by \$599,795 to accommodate grants and contracts for Lidar aerial imagery.
- 53. Department of Geology and Mineral Industries**  
Approved, retroactively, the submission of a federal grant application to the U.S. Geological Survey in the amount of \$200,000 for the 3D Elevation Program initiative.
- 54. Legislative Fiscal Office**  
Transferred unallocated balances in the amount of \$34,462,012 from special purpose appropriations made to the Emergency Board to the Emergency Fund appropriation legal citation, per the attached table.

**ATTACHMENT  
Item 9: Oregon Health Authority**

<b>OREGON HEALTH AUTHORITY 2017-19</b>				
<b>December 2018</b>				
<b>Division/Appropriation Reference</b>	<b>Fund Type</b>	<b>Adjustments to Legislatively Approved Budget</b>	<b>Adjustments to Position Authority</b>	
<b><u>Transfers, Allocations, and Expenditure Limitation Adjustments:</u></b>				
<b>Health Care for All Oregon Children</b>				
Ch 652 4, OL 2017	General	(10,259,512)		
<b>Programs</b>				
Ch 545 2(1), OL 2017	Other	895,921,748		
Ch 545 4(1), OL 2017	Federal	430,552,061		
	Total	895,921,748		11 pos / 3.34 FTE
<b>Central Services, Statewide Assessments &amp; Enterprise-wide Costs</b>				
Ch 545 1(2), OL 2017	General	10,259,512		
Ch 545 2(2), OL 2017	Other	(3,903,290)		
Ch 545 4(2), OL 2017	Federal	1,096,027		
	Total	7,452,249		
<b>Public Employees' Benefit Board</b>				
Ch 545 6, OL 2017	Other	80,000,000		
<b>Oregon Educators Benefit Board</b>				
Ch 545 7, OL 2017	Other	81,000,000		
<b>Agency Total</b>				
	General	-		
	Other	1,053,018,458		
	Federal	431,648,088		
	Total	1,484,666,546		11 pos / 3.34 FTE
<b><u>Request Department of Administrative Services to unschedule:</u></b>				
<b>Health Care for All Oregon Children</b>				
Ch 652 4, OL 2017	General	7,004,243		
<b>Programs</b>				
Ch 545 1(1), OL 2017	General	4,875,052		

**ATTACHMENT  
Item 17: Department of Human Services**

<b>DEPARTMENT OF HUMAN SERVICES 2017-19</b>			
<b>December 2018</b>			
<b>Division/Appropriation Reference</b>	<b>Fund Type</b>	<b>Adjustments to Legislatively Approved Budget</b>	<b>Adjustments to Position Authority</b>
<b>Transfers, Allocations, and Expenditure Limitation Adjustments:</b>			
<b>Child welfare, self-sufficiency, and vocational rehabilitation services</b>			
Ch 597 1(2), OL 2017	General	22,030,592	
Ch 597 2(2), OL 2017	Other	(577,409)	
Ch 597 3(2), OL 2017	Federal	6,505,565	
	Total	27,958,748	(12) pos / (12.00) FTE
<b>Aging and people with disabilities and intellectual/developmental disabilities programs</b>			
Ch 597 1(3), OL 2017	General	(13,946,216)	
Ch 597 2(3), OL 2017	Other	3,549,816	
Ch 597 3(3), OL 2017	Federal	13,862,387	
	Total	3,465,987	7 pos / 7.00 FTE
<b>Central Services, state assessments, and enterprise-wide costs</b>			
Ch 597 1(1), OL 2017	General	(1,740,485)	
Ch 597 2(1), OL 2017	Other	2,296,942	
Ch 597 3(1), OL 2017	Federal	(20,367,952)	
	Total	(19,811,495)	8 pos / 8.00 FTE
<b>Shared services</b>			
Ch 597 2(4), OL 2017	Other	(222,785)	(3) pos / (3.00) FTE
<b>Department Total</b>			
	General	6,343,891	
	Other	5,046,564	
	Federal	-	
	Total	11,390,455	0 pos / 0.00 FTE

**Special Purpose Appropriation Transfer Detail**

<b>Oregon Laws 2017 &amp; 2018 Chapter/Section</b>	<b>Agency/Purpose</b>	<b>Amount</b>
Chapter 592, sec. 5(1), 2017	Department of Forestry for fire severity suppression costs	(2,113,304)
Chapter 650, sec. 17(1), 2017	State agencies for Grand Jury recording costs	(7,513,893)
Chapter 99, sec. 127(1), 2018	Oregon Health Authority for Mental Health residential rates	(2,000,000)
Chapter 99, sec. 130(1), 2018	Oregon Health Authority/Department of Human Services for Caseload and Cost Per Case Issues	(21,900,227)
Chapter 99, sec. 156(1), 2018	Secretary of State for January 2018 Special Election County costs	(284,588)
Chapter 99, sec. 169(1), 2018	Department of Revenue for position reconciliation	(650,000)
<b>Total transfers from special purpose appropriations</b>		<b>(34,462,012)</b>
Chapter 702, sec. 1, 2017	Emergency Board -- General Purpose	34,462,012
Net General Fund Change		0



## Summary of Emergency Board Action

December 2018

The Legislative Emergency Board met on December 14, 2018 and considered an agenda of 51 items. The Emergency Board approved four allocations from the Emergency Fund and six allocations from special purpose appropriations made to the Emergency Board. A request by the Legislative Fiscal Office to transfer unused special purpose appropriations from the Emergency Board to the Emergency Fund was also approved. A total of \$8.2 million was allocated from the Emergency Fund and \$12.9 million was allocated from special purpose appropriations. The transfer of unused special purpose appropriations totaled \$34.5 million. Additional details on these actions are described below. After the Emergency Board actions, the total balance in the Emergency Fund is \$57.3 million and will be available to the Legislature during the 2019 session. Any amount remaining in the Emergency Fund at the end of the current biennium will revert to the General Fund ending balance.

The agenda included 22 items that received additional 2017-19 biennium authority to spend (or transfer) Lottery Funds, Other Funds, and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$200,000 Lottery Funds, \$1.09 billion Other Funds, and \$461.1 million Federal Funds. The Emergency Board also authorized the establishment of 47 positions (12.44 FTE).

The agenda included 15 agency reports, which the Emergency Board acknowledged receiving. The Emergency Board heard ten requests for the submission of federal grant applications, eight of which were on a single consent agenda item.

The following is a summary of significant Emergency Board actions taken at the December 2018 meeting. Detailed information is available at <https://olis.leg.state.or.us/liz/201711/Committees/EB/2018-12-14-08-30/Agenda>

### Education

- Increased the Federal Funds expenditure limitation for the Department of Education by \$7,316,943 and authorized the establishment of 4 limited duration positions (0.84 FTE) for the expenditure of additional Child Care Development Block Grant funding (and increased the Other Funds expenditure limitation for the Department of Human Services; see Human Services).

### Human Services

- Increased the Other Funds expenditure limitation for the Department of Human Services by \$7,122,984 as part of the action on the additional Child Care Development Block Grant funding received by the Department of Education.
- Increased the Other Funds expenditure limitation

for the Oregon Health Authority by \$1,053,018,458, increased the Federal Funds expenditure limitation by \$431,648,088, approved transfers between appropriations and expenditure limitations, and authorized the establishment of 11 positions (3.34 FTE), to rebalance the agency's 2017-19 budget, with the understanding that the Department of Administrative Services will unschedule \$11,879,295 General Fund.

- Allocated \$260,949 from the Emergency Fund to the Oregon Health Authority, increased the Other Funds expenditure limitation by \$32,282, increased the Federal Funds expenditure limitation by \$180,359, and authorized the establishment of 6 positions (1.76 FTE) to support ombuds services for individuals eligible for

medical assistance programs for the remainder of the 2017-19 biennium.

- Allocated \$1,500,000 from the special purpose appropriation made to the Emergency Board for human services program budget challenges to the Oregon Health Authority to invest in community programs aimed at reducing the number of Aid and Assist patients sent to the Oregon State Hospital.
- Acknowledged receipt of reports by the Oregon Health Authority on mental health residential rates and on creating a single plan of shared accountability for behavioral health coordination within each geographic area.
- Acknowledged receipt of reports by the Department of Human Services on the agency's workforce-related efforts in the child welfare program, on efforts to curb costs and manage the Intellectual and Development Disabilities' budget, and on agency efforts to improve position management practices.
- Allocated \$2,500,000 from the special purpose appropriation made to the Emergency Board to the Department of Human Services for the agency's child welfare program.
- Allocated \$6,343,891 from the special purpose appropriation made to the Emergency Board for human services program budget challenges to the Department of Human Services, increased the Other Funds expenditure limitation by \$5,0465,564, and approved transfers between appropriations and expenditure limitations to rebalance the agency's 2017-19 budget.
- Allocated \$255,882 from the special purpose appropriation made to the Emergency Board for human services program budget challenges to the Department of Human Services, increased the Federal Funds expenditure limitation by \$969,092, and authorized the establishment of 15 positions (3.75 FTE) to comply with a federal mandate on nursing facility complaint investigations.
- Increased the Other Funds expenditure limitation for the Department of Human Services by \$246,504 and authorized the establishment of 4 positions (1.00 FTE) to embed case managers in four hospitals.

#### **Public Safety and Judicial Branch**

- Allocated \$6,300,000 from the Emergency Fund to the Department of State Police, State Fire Marshal, to manage cash flow due to

extraordinary costs incurred responding to wildfires in the 2017-19 biennium.

- Established a Federal Funds capital construction expenditure limitation of \$5,300,000 for the Military Department for the Oregon Youth Challenge program expansion project.
- Established a Federal Funds capital construction expenditure limitation of \$1,300,000 for the Military Department to construct a pistol qualification range at Camp Najaf.
- Increased the Federal Funds expenditure limitation for the Military Department by \$4,000,000 for demolition projects at Camp Umatilla.
- Established a Federal Funds capital construction expenditure limitation of \$9,000,000 for the Military Department for the Camp Umatilla Regional Training Institute re-set project.
- Established an Other Funds capital improvement expenditure limitation of \$500,000 for the Military Department to purchase real property adjacent to the Camp Rilea Armed Forces Training Center in Warrenton.
- Acknowledged receipt of a report by the Military Department's Office of Emergency Management on its analysis of internal controls on federal grant management.
- Acknowledged receipt of a report by the Department of Justice on its Legal Tools Replacement Project.
- Increased the Other Funds expenditure limitation for the Criminal Justice Commission by \$200,948 and authorized the establishment of 2 positions (0.50 FTE) to spend a grant award on the Statistical Transparency of Policing program.
- Increased the Other Funds expenditure limitation for the Department of Public Safety Standards and Training by \$244,264 for wildland firefighter training expenses.
- Increased the Federal Funds expenditure limitation for the Department of Corrections by \$741,924 to spend a grant award for the Second Chance Act program.
- Allocated \$66,000 from the Emergency Fund to the Public Defense Services Commission to address workload needs in the Contract and Business Services Division for the remainder of the 2017-19 biennium.
- Allocated \$386,107 from the special purpose appropriation made to the Emergency Board for costs related to grand jury recordation to the District Attorneys and Their Deputies for

reimbursement of costs for the three counties initially implementing grand jury recordation.

- Acknowledged receipt of reports by the Public Defense Services Commission and the Judicial Department on the implementation of SB 505 (2017) related to grand jury recordation.
- Acknowledged receipt of a report by the Public Defense Services Commission on the status of the Professional Services Account.

#### **Natural Resources**

- Allocated \$1,886,696 from the special purpose appropriation made to the Emergency Board for fire severity resources to the Department of Forestry, allocated \$1,601,221 from the Emergency Fund for interest expense and district deductibles for the 2018 fire season, increased the Other Funds expenditure limitation for the Department of Forestry by \$14,835,726 for 2018 fire season costs and timely processing of payments related to the fire season, and recommended that an appropriation of \$31,545,752 General Fund be made to the Department of Forestry in an early 2019 session rebalance bill to cover the remaining portion of the state's large-fire costs related to the 2018 fire season.
- Acknowledged receipt of a report by the Water Resources Department on publicly owned high-hazard dams in Oregon that have unsatisfactory or poor condition ratings.

#### **Economic and Community Development**

- Increased the Lottery Funds expenditure limitation for the Department of Veterans' Affairs by \$201,550 and authorized the establishment of 3 positions (0.75 FTE) to establish the agency as the U.S. Department of Veterans' Affairs State Approving Agency for veterans' education programs after the federal government found the Higher Education Coordinating Commission not qualified to continue serving that role beginning on October 1, 2019.

#### **Transportation**

- Approved, retroactively, the submission of a federal grant application by the Department of Aviation to the Federal Aviation Administration in the amount of \$37,000,000 for a runway extension project at the Aurora State Airport, with instructions to the agency on actions to take if the grant is awarded.

#### **Consumer and Business Services**

- Acknowledged receipt of a report by the Department of Consumer and Business Services on workers' compensation premium assessment rates.

#### **Administration**

- Transferred \$424,500 Other Funds expenditure limitation between divisions of the Public Employees Retirement System for administration of the Oregon Savings Growth Plan.
- Increased the Other Funds expenditure limitation for the Public Employees Retirement System by \$119,542, authorized the establishment of 2 positions (0.50 FTE), and transferred \$500,000 Other Funds expenditure limitation between divisions to facilitate completion of work on the agency's cybersecurity, business continuity, and disaster recovery programs.
- Deferred a request by the Department of Revenue to transfer \$262,712 General Fund between divisions to accommodate a projected budget shortfall in the Administration Division.
- Transferred \$687,519 General Fund between divisions of the Department of Revenue to accommodate a projected budget shortfall in the Property Tax Division.
- Acknowledged receipt of a report by the Department of Administrative Services on compensation plan changes.
- Increased the Other Funds capital construction expenditure limitation for the Department of Administrative Services by \$6,782,000 for the State Data Center upgrades project.
- Increased the Federal Funds expenditure limitation for the Department of Administrative Services by \$599,795 to complete two Lidar projects through the Oregon Lidar Consortium.

#### **Legislative Branch**

- Transferred specified unallocated balances from special purpose appropriations totaling \$34,462,012 to the Emergency Fund legal citation to facilitate access to these resources during the 2019 legislative session; after this action there is a total of \$57,255,961 available in the Emergency Fund for use in the 2019 session or for reversion to the General Fund 2019-21 biennium ending balance if not used.



Emergency Fund Balance Summary			Agency Requests	Emergency Board Action
<b>General Purpose Emergency Fund</b>				
	Appropriation (after 2018 Session adjustments)		50,000,000	50,000,000
	Allocations to date		(18,977,881)	(18,977,881)
	<b>Unallocated Balance</b>		31,022,119	31,022,119
	Reservations (within General Purpose)		1,000,000	1,000,000
	Reservations allocated to date		(1,000,000)	(1,000,000)
	<b>Unallocated Reservations</b>		0	0
#	<b>December 2018 Requests - General Purpose</b>			
1	Public Defense Services Commission - Workflow Needs		(66,000)	(66,000)
10	Oregon Health Authority - Ombudspersons Services for Medical Assistance Program		(430,776)	(260,949)
11	Oregon Health Authority - Open New 25-Bed Unit at Oregon State Hospital Junction City Campus		(2,714,077)	(see SPA below)
19	Department of Human Services - Compliance with Centers for Medicare and Medicaid Services Directive		(255,882)	(see SPA below)
21	Oregon State Police - 2017-19 Fire Season Extraordinary Costs		(6,300,000)	(6,300,000)
34	Oregon Department of Veterans' Affairs - Certification as State Approving Agency for Federal Veterans' Education		(201,550)	(approved LF)
36	Department of Forestry - 2018 Fire Season Costs and Treasury Interest Costs for Cashflow Loan (and SPA below)		(33,146,973)	(1,601,221)
54	Legislative Fiscal Office - Transfer of Unused Special Purpose Appropriations to Emergency Fund		34,462,012	34,462,012
	Total Requests - General Purpose		(8,653,246)	26,233,842
	<b>General Purpose Unallocated/Unreserved Balance after 12/2018 (if requests approved)</b>		22,368,873	57,255,961
	<b>Special Purpose Appropriations - Agency Specific (after 2018 Session actions)</b>		49,006,115	49,006,115
	Allocations/Transfers to Date		(1,671,527)	(1,671,527)
	<b>Unallocated Balance</b>		47,334,588	47,334,588
#	<b>December 2018 Requests - Special Purpose Appropriations - Agency Specific</b>			
11	Oregon Health Authority - Open New 25-Bed Unit at Oregon State Hospital Junction City Campus		0	(1,500,000)
17	Department of Human Services - Rebalance for Child Welfare, Self Sufficiency, and Vocational Rehabilitation		(7,343,891)	(6,343,891)
18	Department of Human Services - Child Welfare Issues		(2,500,000)	(2,500,000)
19	Department of Human Services - Compliance with Centers for Medicare and Medicaid Services Directive		0	(255,882)
33	District Attorney's and Their Deputies - Grand Jury Recordation Costs		(882,932)	(386,107)
36	Department of Forestry - 2018 Fire Severity Costs (and Emergency Fund above)		(1,886,696)	(1,886,696)
54	Legislative Fiscal Office - Transfer of Unused Special Purpose Appropriations to Emergency Fund		(34,462,012)	(34,462,012)
	Total Requests - Special Purpose - Agency Specific		(47,075,531)	(47,334,588)
	<b>Special Purpose - Agency Specific - Unallocated Balance after 12/2018 (if requests approved)</b>		259,057	0

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 491 - A**

80th Oregon Legislative Assembly – 2019 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

Prepared by: Kim To  
Reviewed by: Laurie Byerly, Michelle Deister  
Date: March 27, 2019

**Measure Description:**

Transfers from Department of Human Services to Oregon Community Foundation responsibility for administering Fairview housing trust.

**Government Unit(s) Affected:**

Department of Human Services (DHS), Housing and Community Services Department (HCSD)

**Summary of Fiscal Impact:**

Costs related to this measure requires budgetary action for the allocation of General Fund resources - See analysis.

**Analysis:**

SB 491 make changes to statutes related to community housing, requiring:

- The unexpended and unobligated balance of moneys in the Community Housing Trust Account, on January 1, 2020, be transferred to the Oregon Community Foundation to develop community housing to provide care to individuals with intellectual and other developmental disabilities. This change also removes the statutory requirement that at least 95% of the account’s principal balance be retained in perpetuity.
- The Oregon Community Foundation to report annually to the Department of Human Services (DHS) regarding the balance and expenditures of this account. If DHS finds any unauthorized expenditures, the foundation must reimburse DHS the amount of the unauthorized expenditure. DHS is directed to deposit these payments to the Developmental Disabilities Community Housing Fund.
- The Oregon Council on Developmental Disabilities to appoint an advisory committee to consult the Oregon Community Foundation. The advisory committee must include individuals from support services brokerages, community developmental disability programs, the Housing and Community Services Department (HCSD), and community-based residential providers.

In addition, the bill repeals obsolete statutes relating the sale of real property owned by the DHS and used as a state training center.

The fiscal impact of the bill related to the transfer of the Community Housing Trust Account balance requires eliminating the fund balance (budgetary resource) from the DHS budget for the 2019-21 biennium. While the Legislature has not yet adopted the agency’s budget for next biennium, the 2019-21 Governor’s budget does propose using \$6 million of the projected \$6.3 million fund balance on a one-time basis to fund services in the Intellectual and Developmental Disabilities program; this action also requires a statutory change. Review of this bill by the Joint Committee on Ways and Means is needed to ensure its impact is correctly reflected in the agency’s 2019-21 legislatively adopted budget.

The fiscal impact of this bill related to other requirements affecting DHS and HCSD is anticipated to be minimal. HCSD will use existing staff and resources to participate on the advisory committee. DHS will use existing staff and resources to transfer the balance of moneys in the Community Housing Trust Account to the Oregon Community Foundation and review expenditures for statutory compliance.

Note that the Oregon Community Foundation is a nonprofit entity whose budget is not subject to Executive Branch review, or approval or modification by the Legislative Assembly.

**SB 669 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Monnes Anderson

**Joint Committee On Ways and Means**

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**Action Date:** 06/18/19

**Action:** Do pass with amendments. (Printed A-Eng.)

**Senate Vote**

**Yeas:** 10 - Beyer, Frederick, Girod, Hansell, Heard, Johnson, Manning Jr, Roblan, Steiner Hayward, Wagner

**Nays:** 1 - Thomsen

**Exc:** 1 - Baertschiger Jr

**House Vote**

**Yeas:** 9 - Gomberg, Holvey, McLain, McLane, Nosse, Piluso, Rayfield, Smith G, Stark

**Prepared By:** Kate Nass, Department of Administrative Services

**Reviewed By:** Tom MacDonald, Legislative Fiscal Office

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**Oregon Health Authority**

**2019-21**

**Department of Human Services**

**2019-21**

**Budget Summary\***

	2017-19 Legislatively Approved Budget <sup>(1)</sup>	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
<b>Oregon Health Authority</b>					
General Fund	\$ -	\$ -	\$ 399,587	\$ 399,587	100.0%
Total	\$ -	\$ -	\$ 399,587	\$ 399,587	100.0%
<b>Department of Human Services</b>					
General Fund	\$ -	\$ -	\$ 125,000	\$ 125,000	100.0%
Federal Funds	\$ -	\$ -	\$ 125,000	\$ 125,000	100.0%
Total	\$ -	\$ -	\$ 250,000	\$ 250,000	100.0%

<sup>(1)</sup> Includes adjustments through December 2018

\* Excludes Capital Construction expenditures

**Position Summary**

**Oregon Health Authority**

Authorized Positions	0	0	4	4
Full-time Equivalent (FTE) positions	0.00	0.00	1.64	1.64

**Summary of Revenue Changes**

Senate Bill 669 appropriates \$399,587 General Fund to the Oregon Health Authority (OHA) to establish training requirements for individuals who provide in-home care services and to conduct increased on-site inspections of licensed in-home care agencies. The bill also appropriates \$125,000 General Fund and increases Federal Funds expenditure limitation by \$125,000 to the Department of Human Services (DHS) to develop recommendations to assess and monitor home care services. In total, Senate Bill 669 appropriates \$524,587 General Fund between the two agencies for the 2019-21 biennium.

**Summary of Capital Construction Subcommittee Action**

Senate Bill 669 directs the Oregon Health Authority to establish by rule training requirements that must be met before an individual may provide in-home care services. The training standards must require a minimum number of hours of orientation and assessment of competency before a home care worker or personal support worker is permitted to provide home care services to a client. The minimum number of hours may be greater for home care workers who will be providing enhanced care and services, such as medication management. The bill also changes

the time between on-site inspections conducted by OHA of licensed in-home care agencies from three years to two years and authorizes OHA to impose a civil penalty and deny, suspend, or revoke the license of any in-home care agency for failure to comply with training requirements and employment or wage laws.

The bill requires DHS to develop recommendations for methods to assess and monitor home care services provided by home care workers. The recommendations may include electronic monitoring and on-site assessment and monitoring of home care workers providing care in their clients' homes. DHS must report its recommendation to the Legislature by February 1, 2021.

**Oregon Health Authority**

Senate Bill 669 appropriates \$399,587 General Fund to the Oregon Health Authority and establishes four positions (1.64 FTE) for the 2019-21 biennium. The funding supports one Operations and Policy Analyst 3, two Client Care Surveyors, and one Administrative Specialist 1 to support the need of increased on-site inspections of licensed in-home care agencies, as well as increased costs for Department of Justice consultation and representation related to additional enforcement issues.

**Department of Human Services**

Senate Bill 669 appropriates \$125,000 General Fund and increases Federal Funds expenditure limitation by \$125,000 to the Department of Human Services to cover costs of contracting with an external vendor to develop recommendations for methods to assess and monitor home care services, which may include electronic monitoring and on-site assessments, as required by the bill.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Health Authority and Department of Human Services  
 Kate Nass - 503-378-5442

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
<b>Oregon Health Authority</b>									
<b>SCR 030-05 - Public Health Programs</b>									
Personal Services	\$ 283,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,366	4	1.64
Services and Supplies	\$ 116,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,221		
<b>Department of Human Services</b>									
<b>SCR 060-08 - Aging and People with Disabilities</b>									
Services and Supplies	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 250,000		
TOTAL ADJUSTMENTS	\$ 524,587	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 649,587	4	1.64
SUBCOMMITTEE RECOMMENDATION	\$ 524,587	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 649,587	4	1.64

**SB 155 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Roblan, Sen. Gelser

**Joint Committee On Ways and Means**

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**Action Date:** 06/14/19

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**Senate Vote**

**Yeas:** 11 - Beyer, Frederick, Girod, Hansell, Heard, Johnson, Manning Jr, Roblan, Steiner Hayward, Thomsen, Wagner

**Exc:** 1 - Baertschiger Jr

**House Vote**

**Yeas:** 9 - Gomberg, Holvey, McLain, McLane, Nosse, Piluso, Rayfield, Smith G, Stark

**Prepared By:** Lisa Pearson and Cathy Connolly, Department of Administrative Services

**Reviewed By:** Tim Walker, Legislative Fiscal Office

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**Department of Human Services**

**2019-21**

**Teacher Standards and Practices Commission**

**2019-21**

**Department of Education**

**2019-21**

**Budget Summary\***

	2017-19 Legislatively Approved Budget <sup>(1)</sup>	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
<b>Department of Human Services</b>					
General Fund	\$ -	\$ -	\$ 2,460,895	\$ 2,460,895	100.0%
Other Funds	\$ -	\$ -	\$ 820,749	\$ 820,749	100.0%
Federal Funds	\$ -	\$ -	\$ 392,329	\$ 392,329	100.0%
Total	\$ -	\$ -	\$ 3,673,973	\$ 3,673,973	100.0%
<b>Teacher Standards and Practices</b>					
Other Funds Limited	\$ -	\$ -	\$ 525,000	\$ 525,000	100.0%
Total	\$ -	\$ -	\$ 525,000	\$ 525,000	100.0%
<b>Department of Education</b>					
General Fund	\$ -	\$ -	\$ 1,621,607	\$ 1,621,607	100.0%
Total	\$ -	\$ -	\$ 1,621,607	\$ 1,621,607	100.0%

<sup>(1)</sup> Includes adjustments through December 2018

\* Excludes Capital Construction expenditures

**Position Summary**

**Department of Human Services**

Authorized Positions	0	0	13	13
Full-time Equivalent (FTE) positions	0.00	0.00	9.75	9.75

**Teacher Standards and Practices**

Authorized Positions	0	0	3	3
Full-time Equivalent (FTE) positions	0.00	0.00	2.25	2.25

**Department of Education**

Authorized Positions	0	0	6	6
Full-time Equivalent (FTE) positions	0.00	0.00	4.22	4.22



## **Summary of Revenue Changes**

Senate Bill appropriates \$2,460,895 General Fund to the Department of Human Services (DHS). The bill also provides Other Funds and Federal Funds expenditure limitation, which will be supported by existing funding sources. The Teacher Standards and Practices Commission (TSPC) is expected to increase fees to fund three investigator positions. Senate Bill 155 also provides a \$1,621,607 General Fund appropriation to the Oregon Department of Education (ODE).

## **Summary of Education Subcommittee Action**

Senate Bill 155 clarifies and expands sexual misconduct reporting requirements in schools. It appropriates a total of \$4.1 million General Fund between DHS and ODE. It also increases Other Funds expenditure limitation by a total of \$1.3 million between DHS and TSPC, and provides \$0.4 million Federal Funds expenditure limitation to DHS. Additionally, Senate Bill 155 provides a total of 22 positions among the three agencies to meet the investigatory and oversight functions required by the bill. The bill brings Oregon law into compliance with the Every Student Succeeds Act (2014). Mandatory reporters will contact DHS, who will refer the reports to law enforcement if a criminal act may have occurred. DHS will investigate regardless of criminality and will refer cases and files to the ODE for non-licensed school employees, volunteers, and contractors and to TSPC for licensed employees.

## **Department of Human Services**

Senate Bill 155 requires DHS to conduct an investigation upon receipt of a report of abuse involving a child and a person who is a school employee, contractor, agent, or volunteer. DHS must notify TSPC and ODE within three business day of the report. The bill also defines how to make reports on all incidents of suspected abuse or sexual conduct.

The Office of Training, Investigations and Safety (OTIS) in the Shared Services Division will be responsible for investigations of reports of abuse occurring in a school setting and this will require three permanent Investigator 3 positions (2.25 FTE) to screen referrals and then investigate referrals as needed, one permanent Administrative Specialist 1 position (0.75 FTE), a permanent Compliance Specialist 2 (0.75 FTE) and one permanent Principal Executive Manager (PEM) C (0.75 FTE) manager for the unit.

In the Child Welfare Division, this new responsibility will require seven permanent Social Service Specialist 1 positions (5.25 FTE) to address the workload associated with screening and providing services required in the bill. This includes receiving and documenting reports, assigning the reports to workers, and workers conducting assessments on those additional reports. In addition, there will need to be initial and ongoing training, rule writing, and child welfare procedure written. This includes learning changes to OR-KIDS, current practice and procedure for screeners, child protective workers, supervisors, consultants, and office staff, as well as increased founded disposition review and Department of Justice consultation.

Senate Bill 155 requires changes to the OR-KIDS system, which is used to capture initial report of child abuse. The Centralized Abuse Management (CAM) system, which is used to meet the requirement of the OTIS staff, will also need to be updated to include a new type of abuse report and implemented in schools across Oregon.

### **Teacher Standards and Practices**

Senate Bill 155 removes the requirement a school district must complete an investigation of complaints against licensed personnel, resulting in increased work for TSPC. To meet the additional demand and complete the investigations within 90 days, the bill provides expenditure limitation for three permanent investigator positions (2.25 FTE). The positions include two Investigator 2 positions and one Investigator 3 position, who will begin work in January 2020. The expenditure limitation includes Services and Supplies to support the positions and to contract with the Department of Justice for enforcing subpoenas.

### **Department of Education**

Senate Bill 155 provides six permanent positions (4.22 FTE) to develop policies and processes for investigations, final orders, recommendations to licensing agencies and appeals, and developing and managing a contract for investigators. Beginning July 2019, one Program Analyst 2 position will create the required training for education providers, the four state-sponsored charters, the Youth Corrections Education Program, and the Oregon School for the Deaf. Also, an Information System Specialist 7 will start work on July 1, 2019 to obtain and install a database system, which will be used to track ongoing and completed investigations. This system is needed because education providers must conduct additional background checks before hiring new employees and providers must ask ODE if a non-licensed job candidate is the subject of an ongoing investigation or has been investigated previously with confirmed allegations. Two Operations and Policy Analyst 4 positions will start work in September 2019 and will initially develop policies and processes; once this initial work is complete they will lead investigations, write final orders, and ensure investigations are complete with 90 days. They will also communicate with TSPC, school districts, law enforcement, and will present cases to the Office of Administrative Hearings along with preparing and delivering reports to the State School Board and the Legislature. They will also help train the four state-sponsored charters, the Youth Corrections Education Program, and the Oregon School for the Deaf. An Operations and Policy Analyst 3 will start in January 2020 to oversee investigations and write final orders, while an Administrative Specialist 2 will begin work in June 2020 to manage the complaint intake process, prepare all paperwork, track investigator contracts, and perform background checks.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services, Teacher Standards and Practices, Department of Education  
 Cathy Connolly -- 503-373-0083, Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
<u>Department of Human Services</u>									
<b>SCR 010-45 - Shared Services</b>									
Personal Services	\$ -	\$ -	\$ 759,699	\$ -	\$ -	\$ -	\$ 759,699	6	4.50
Services and Supplies	\$ -	\$ -	\$ 61,050	\$ -	\$ -	\$ -	\$ 61,050		
<b>SCR 010-50 - SAEC</b>									
Personal Services	\$ 2,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,888	0	0.00
Services and Supplies	\$ 521,143	\$ -	\$ -	\$ -	\$ 392,329	\$ -	\$ 913,472		
Special Payments	\$ 820,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 820,749		
<b>SCR 060-06 - Child Welfare Prog Delivery &amp; Design</b>									
Personal Services	\$ 828,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 828,506	7	5.25
Services and Supplies	\$ 287,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287,609		
<u>Teacher Standards and Practices</u>									
<b>SCR 001 - General Program</b>									
Personal Services	\$ -	\$ -	\$ 437,655	\$ -	\$ -	\$ -	\$ 437,655	3	2.25
Services and Supplies (Professional Services)	\$ -	\$ -	\$ 87,345	\$ -	\$ -	\$ -	\$ 87,345		
<u>Department of Education</u>									
<b>SCR 100 - Operations</b>									
Personal Services	\$ 818,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 818,074	6	4.22
Services and Supplies (Professional Services)	\$ 703,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 703,533		
Capital Outlay	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000		
TOTAL ADJUSTMENTS	\$ 4,082,502	\$ -	\$ 1,345,749	\$ -	\$ 392,329	\$ -	\$ 5,820,580	22	16.22
SUBCOMMITTEE RECOMMENDATION	\$ 4,082,502	\$ -	\$ 1,345,749	\$ -	\$ 392,329	\$ -	\$ 5,820,580	22	16.22

**HB 2508 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Manning Jr

**Joint Committee On Ways and Means**

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**Action Date:** 06/18/19

**Action:** Do pass the B-Eng bill.

**Senate Vote**

**Yeas:** 12 - Baertschiger Jr, Beyer, Frederick, Girod, Hansell, Heard, Johnson, Manning Jr, Roblan, Steiner Hayward, Thomsen, Wagner

**House Vote**

**Yeas:** 9 - Gomberg, Holvey, McLain, McLane, Nosse, Piluso, Rayfield, Smith G, Stark

**Prepared By:** Cathleen Connolly, Department of Administrative Services

**Reviewed By:** Kim To, Legislative Fiscal Office

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**Department of Human Services  
2019-21**

## **Budget Summary**

	2017-19 Legislatively Approved Budget	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	100.0%
Total	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	100.0%

## **Position Summary**

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	0.00

## **Summary of Revenue Changes**

HB 2508 appropriates \$2,000,000 General Fund to the Department of Human Services (DHS) to award grants to refugee resettlement agencies to provide services to refugees. This is a one-time appropriation of General Fund.

## **Summary of Capital Construction Subcommittee Action**

HB 2508 provides \$2,000,000 General Fund as a one-time appropriation and requires DHS to award grants to eligible refugee resettlement agencies to provide services to refugees who reside in Oregon. Services are provided for up to 24 months. Among the services to be provided to refugees is identifying refugees' employment skills and providing referrals to employment skills training and other job support services. The bill directs DHS to select an employment services provider that is an established culturally responsive organization providing employment and workforce development services to refugees. DHS is to grant \$200,000 of the total \$2,000,000 General Fund appropriated to that provider for the coordination of employment services.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Department of Human Services  
 Cathleen Connolly -- 503-373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
<b>060-01 - Self-Sufficiency Program</b>									
Special Payments	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000		
TOTAL ADJUSTMENTS	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	0	0.00
SUBCOMMITTEE RECOMMENDATION	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	0	0.00

**HB 5026 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Beyer

**Joint Committee On Ways and Means**

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**Action Date:** 06/20/19

**Action:** Do pass the A-Eng bill.

**Senate Vote**

**Yeas:** 7 - Beyer, Frederick, Johnson, Manning Jr, Roblan, Steiner Hayward, Wagner

**Abs:** 5 - Baertschiger Jr, Girod, Hansell, Heard, Thomsen

**House Vote**

**Yeas:** 9 - Gomberg, Holvey, McLain, McLane, Nosse, Piluso, Rayfield, Smith G, Stark

**Prepared By:** Tamara Brickman & Cathleen Connolly, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

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**Department of Human Services**

**2019-21**

**Emergency Board**

**2019-21**

**Budget Summary\***

	2017-19 Legislatively Approved Budget <sup>(1)</sup>	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 3,191,072,203	\$ 3,701,923,900	\$ 3,819,890,499	\$ 628,818,296	19.7%
General Fund Debt Service	\$ 15,414,969	\$ 21,145,370	\$ 21,145,370	\$ 5,730,401	37.2%
Other Funds Limited	\$ 666,808,960	\$ 570,282,885	\$ 629,678,984	\$ (37,129,976)	(5.6%)
Federal Funds Limited	\$ 5,575,122,100	\$ 5,823,621,440	\$ 5,961,628,189	\$ 386,506,089	6.9%
Federal Funds Nonlimited	\$ 2,214,345,331	\$ 2,214,345,331	\$ 1,939,345,331	\$ (275,000,000)	(12.4%)
Total	\$ 11,662,763,563	\$ 12,331,318,926	\$ 12,371,688,373	\$ 708,924,810	6.1%

**Position Summary**

Authorized Positions	9,075	9,162	9,399	324
Full-time Equivalent (FTE) positions	8,616.92	9,084.50	9,284.49	667.57

<sup>(1)</sup> Includes adjustments through December 2018

\* Excludes Capital Construction expenditures

**Emergency Board**

	2017-19 Legislatively Approved Budget <sup>(1)</sup>	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	100.0%
Total	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	100.0%

**Summary of Revenue Changes**

The Department of Human Services (DHS) is funded with a mix of General Fund, Other Funds and Federal Funds revenues. Almost all of the General Fund is used as match or to meet state maintenance of effort requirements to receive Federal Funds. Other Funds revenues come from a wide variety of sources such as nursing home provider taxes, child care development funds, grants, collections of overpayments, estate collections, third party recoveries, fees, and charges for services.



The federal government is a major funding partner for human services programs; over 63 percent of the DHS budget is federally supported. As a result, the state's ability to provide program services is heavily influenced by the availability of federal dollars and by the rules guiding the use of those funds. In addition, the federal matching funds rate for the largest single Federal Funds source (Title XIX Medicaid, at \$3.7 billion), the Federal Medical Assistance Percentage (FMAP), changes annually and is completely uncontrolled by state policy. For 2019-21, the FMAP adjustment is not working to the state's advantage; the federal matching share will decrease from a biennial average of 63.33 percent in 2017-19 to 61.35 percent in the 2019-21 biennium.

The Supplemental Nutrition Assistance Program (SNAP) is the next largest federal contributor; \$1.9 billion in estimated benefit payments are reflected in the budget as Nonlimited Federal Funds. Other Federal Funds subject to expenditure limitation include the Title XIX Medicaid program, Temporary Assistance to Needy Families (TANF); Title IV-B Child Welfare Services; Title IV-E Foster Care and Adoption Assistance; Title XX Social Services Block Grant; Developmentally Disabled Services Act (DDSA) funds; Family Violence Prevention grant funds; Older Americans Act funds; Nutrition Services Incentive Program (NSIP) funds; Rehabilitation Act grants; and Basic 110, Section 633, and Section 711 Rehabilitation funds. Some of these sources are capped block grants (e.g., TANF, Social Services Block Grant); others provide federal matching funds as partial reimbursement of state costs (e.g., Medicaid, Foster Care, and Adoption Assistance). Capped federal grants don't earn inflation, so state General Fund is typically relied upon to make up the difference in order to maintain services or adjust for growing caseloads in mandatory programs.

Federal changes can also increase pressure on state funding, for example, potential modifications to the Temporary Assistance for Needy Families (TANF) block grant. These changes would disallow using TANF for Child Welfare costs and/or counting third-party expenditures as state maintenance of effort; both of the changes would be a significant problem for Oregon's current operations. In 2018, under the Family First Prevention Services Act, Congress revamped Title IV-E grant funding used for Child Welfare by expanding allowable uses to include prevention activities which would keep children in their home under a safety plan. Oregon had previously been using Title IV-E money for prevention activities under a waiver, which is ending. Transitioning to the new funding model however, requires other programmatic changes that will take time to implement.

Federal Child Care and Development Fund (CCDF) grants are received by the Oregon Department of Education and passed through to the Department where they are spent as Other Funds in the Employment Related Day Care program; \$117.0 million in CCDF is anticipated for DHS use in 2019-12.

Major sources of Other Funds include the long-term care facilities tax, client account collections (estate recoveries), overpayment collections, the Quality Care Fund (revenue from the Aging and People with Disabilities (APD) and Intellectual and Developmental Disabilities (IDD) licensing fees and civil penalties), marriage license fees (for domestic violence programs), local school funding as a match for the Basic 110 Grant for rehabilitation services, donations, and grants.

## **Summary of Human Services Subcommittee Action**

The mission of the Department of Human Services (DHS) is to help Oregonians in their own communities achieve safety, well-being, and independence through services that protect, empower, respect choice, and preserve dignity. DHS is responsible for the care of some of the most vulnerable citizens – children, families, people with intellectual and developmental disabilities, and older adults. DHS is also responsible for serving people at times when they are most in need – when they have experienced abuse, when they are hungry, or when they are homeless.

DHS's budget can be divided into five distinct program areas; Child Welfare (CW), Self Sufficiency Programs (SS), Vocational Rehabilitation (VR), Aging and People with Disabilities (APD), and Intellectual and Developmental Disabilities (IDD). These program areas are supported by services and functions budgeted in Central Services, Shared Services, and State Assessments and Enterprise-wide Costs. The Subcommittee recommended a budget of \$12,371,688,373 total funds (\$3.8 billion General Fund) and includes 9,399 positions (9,284.49 FTE). This is a 6.1 percent total funds increase from the 2017-19 Legislatively Approved Budget and a 0.3 percent increase from the Current Service Level. For General Fund, the recommendation is a 19.7 percent increase from the 2017-19 Legislatively Approved Budget and a 3.2 percent increase from the current service level. With respect to FTE, the budget represents a 7.8 percent increase from the 2017-19 Legislatively Approved Budget and a 2.2 percent increase from Current Service Level.

The Subcommittee discussed and reviewed packages used to build the Governor's Budget, stakeholder budget requests, and the agency's repricing ("reshoot") adjustments for caseload, cost-per-case, and other changes since budget development began in early 2018. Caseload and associated cost adjustments are based on the agency's spring 2019 caseload forecast. Also included in the Subcommittee's recommended budget are 2017-19 interim actions that have an impact on the agency's 2019-21 budget. To help prioritize finite General Fund resources, the adopted budget does include budget reductions or investments that were approved at a lower level than requested.

After holding public hearings on the agency's programs and reviewing budget information, the Subcommittee approved five budget notes directing action and follow-up during the interim; four of these are program-related and are set out in the narrative for those programs. One applies to programs and appropriations across the agency:

### **Budget Note:**

To improve transparency and accountability within the agency's budget, the Department of Human Services shall, for the 2021-23 budget cycle, request budget bill appropriations at a more detailed level than that presented in HB 5026. At a minimum, appropriations should be established at the following program levels: Vocational Rehabilitation; Self Sufficiency; Child Welfare; Aging and People with Disabilities; Intellectual and Developmental Disabilities; Central Services; State Assessments and Enterprise-wide Costs; and Shared Services. The Department of Administrative Services, Chief Financial Office, shall support this effort by providing any budget or accounting guidance needed to complete this task and will ensure that the budget bill submitted to the Legislature for the 2021 session is consistent with budget note direction.

## **Self Sufficiency Programs**

Self Sufficiency Programs (SSP) assist low-income families meet critical needs, while helping them become self-supporting. Major programs are: Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF); and Employment Related Day Care (ERDC).

DHS administers these programs through coordination and collaboration with families and individuals, as well as community partners and through direct services provided by state staff. Field staff provide program services and benefits to clients through more than 100 field and branch offices throughout the state.

General Fund supports 14.3 percent of this budget, Other Funds 3.9 percent, and Federal Funds 81.8 percent. The major source of Other Funds is federal Child Care Development Fund dollars transferred from the Oregon Department of Education for ERDC. The budget also includes child support recoveries and client trust account funds from client resources, such as federal Supplemental Security Income disability payments. Overpayment recovery revenues are also used to offset General Fund.

Funding for SNAP benefits is the single largest source and use of federal dollars; SNAP benefits are projected at \$1.9 billion for the 2019-21 biennium. Federal Funds also help pay for program administrative costs on a 50 percent state/50 percent federal basis. Other Federal Funds come from capped or formula-based block grants, payments for partial reimbursement of eligible state costs, and miscellaneous grants for specific amounts and purposes. Oregon's federal TANF block grant pays for cash assistance, JOBS services, child care and other self sufficiency programs, as well as child welfare services such as foster care and residential care.

The Subcommittee recommended budget for SSP is \$444,882,878 General Fund, \$120,454,568 Other Funds expenditure limitation, \$603,079,912 Federal Funds expenditure limitation, \$1,939,345,331 Federal Funds Nonlimited (\$3,107,762,689 total funds), and 2,498 positions (2,494.60 FTE). The General Fund budget is \$49.7 million, or 10.9 percent, above the 2017-19 Legislatively Approved Budget. The Federal Funds limited budget is an increase of \$68.8 million, or 12.0 percent, over the 2017-19 biennium. Due to a reduction of \$275 million in Federal Funds Nonlimited, the total funds biennial comparisons are skewed. The Subcommittee recommended the following packages:

Package 070, Revenue Shortfalls. This package accounts for a Federal Funds revenue shortfall of \$5.8 million in the 2019-21 Current Service Level calculated from the Spring 2018 TANF caseload forecast; the caseload continues to decline, but at a slower rate.

Package 095, December 2018 Rebalance/Non-CSL Reshoot. One component of this package transfers the Runaway and Homeless Youth program from Child Welfare to SSP. The move is expected to improve service delivery and provide youth access to additional services, such as employment training. This is an increase of \$3.2 million total funds and one position (1.00 FTE). Positions are also transferred from SSP to other programs, which is primarily driven by a need to refine the placement of Oregon Health Plan (OHP) Medicaid eligibility positions transferred wholesale to DHS SSP in an action taken during the 2018 session. The net result is a reduction of nine positions (9.00 FTE)

Package 111, Grant Funded Limited Duration Positions. This package provides \$1.7 million in Federal Funds expenditure limitation and creates seven limited duration positions (7.00 FTE) to continue work under several federal grants. These are primarily related to SNAP activities.

Package 801, LFO Analyst Adjustments. This package makes several changes. It changes the Self Sufficiency Programs budget for caseload and cost per case changes tied to the Spring 2019 caseload forecast; the projected 2019-21 caseload decrease is 1.2 percent between the Fall 2018 and Spring 2019 forecasts. Other package elements include position transfers between agency programs and position reclassifications. Some positions that were part of the transfer of the OHP Medicaid eligibility move are also recommended for transfer back to the Oregon Health Authority (OHA) since their work does not have a close nexus with eligibility activities; these 21 positions (21.00 FTE) support the Community Partnership Outreach Program and Cover All Kids. This specific adjustment drives a decrease of \$4.9 million General Fund (\$10.1 million total funds). A decrease of \$275 million Federal Funds Nonlimited is also recommended to align the budget with projected caseload expenditures; these are SNAP benefit payments.

A \$9.2 million General Fund backfill built into the Current Service Level for the Employment Related Day Care (ERDC) program is reversed in Package 801. Then, \$9.2 million Other Funds expenditure limitation is added to match up spending authority with revenue. Finally, \$20 million Other Funds expenditure limitation is added to reflect an additional transfer of Child Care Development Fund (CCDF) dollars from ELD, based on updated revenue projections.

Collectively, these actions result in an overall ERDC recommended budget of \$179.8 million total funds (\$65.5 million General Fund and \$114.3 million Other Funds). This funding level, which is a 12 percent increase over the 2017-19 Legislatively Approved Budget, is expected to allow the program to serve an average of 8,230 families over the biennium. The caseload estimate is based on a cost per case of \$910 per month but may change (increase) as rate increases, effective January 1, 2019, fully impact child care costs; this will potentially affect the number of families and children served. The bulk of the funding increase will help cover the rate increases bargained in 2017-19 due to additional revenues available at the federal level; the federal funding authorization also includes a no-supplant clause. In addition, about \$2.7 million of the budget will be used on a one-time basis to support a pilot incentive program for child care providers offering evening, night, and weekend child care.

Package 804, \$40 Million TANF Strategy. This package contains a spending plan for \$40 million in federal TANF funding transferred out of the Child Welfare (CW) program back to Self Sufficiency Programs. These funds are available based on a Subcommittee recommendation to use \$40 million General Fund to replace TANF Federal Funds budgeted for positions in the CW program. Statutory guidance for some of the strategies identified are contained in HB 2032 (2019); that bill includes three one-time pilot projects that cross over into the 2021-23 biennium. The spending plan components are listed below:

- Retaining \$13 million in the TANF program to cover caseload costs; while caseloads are still trending downward, the pace of decrease has slowed since the current service level was originally developed.

- Applying \$7.5 million to continue benefits to eligible TANF participants who are over the 60-month time limit.
- Using \$3.5 million for a vocational training and education pilot program targeted at families receiving TANF in rural locations (HB 2032).
- Backfilling \$1.5 million General Fund in the Job Opportunity and Basic Skills (JOBS) program; this frees up General Fund to be sent to the Oregon Health Authority (OHA). OHA will administer a mental and behavioral health pilot program to award grants to up to four coordinated care organizations to assess potential gaps in access by TANF recipients to mental and behavioral health services (HB 2032).
- Sending \$10.5 million to the Housing and Community Services Department (HCSD) for a TANF housing pilot. Organizations will apply for grant funds through a competitive process and pair those dollars with funds from similar programs toward extending the time for families receiving TANF to receive housing assistance (HB 2032).
- Adding \$4 million to \$1 million in federal TANF funds already going to HCSD for the housing stabilization program. The program provides temporary (up to four months) assistance to stabilize housing for low-income eligible families who are homeless or at-risk of losing their housing. The base funding is currently a revenue transfer, so the recommendation is to budget that amount along with the additional funding as a special payment to HCSD.

### **Child Welfare**

Child Welfare (CW) program services are provided to children reported to be abused or neglected and families who are impacted by abuse dynamics; frequently these involve substance abuse and domestic violence. DHS is required by statute to assess reports of alleged child abuse or neglect, complete comprehensive safety assessments of children, assess parent or caregiver capacity to protect, and determine whether child abuse or neglect has occurred. Primary funding for CW programs (including Child Safety, Well Being, and Permanency) consists of General Fund and various federal resources.

The Subcommittee recommended budget is \$777,187,316 General Fund, \$39,019,172 Other Funds expenditure limitation, \$540,302,215 Federal Funds expenditure limitation (\$1,356,508,703 total funds) and 3,267 positions (3,217.65 FTE). This is a 15.4 percent total funds increase from the 2017-19 Legislatively Approved Budget and is 1.5 percent above the 2019-21 Current Service Level. The General Fund increase from the current biennium is \$176.1 million, which is a 29.3 percent increase. The Subcommittee recommended the following packages:

Package 070, Revenue Shortfalls/ Package 107- Backfill TANF on CW Positions. Package 107 adds \$40 million General Fund to maintain 2,420 positions (2,385.69 FTE), otherwise lost due to the removal of \$40 million of federal TANF funding in Package 070; the federal dollars are moved to Self Sufficiency to help cover caseload costs and support program initiatives. Non-program or “administrative” spending within the TANF program, for both state and federal expenditures, is subject to a limit of 15 percent; moving the TANF out of CW helps address this constraint.

Package 095, December 2018 Rebalance/Non-CSL Reshoot. This package includes several changes. It transfers the Runaway and Homeless Youth program (\$3.2 million total funds) from CW to Self Sufficiency. While unaccompanied minors can be a child safety issue, most youth

served by this program are also receiving services and benefits from Self Sufficiency; the move is expected to improve service delivery and provide youth access to additional services. This package also reconciles the budget between regular foster care and enhanced foster care; this saves \$7.4 million General Fund. Most of these savings are offset by a change in the fund split for attorney general charges. The budgeted fund split for attorney general charges is out of alignment with the actual allowable federal share, so \$6.3 million is shifted from Federal Funds to General Fund. The package also contains some technical adjustments and the transfer of one position (1.00 FTE) with the Runaway and Homeless Youth program to Self Sufficiency.

Package 119, Centralized Screening. This package adds \$8.9 million General Fund and 46 permanent positions (38.51 FTE) to improve staffing levels for the Oregon Child Abuse Hotline (ORCAH); the agency's move to this centralized screening operation was initially accomplished by realigning existing positions and staff over an eight month period ending in early April 2019. Additional staff are needed to help ORCAH handle a high volume of calls and mitigate caller wait times. The positions are fully phased in by July 1, 2020.

Package 131, Foster Family Recruitment Team. To support the development of a data-informed statewide foster family recruitment and retention model, this package adds \$3.0 million General Fund (\$3.8 million total funds) and 17 permanent positions (17.00 FTE). The foster family recruitment and retention team will consist of a centrally located program manager and a recruitment specialist located in each of the agency's 16 districts.

Package 801, LFO Analyst Adjustments. This package contains both reductions and additions to the CW budget. To make General Fund available for program needs, the following budget reductions are recommended:

- Reducing the enhanced foster care budget by \$2.3 million General Fund; this is the remainder of what is left after the Package 095 reconciliation and applying \$1.1 million General Fund to adoption savings. This change does not impact program as these were one-time funds provided in 2017-19 to capture "applicable child" General Fund savings that must be reinvested into the child welfare system based on federal law.
- Reducing the Strengthening, Preserving, and Reunifying Families (SPRF) budget by 50 percent (just under \$7 million General Fund); because the Title IV-E waiver ends on October 1, 2019, the program becomes fully reliant on General Fund. To be eligible for future federal match under the newly modified Title IV-E program, providers will need to offer approved, evidence-based services.
- Reducing the budget for Focused Opportunities for Children Utilizing Services (FOCUS) placements by 25 percent (\$6.3 million General Fund, \$6.6 million total funds). This program is primarily supported by General Fund and serves children with specialized needs; as the state develops in-state placements to help meet those needs, federal dollars can be leveraged to help cover placement costs.

Another Package 801 component is \$12.7 million General Fund (\$23.3 million total funds) to cover additional billings from the Department of Justice (DOJ) for providing full legal representation to CW caseworkers in all juvenile dependency proceedings. The DOJ 2019-21 budget

recommendation includes 54 positions in its Child Advocacy program to address base program workload and complete the last phase (July 2019) of the legal representation rollout for Clackamas, Clatsop, Marion, Multnomah, Union, and Washington counties.

The Child Welfare 2019-21 Current Service Level budget includes \$37.0 million General Fund (\$45.6 total funds) and 228 positions (228.00 FTE) to address mandated caseload based on funding the existing workload model at 88 percent. However, because the Department is actively working to update the workload model and workload continues to be a challenge for caseworker recruitment and retention, CW has used a “best practices standards” approach to identify the best array of positions needed to help stabilize the program. While funding is not available to buy the 754 (\$68 million General Fund) to 1,879 (\$174 million General Fund) positions estimated to be required to cover 75 percent to 100 percent of the best practices staffing gap, the existing funding can be reworked to support more positions; this results in an increase of 44 positions (43.50 FTE). The associated adjustment in Package 801 includes a change in the Current Service Level position mix (fewer caseworkers and more case aides, for example) and a funding split based on updated spending patterns. The package also adds \$2.2 million General Fund (\$3.1 million total funds) and 16 positions (14.08 FTE) to pay for more Mentoring, Assisting, and Promoting Success (MAPS) positions; which provide mentoring and other support to first-year caseworkers.

To assist foster families, \$3.1 million General Fund (\$7.8 million total funds) will pay for the statewide expansion of a former pilot program, called Keeping Foster and Kin Parents Supported and Trained. The program provides weekly training to small groups of parents; the sessions cover parenting techniques and skills tailored specifically to each cohort’s needs.

Package 801 also includes \$2.3 million General Fund (\$3.9 million total funds) and 17.60 FTE to continue the Leveraging Intensive Family Engagement program at its current, limited level in five counties. The program was scheduled to be phased out by October 2019 since it was funded with expiring Title IV-E Waiver funds; the 20 positions supporting the program are budgeted for three months in the Current Service Level as limited duration; this change adds 21 months and makes them permanent and ongoing. The program offers monthly case planning meetings, enhanced family finding, parent mentors, and team collaboration.

Finally, this package adds \$578,480 Other Funds expenditure limitation to spend adoption savings. Under federal law these savings, which are state dollars freed up as federal spending on adoptions increases, must be spent on certain child welfare activities. Child Welfare spends 30 percent on post-adoption activities and the remaining 70 percent, starting in the 2017-19 biennium, has been used to develop a child care stipend program for foster parents. Participation in the program, which offers up to \$375 per month to help offset employment-related child care costs for children ages zero through five, has been lower than expected. A proposed program expansion, which includes increasing eligibility for children through age 12 and covering education-related child care costs, is also recommended. The agency will monitor utilization and adjust the monthly stipend or eligible ages to ensure the program stays self-sustaining.

Package 802, \$50 Million Behavioral Health Investments. This package includes two investments from a \$50 million General Fund behavioral health funding plan across several agencies; these are also related to Senate Bill 1 and recommendations made by the Children and Youth with

Specialized Needs workgroup. The first investment is a \$4 million General Fund appropriation to the Emergency Board to help increase capacity for non-Medicaid in home services under Family First Prevention Services Act (FFPSA). The second investment is a \$3.5 million General Fund appropriation (\$8.5 million total funds) to pay for therapeutic foster care home recruitment, training, and support.

Regarding the \$4 million General Fund special purpose appropriation, in addition to allowing federal funding for prevention services, FFPSA also seeks to improve the well-being of children already in foster care by limiting funding for children who are placed in a setting that is not a foster family home unless the setting is a qualified residential treatment program. This change is expected to require changes in services offered by existing providers, many of whom were already having difficulty attracting and retaining staff even before addressing new programmatic requirements. To help address this issue, the Subcommittee approved the following Budget Note:

**Budget Note:**

The Oregon Department of Human Services, along with Child Welfare residential providers, shall assess the workforce issues associated with the provider community and develop recommendations focused on regulatory barriers and provider culture. These recommendations shall focus on the system changes needed to encourage providers to enhance capacity in the State of Oregon while also identifying strategies to help attract, develop, and retain a quality service provider workforce. A report is due back to the appropriate policy committee(s) no later than September 2020.

Package 803, Comprehensive CW Information System. This package adds \$3.8 million General Fund (\$7.5 million total funds) and nine permanent positions (9.00 FTE) to continue planning and initiation work related to the OR-KIDS system, which is the state's primary child welfare data system. Federal rules require these systems to meet new standards regarding data quality and modularity toward becoming a Comprehensive Child Welfare Information System. Work completed to date includes a high level business case, which anticipates the project duration will be at least five years. The agency will work with the Office of the State Chief Information Officer and the Legislative Fiscal Office (LFO) throughout the lifecycle of the project. Timing for formal reports back to the Legislature on project status during the 2019-21 biennium will be determined as the detailed business case and project scheduled is refined. There is also a companion package in the Oregon Health Authority for Shared Services.



## **Vocational Rehabilitation**

Vocational Rehabilitation (VR) works with businesses, schools, and community programs to assist youth and adults with disabilities (other than blindness) to obtain, maintain, or advance in employment.

The Subcommittee recommended budget is \$35,629,792 General Fund, \$3,013,701 Other Funds expenditure limitation, \$84,026,231 Federal Funds expenditure limitation (\$122,669,724 total funds) and 261 positions (260.04 FTE). This is a 4.4 percent increase in total funds from the 2017-19 Legislatively Approved Budget. The Subcommittee recommended the following packages:

Package 070, Revenue Shortfalls. This package acknowledges a projected shortfall in base federal revenue, which requires a \$3.4 million reduction in Federal Funds expenditure limitation. This is offset by Package 095.

Package 095, December-18 Rebalance/Non-CSL Reshoot. This package adds \$4.5 million one-time Federal Funds expenditure limitation to spend one-time Federal Fiscal Year 2018 reallocation revenue carried forward from the 2017-19 biennium. Package 095 offsets the Federal Funds reduction in Package 070. This increase will be phased out during 2021-23 budget development.

Package 116, Pre-Employment Transition Services. This package adds \$0.6 million Other Funds expenditure limitation and three permanent positions to help VR collaborate with school districts to provide pre-employment transition services for all eligible students. Currently, VR has two service coordinators for the entire state. The package pays for two Program Analyst 1 positions (2.00 FTE) who will coordinate services in eastern and southern Oregon and one Operations and for one Policy Analyst 1 position (1.00 FTE) for program data support.

## **Aging and People with Disabilities**

The APD program assists seniors and people with disabilities of all ages to achieve well-being through opportunities for community living, employment, family support, and services that promote independence, choice, and dignity. APD administers Oregon's Medicaid long term care program primarily under the Community First Choice Option under Section 1915(k) of the Social Security Act. Federal Older Americans Act services include help with abuse prevention, caregiver supports, medication management, nutrition services, legal issues, and other services. Federal matching funds for the Medicaid program are determined by the FMAP rate, which determines the federal share of eligible program expenditures; the rate changes each federal fiscal year.

The Subcommittee recommended a \$3,944,761,463 total funds budget, which is 11.4 percent higher than the 2017-19 Legislatively Approved Budget. The budget contains \$1,205,195,117 General Fund, \$250,616,522 Other Funds expenditure limitation, \$2,488,949,824 Federal Funds expenditure limitation, and 1,568 positions (1,515.11 FTE). The Subcommittee recommended the following packages:

Package 082, December 2018 Emergency Board. This package adds \$993,087 General Fund, increases Other Funds expenditure limitation by \$752,952, increases Federal Funds expenditure limitation by \$4,033,805, and establishes 19 permanent positions (19.00 FTE). These increases

are due to two actions approved at the December 2018 meeting of the Emergency Board. Fifteen of the positions (15.00 FTE) are added to support APD complying with a federal mandate requiring all nursing facility complaint investigations to be conducted by the agency's Nursing Facility Survey Unit. Previously, some investigations were handled by local adult protective services staff. Federal funding pays for 75 percent of the work. Four of the positions (4.00 FTE) are positions approved to embed case managers in four hospitals; dedicated case managers can more quickly assess and place hospitalized individuals needing long-term care Medicaid services upon discharge. The full cost of the positions will be paid for by the hospitals.

Package 095, December-18 Rebalance. This package adds \$951,469 General Fund, decreases Other Funds expenditure limitation by \$682,891, increases Federal Funds expenditure limitation by \$763,459, and adds five permanent positions (5.00 FTE). The package accounts for technical adjustments from the December 2018 rebalance and provides funding for the transfer of positions to and from APD and other programs within the agency.

Package 801, LFO Analyst Adjustments. This package decreases General Fund by \$35,967,854, increases Other Funds expenditure limitation by \$32,491,655, decreases Federal Funds expenditure limitation by \$4,612,201, and adds three permanent positions (1.14 FTE). Components included within this package are adjustments due to caseload and cost per case changes tied to the Spring 2019 caseload forecast; these net out to an increase of \$2.3 million General Fund (\$2.7 million total funds). Embedded in these numbers are costs due to caseload growth in nursing facilities, caseload and cost increases in community based care, and savings from lower caseloads for in home care. A correction to a Current Service Level inflation calculation error also reduces the need for General Fund. A change in the FMAP rate requires additional state funds.

To make General Fund available for program needs, the package eliminates \$1.3 million General Fund (discretionary, unmatched funding) used to fund evidence based health promotion programs operated through local Area Agencies on Aging (AAA). The package also eliminates \$2.2 million General Fund (discretionary, unmatched funding) that was added to the AAA budgets in previous biennia when sequestration reduced Older American Act funding distributions to states. The Federal Funds have been partially restored since those sequester reductions in 2013.

Package 801 also adds \$270,759 total funds (Other and Federal Funds, split 50/50) and three positions (1.14 FTE), to implement House Bill 2600, which goes into effect January 1, 2021. The bill requires DHS to conduct annual inspections of care facilities' kitchens and food preparation areas. The Other Funds expenditure limitation will be supported by a combination of inspection fees and Quality Care Fund revenue.

Finally, in the nursing facilities program, the recommended package proposes the use of \$31.9 million from a projected carryforward balance in the long-term care facility assessment (Other Funds revenue) in place of the same amount of General Fund on a one-time basis; the General Fund is then used to pay for program needs in Package 805. The caregiver training budget was also set at \$3.7 million General Fund; recommended budget assumes the agency will continue its relationship with Oregon Care Partners to deliver this training.

Package 805, Medicaid Access and Staffing. This package increases General Fund by \$31,581,389, Federal Funds expenditure limitation by \$53,298,501, and adds 84 positions (42.00 FTE). Components included within this package are funding for an increase in rates (\$52.6 million total funds) for Assisted Living Facilities, Residential Care Facilities, Memory Care Facilities, and In-Home Care Agencies. The rates are to be increased five percent on July 1, 2019 and five percent on July 1, 2020. Providence ElderPlace funding will also increase by five percent on July 1, 2019. Dollars are also provided (\$15.3 million total funds) to increase rates for Adult Foster Homes (AFH) within the APD program; these rates are also subject to collective bargaining. The AFH rate increase from this funding is expected to be 10 percent on January 1, 2020 and another five percent increase on July 1, 2020. The package also provides 20 full-time permanent community-based care surveyor positions (10.00 FTE) to help reduce a backlog of inspections and keep up with facility oversight; the positions are to be phased in July 1, 2020. Finally, to address workload issues in local APD and AAA offices, the equivalent of 143 positions (71.50 FTE) are added to those offices and phased in mid-biennium; most of these are case manager positions and 64 of these full-time permanent positions (32.00 FTE) are dedicated to DHS. The current workload model is out of sync with duties, as both duties and expectations have significantly changed or increased over the last six years with increasingly complex consumers, high expectations from federal partners, and frequent policy changes.

While the Subcommittee did not recommend any adjustments to the budget for Oregon Project Independence (OPI), which provides in-home services outside of the Medicaid program and is funded at \$28.1 General Fund, the following budget note related to the program was approved:

**Budget Note:**

The Department of Human Services, in collaboration with the Oregon Health Authority, shall explore opportunities to obtain federal funding for the Oregon Project Independence program and family caregiver respite programs. The Department shall convene an advisory committee to make recommendations on the design of the programs, the benefit packages and the application for federal approval. The Department shall report the results of this work to the appropriate legislative policy committee(s) no later than December 31, 2020. Future implementation of any new program(s) would be contingent upon any necessary approvals from the Centers of Medicaid and Medicare Services (CMS), potentially including a new 1115 demonstration project waiver. If a federal waiver is required, the Department shall apply for such a waiver, but only implement the program(s) if the budget is available, and CMS approves the program through a new and distinct waiver from the currently approved Oregon Health Plan waiver. Lastly, if CMS requires the state to amend the existing Oregon Health Plan waiver, the Department/state shall withdraw the request.

## **Intellectual and Developmental Disabilities**

The Intellectual and Developmental Disabilities (IDD) program area serves children and adults with intellectual and developmental disabilities throughout their life span. This program's mission is to help individuals be fully engaged in life and, at the same time, address any critical health and safety needs. The state, counties, brokerages, providers, families, and self-advocates are all critical parts of a service system that focuses on individuals with IDD, living in the community and having the best quality of life at any age. All clients are served in the community and most of these services are administered under Medicaid waivers. General Fund makes up 34.2 percent of the IDD budget, with most of the General Fund used to match federal Title XIX Medicaid dollars. Other Funds revenue supports 1.0 percent of the overall budget, coming primarily from clients' contributions towards their care. Federal matching funds for the Medicaid program are determined by the FMAP rate, which determines the federal share of eligible program expenditures. The program match rate changes each Federal Fiscal Year.

The Subcommittee recommended a \$3,086,247,550 total funds budget, which is 13.5 percent higher than the 2017-19 Legislatively Approved Budget. The budget contains \$1,054,908,231 General Fund, \$28,651,532 Other Funds expenditure limitation, \$2,002,687,787 Federal Funds expenditure limitation and 920 positions (918.94 FTE). The Subcommittee recommended the following packages:

Package 801, LFO Analyst Adjustments. This package increases General Fund by \$52,586,857, decreases Other Funds expenditure limitation by \$312,858, increases Federal Funds expenditure limitation by \$108,352,269, and establishes six positions (5.64 FTE). Components included within this package are adjustments for caseload and cost per case changes and are tied to the Spring 2019 caseload forecast; these net out to an increase of \$13.5 million General Fund (\$28.2 million total funds). The largest component of caseload change is a seven percent increase in adult in home support services. A change in the Federal Medical Assistance Percentage (FMAP; federal share decreases from 63.33 percent to 61.35 percent) drives a \$0.8 million shift from Federal Funds to General Fund. To access matching federal dollars on local Community Developmental Disability Program (CDDP) administrative costs and to true-up Developmental Disability Council expenditure limitation, Federal Funds expenditure limitation is increased by \$7.6 million.

To make General Fund available for program needs, the package eliminates \$3.0 million General Fund for the receipt of enhanced federal match for the program's payment and reporting system (eXPRS), which is contingent on approval from the Centers for Medicare and Medicaid Services (CMS). The package also eliminates \$320,083 General Fund and Other Funds related to the decreased budget need for community housing maintenance. Finally, the package eliminates \$2.0 million General Fund for job coaching hours to reflect actual usage of those services.

For CDDPs and Brokerages, the package includes a recommendation of almost \$13.0 million General Fund (\$22.9 million total funds), to add 149.55 FTE under a newly updated workload model that captures complex case management activities and efforts required to use a new assessment tool, the Oregon Needs Assessment. The funding provided is \$10 million General Fund less than requested by the agency, due to limited General Fund availability. An adjustment to the workload model for Children's Services provided by DHS staff adds \$648,831 total funds and three permanent positions (3.00 FTE). While the funding package is \$10 million General Fund below the agency's request for model funding,

the new budget level does represent a 20.0 percent increase over the current biennium. To help continue discussions around IDD case management during the interim, the Subcommittee approved the following Budget Note:

**Budget Note:**

The Department of Human Services is directed to report to the Senate Human Services and House Human Services and Housing Committee during the 2020 Legislative Session on case management duties and training requirements for case managers serving individuals with intellectual and developmental disabilities.

The package also adds \$324,939 General Fund (\$536,188 total funds) and establishes one permanent full-time position and two limited duration positions (2.64 FTE) to implement Senate Bill 274, which expands eligibility for support services by a brokerage to individuals with developmental disabilities from 18 years of age and older to 14 years of age and older. The two limited duration positions will be used to train brokerage staff on aspects of case management for children and one permanent full-time position for quality assurance work.

Finally, to support higher wages for direct support professionals, the package adds \$30.0 million General Fund (\$91.8 million total funds) to increase IDD provider rates (Adult and Children 24 Hour Residential, Attendant Care, Supported Living, Non-Medical Transportation, Day Support Activity, Employment Path, and Small Group Employment). To provide additional guidance around this investment, the Subcommittee also approved the following Budget Note:

**Budget Note:**

It is the intent of the Legislature that providers serving people with intellectual and developmental disabilities will use the \$30.0 million General Fund (\$91.8 million total funds) approved for provider rate increases in HB 5026 to help bring the direct support professional wage as close as possible to \$15.00 per hour by the end of the 2019-21 biennium. In addition, the Legislature understands the Department of Human Services will be transitioning to new rate models during the biennium; to ensure there is enough funding available to effectively implement these new structures, rate increases under the old models should be limited to no more than four percent. DHS is also directed, to the best of its ability, to apply this investment in a manner that prioritizes supporting individuals with the highest need. By February 1, 2020, the agency will submit a report to the Interim Joint Committee on Ways and Means outlining how the funding has been and will be applied, describing stakeholder involvement in the process, identifying impacts on providers and workers, and providing an update on the transition to the new rate models.

Package 802, \$50 M Behavioral Health Investment. This package adds \$4.9 million General Fund (\$10.5 million total funds) and one permanent position (0.88 FTE) to provide enhanced foster care services to about 140 youth and the development of small group home settings for 12 youth. This package is related to Senate Bill 1, which contains recommendations made by the interim workgroup on Children and Youth with Specialized Needs.

### **Central Services, Shared Services, State Assessments and Enterprise-Wide Costs**

Central Services includes functions directly related to policy and programs in the Department. Central Services includes: the Office of the Director and Policy including the Chief of Staff, Tribal Affairs, the Deputy Director, the Office of the Chief Financial Officer, and the Office of the Chief Administrative Officer. The Central Services office also includes the Office of Equity and Multicultural Services (OEMS), the Office of Human Resources, the Central DHS Budget, Planning and Analysis Office, the Public Affairs Office (which includes Legislative Relations and Communications), the Office of Program Integrity, the Office of Reporting Research, Analytics and Implementation, the Office of Business Information Services, the Office of Information Support Services, and the Integrated Eligibility and Medicaid Eligibility ONE Project Office.

Shared Services provides several support functions, including information technology, financial services, budget, human resources, facilities, and procurement. Some of these functions are housed in the Oregon Health Authority (OHA) and some in DHS, but all shared services units support both agencies. The two agencies have a joint governance model under which service-level agreements define the relationship between the agency providing the service and the agency receiving the service. Shared Services funding is all Other Funds, based on revenues received from other parts of DHS and from OHA for purchased services. The DHS Shared Services budget includes the following: Budget Center; Office of Forecasting, Research and Analysis; Office of Enterprise Data Analytics; Office of Financial Services (OFS); Office of Human Resources; the Background Check Unit (BCU); Office of Facilities Management; Office of Imaging and Records Management (IRMS); Office of Contracts and Procurement; Office of Training and Investigation Services; Internal Audit and Consulting Unit; Office of Payment Accuracy and Recovery (OPAR); and the Office of Publications and Creative Services. Funding for Shared Services is included in the Shared Services Special Payments portion of the State Assessments and Enterprise-wide Costs (SAEC) budget.

The SAEC budget contains statewide assessments including various Department of Administrative Services' assessments/charges (e.g., Risk Management, Chief Financial Office), Central Government Services Charges, Oregon State Library, and the Secretary of State audits. It also includes the budgets for rent, debt service, and computer replacements. The budget also includes funding for DHS and OHA Shared Services attributable to DHS; this is budgeted as a Special Payment to the shared services provider, either DHS or OHA.

For these three programs, the Subcommittee recommended a budget of \$323,232,535 General Fund, \$187,923,489 Other Funds expenditure limitation, \$242,582,220 Federal Funds expenditure limitation (\$753,738,244 total funds) and 885 positions (878.15 FTE). This is a 12.1 percent total funds decrease from the 2017-19 Legislatively Approved Budget. The Subcommittee recommended the following packages:

Package 095, Dec-18 Rebalance. The package adds \$2,804,886 General Fund, reduces Other Funds expenditure limitation by \$376,374, reduces Federal Funds expenditure limitation by \$1,630,821, and adds four permanent positions (4.00 FTE) to reflect technical adjustments and position transfers. Of this amount, \$2.2 million General Fund is included to cover performance audit billings from the Secretary of State as federal dollars cannot pay for performance audit costs.

Package 202, Medicaid Modularity. This package adds \$277,922 General Fund, increases Federal Funds expenditure limitation by \$276,444, and adds two permanent positions (2.00 FTE) to support continuation of planning and begin implementation activities for modularization of the systems supporting Oregon Medicaid.

Package 208, Centralized Abuse Management System. This package adds \$1,756,474 General Fund, increases Federal Funds expenditure limitation by \$1,756,475 and adds three permanent positions (2.64 FTE) to provide resources for the operations and maintenance of the Centralized Abuse Management System and pay for software licensing through 2019-21.

Package 801, LFO Analyst Adjustments. The package decreases General Fund by \$625,346, decreases Other Funds expenditure limitation by \$1,265,553, decreases Federal Funds expenditure limitation by \$15,596,615, and adds three permanent positions (3.00 FTE). The components of this package include technical adjustment including the transfer and reclassification of positions. The Federal Funds decrease trues up the agency's budget. Finally, \$500,000 General Fund is reduced from the Business Information Services Office and \$500,000 (\$2.0 million total funds) is reduced in Shared Services to help balance the agency's overall budget.

### **Summary of Maximum Supervisory Ratio**

The Subcommittee reviewed the agency's proposed Maximum Supervisory Ratio of 1:8.39.

### **Summary of Performance Measure Action**

See attached "Legislatively Approved 2019-2021 Key Performance Measures."

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services  
 Tamara Brickman and Cathy Connolly - (503) 378-4709 and (503) 373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2017-19 Legislatively Approved Budget at Dec 2018 *	\$ 3,206,487,172	\$ -	\$ 666,808,960	\$ -	\$ 5,575,122,100	\$ 2,214,345,331	\$ 11,662,763,563	9,075	8,616.92
2019-21 Current Service Level (CSL)*	\$ 3,723,069,270	\$ -	\$ 570,282,885	\$ -	\$ 5,823,621,440	\$ 2,214,345,331	\$ 12,331,318,926	9,162	9,084.50
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 060-01 - Self-Sufficiency</b>									
Package 070: Revenue Shortfalls									
Insufficient TANF Federal Funds to cover CSL	\$ -	\$ -	\$ -	\$ -	\$ (5,828,689)	\$ -	\$ (5,828,689)		
Package 095: Dec-18 Rebalance/Non-CSL Reshoot									
Runaway and Homeless Youth	\$ 2,554,375	\$ -	\$ -	\$ -	\$ 600,000	\$ -	\$ 3,154,375		
Technical Adjustments/Transfers	\$ (893,717)	\$ -	\$ 254,340	\$ -	\$ (1,013,854)	\$ -	\$ (1,653,231)	(9)	(9.00)
Package 111: Grant Funded LD Positions									
Various SNAP and other grants	\$ -	\$ -	\$ -	\$ -	\$ 1,657,278	\$ -	\$ 1,657,278	7	7.00
Package 801: LFO Analyst Adjustments									
Caseload/Cost per Case	\$ (331,937)	\$ -	\$ -	\$ -	\$ (49,601)	\$ -	\$ (381,538)		
Tech Adjustments/Transfers/Reclasses	\$ (5,144,684)	\$ -	\$ (163,762)	\$ -	\$ (5,188,099)	\$ -	\$ (10,496,545)	(22)	(22.50)
Right size Federal Funds Nonlimited (SNAP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (275,000,000)	\$ (275,000,000)		
Reverse CSL ERDC Fund shift	\$ (9,183,772)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,183,772)		
Correct CSL Expenditure Limitation	\$ -	\$ -	\$ 9,181,749	\$ -	\$ -	\$ -	\$ 9,181,749		
Increase CCDF Allocation from Early Learning	\$ -	\$ -	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 20,000,000		
Package 804: \$40M TANF Strategy									
Cover TANF Caseload	\$ -	\$ -	\$ -	\$ -	\$ 13,000,000	\$ -	\$ 13,000,000		
TANF Time Limit Backstop	\$ -	\$ -	\$ -	\$ -	\$ 7,500,000	\$ -	\$ 7,500,000		
Education and Training Pilot (HB 2032)	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000	\$ -	\$ 3,500,000		
JOBS Fundshift	\$ (1,500,000)	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -		
OHA Mental/Behavioral Health Pilot (HB 2032)	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000		
TANF Housing Pilot (HB 2032)	\$ -	\$ -	\$ -	\$ -	\$ 10,500,000	\$ -	\$ 10,500,000		
Augment Housing Stability Program (HSP)	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000		
<b>SCRs 060-02, 060-03, 060-04, 060-06 - Child Welfare</b>									
Package 070: Revenue Shortfalls									
Title IV-E Waiver Ending & TANF 15% Administrative Cap	\$ -	\$ -	\$ -	\$ -	\$ (61,440,518)	\$ -	\$ (61,440,518)	(2,420)	(2,385.69)
Package 095: Dec-18 Rebalance/Non-CSL Reshoot									
Runaway and Homeless Youth	\$ (2,554,375)	\$ -	\$ -	\$ -	\$ (600,000)	\$ -	\$ (3,154,375)		
Reconcile Enhanced Foster Care Budget	\$ (7,366,395)	\$ -	\$ (962,418)	\$ -	\$ (6,417,540)	\$ -	\$ (14,746,353)		
Align Attorney General Fund Splits	\$ 6,284,984	\$ -	\$ (1,595)	\$ -	\$ (8,658,405)	\$ -	\$ (2,375,016)		
Tech Adjustments/Transfers (includes RHY position)	\$ (298,136)	\$ -	\$ 308	\$ -	\$ 1,630,599	\$ -	\$ 1,332,771	(1)	(1.00)
Package 107: Backfill TANF on Child Welfare Positions									
Restores positions eliminated in Pkg 070	\$ 40,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000,000	2,420	2,385.69



DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 119: Centralized Screening Positions are phased in at 21, 18, 12 months	\$ 8,947,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,947,301	46	38.51
Package 131: Foster Family Recruitment Team Statewide foster family recruitment and retention	\$ 3,008,924	\$ -	\$ -	\$ -	\$ 749,993	\$ -	\$ 3,758,917	17	17.00
Package 801: LFO Analyst Adjustment									
Caseload/Cost Per Case	\$ 3,418,863	\$ -	\$ (1,369,608)	\$ -	\$ (8,612,976)	\$ -	\$ (6,563,721)		
Tech Adjustments/Transfers	\$ (311,944)	\$ -	\$ -	\$ -	\$ (808,091)	\$ -	\$ (1,120,035)	(3)	(2.50)
Error Corrections	\$ 8,574,708	\$ -	\$ 423,747	\$ -	\$ 425,128	\$ -	\$ 9,423,583		
Federal Medical Assistance Percentage	\$ 66,477	\$ -	\$ -	\$ -	\$ (66,477)	\$ -	\$ -		
Enhanced Foster Care	\$ (2,292,741)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,292,741)		
Reduce FOCUS by 25 percent	\$ (6,312,614)	\$ -	\$ (131,979)	\$ -	\$ (187,488)	\$ -	\$ (6,632,081)		
Reduce SPRF by 50 percent	\$ (6,995,871)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,995,871)		
Legal Representation for Caseworkers	\$ 12,657,727	\$ -	\$ -	\$ -	\$ 10,670,188	\$ -	\$ 23,327,915		
Apply Best Practices Staffing to Pkg 040	\$ (21,939)	\$ -	\$ -	\$ -	\$ 6,125,228	\$ -	\$ 6,103,289	44	43.50
Mentoring Assisting Promoting Success	\$ 2,170,701	\$ -	\$ -	\$ -	\$ 961,779	\$ -	\$ 3,132,480	16	14.08
Expand KEEP Program Statewide	\$ 3,100,000	\$ -	\$ -	\$ -	\$ 4,650,000	\$ -	\$ 7,750,000		
Leveraging Intensive Family Engagement	\$ 2,281,394	\$ -	\$ -	\$ -	\$ 1,647,006	\$ -	\$ 3,928,400	0	17.60
Applicable Adoptions Expenditure Limitation	\$ -	\$ -	\$ 578,480	\$ -	\$ 369,848	\$ -	\$ 948,328		
Package 802: \$50 Million Behavioral Health Investment Strengthen Therapeutic Foster Care	\$ 3,500,000	\$ -	\$ 430,000	\$ -	\$ 4,600,000	\$ -	\$ 8,530,000		
Package 803: Comprehensive Child Welfare Information System Developing business case (Stage-Gate 1/Stage Gate 2)	\$ 3,810,386	\$ -	\$ -	\$ -	\$ 3,657,541	\$ -	\$ 7,467,927	9	9.00
<b>SCR 060-07 - Vocational Rehabilitation</b>									
Package 070: Revenue Basic 110 Grant Insufficient	\$ -	\$ -	\$ -	\$ -	\$ (3,435,378)	\$ -	\$ (3,435,378)		
Package 095: Dec-18 Rebalance/Non-CSL Reshoot Basic 110 Grant FFY 18 Reallotment Funds	\$ -	\$ -	\$ -	\$ -	\$ 4,446,741	\$ -	\$ 4,446,741		
Package 116: Pre-Employment Transition Services Staff to collaborate with school districts	\$ -	\$ -	\$ 576,906	\$ -	\$ -	\$ -	\$ 576,906	3	3.00
<b>SCR 060-08 - Aging and People with Disabilities</b>									
Package 082: December 2018 Emergency Board Nursing Facility Survey Staff 2019-21 Cost	\$ 993,087	\$ -	\$ -	\$ -	\$ 4,033,805	\$ -	\$ 5,026,892	15	15.00
Case Managers Embedded in Hospitals	\$ -	\$ -	\$ 725,952	\$ -	\$ -	\$ -	\$ 725,952	4	4.00
Package 095: Dec-18 Rebalance Technical Adjustments/Transfers	\$ 951,469	\$ -	\$ (682,891)	\$ -	\$ 763,459	\$ -	\$ 1,032,037	5	5.00
Package 801: LFO Analyst Adjustment									
Caseload/Cost Per Case	\$ 2,288,834	\$ -	\$ 387,554	\$ -	\$ 64,660	\$ -	\$ 2,741,048		
Error Corrections from CSL	\$ (3,725,447)	\$ -	\$ -	\$ -	\$ (3,842,679)	\$ -	\$ (7,568,126)		
Federal Medical Assistance Percentage	\$ 969,350	\$ -	\$ -	\$ -	\$ (969,350)	\$ -	\$ -		
Eliminate Evidence Based Health Promotion (AAAs)	\$ (1,296,250)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,296,250)		
Eliminate Sequestration Backfill for AAAs	\$ (2,235,831)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,235,831)		
Implement HB 2600	\$ -	\$ -	\$ 135,591	\$ -	\$ 135,168	\$ -	\$ 270,759	3	1.14
One-time use of LTC Facility Assessment \$ Balance for NF	\$ (31,968,510)	\$ -	\$ 31,968,510	\$ -	\$ -	\$ -	\$ -		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 805: Medicaid Access and Staffing									
Increase rates for ALF/RCF/MC/IHA/PACE	\$ 17,188,598	\$ -	\$ -	\$ -	\$ 35,386,344	\$ -	\$ 52,574,942		
Increase rates for APD Adult Foster Homes	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 10,279,284	\$ -	\$ 15,279,284		
Add Community Based Care Surveyors	\$ 1,403,640	\$ -	\$ -	\$ -	\$ 932,940	\$ -	\$ 2,336,580	20	10.00
Add Case Mgrs., Supv, HSS3 positions - APD	\$ 3,846,747	\$ -	\$ -	\$ -	\$ 2,557,529	\$ -	\$ 6,404,276	64	32.00
Add Case Mgrs., Supv, HSS3 positions - AAA	\$ 4,142,404	\$ -	\$ -	\$ -	\$ 4,142,404	\$ -	\$ 8,284,808		
<b>SCR 060-09 - Intellectual and Developmental Disabilities</b>									
Package 801: LFO Analyst Adjustments									
Caseload/Cost Per Case	\$ 13,544,710	\$ -	\$ -	\$ -	\$ 28,216,179	\$ -	\$ 41,760,889		
Federal Medical Assistance Percentage	\$ 814,943	\$ -	\$ 7,225	\$ -	\$ (822,168)	\$ -	\$ -		
Add Expenditure Limitation/Revenue	\$ -	\$ -	\$ -	\$ -	\$ 7,573,892	\$ -	\$ 7,573,892		
Enhanced Medicaid Match for eXPRS	\$ (3,000,000)	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -	\$ -		
Reduce Community House Contract by 10%	\$ (320,083)	\$ -	\$ (320,083)	\$ -	\$ -	\$ -	\$ (640,166)		
Reduce Job Coaching Hours	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ (2,000,000)	\$ -	\$ (4,000,000)		
Workload model update CDDPs/Brokerages	\$ 12,953,834	\$ -	\$ -	\$ -	\$ 9,976,858	\$ -	\$ 22,930,692		
Workload model update - Children's Services	\$ 324,939	\$ -	\$ -	\$ -	\$ 323,892	\$ -	\$ 648,831	3	3.00
Rate Increase for IDD Providers (DSPs)	\$ 30,000,000	\$ -	\$ -	\$ -	\$ 61,815,942	\$ -	\$ 91,815,942		
Implement SB 274: Brokerages Serve Age 14↑	\$ 268,514	\$ -	\$ -	\$ -	\$ 267,674	\$ -	\$ 536,188	3	2.64
Package 802: \$50M Behavioral Health Investment									
Youth with IDD/Behavioral Health Needs	\$ 4,940,000	\$ -	\$ -	\$ -	\$ 10,481,220	\$ -	\$ 15,421,220	1	0.88
<b>SCRs 010-040, 010-045, 010-050 - Central Svcs, Shared Svcs, SAEC</b>									
Package 095: Dec-18 Rebalance	\$ 2,804,886	\$ -	\$ (376,374)	\$ -	\$ (1,630,821)	\$ -	\$ 797,691	4	4.00
Package 202: Medicaid Modularity	\$ 277,922	\$ -	\$ -	\$ -	\$ 276,444	\$ -	\$ 554,366	2	2.00
Package 208: Centralized Abuse Management System	\$ 1,756,474	\$ -	\$ -	\$ -	\$ 1,756,475	\$ -	\$ 3,512,949	3	2.64
Package 801: LFO Analyst Adjustments									
Tech Adjustments/Transfers/Reclasses	\$ 374,654	\$ -	\$ (265,553)	\$ -	\$ (14,596,615)	\$ -	\$ (14,487,514)	3	3.00
Reduce Business Information Services	\$ (500,000)	\$ -	\$ -	\$ -	\$ (500,000)	\$ -	\$ (1,000,000)		
Reduce Shared Services General Fund	\$ (500,000)	\$ -	\$ (1,000,000)	\$ -	\$ (500,000)	\$ -	\$ (2,000,000)		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 117,966,599</b>	<b>\$ -</b>	<b>\$ 59,396,099</b>	<b>\$ -</b>	<b>\$ 138,006,749</b>	<b>\$ (275,000,000)</b>	<b>\$ 40,369,447</b>	<b>237</b>	<b>199.99</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 3,841,035,869</b>	<b>\$ -</b>	<b>\$ 629,678,984</b>	<b>\$ -</b>	<b>\$ 5,961,628,189</b>	<b>\$ 1,939,345,331</b>	<b>\$ 12,371,688,373</b>	<b>9,399</b>	<b>9,284.49</b>
% Change from 2017-19 Leg Approved Budget	19.8%	0.0%	(5.6%)	0.0%	6.9%	(12.4%)	6.1%	3.6%	7.8%
% Change from 2019-21 Current Service Level	3.2%	0.0%	10.4%	0.0%	2.4%	(12.4%)	0.3%	2.6%	2.2%

\*Excludes Capital Construction Expenditures

**EMERGENCY BOARD**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Special Purpose Appropriation for Family First Prevention Services Act	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	0	0.00
<b>Total Adjustments</b>	<b>\$ 4,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000,000</b>	<b>0</b>	<b>0.00</b>

# Legislatively Approved 2019 - 2021 Key Performance Measures

Published: 6/20/2019 11:47:09 AM

Agency: Human Services, Department of

**Mission Statement:**

To help Oregonians in their own communities achieve safety, well-being and independence through services that protect, empower, respect choice and preserve dignity

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
1. OVRS CLOSED - EMPLOYED – The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed.		Approved	57%	65%	65%
2. EMPLOYMENT IN SECOND QUARTER - The percentage of clients closed from plan who are employed during second quarter following closure		Approved	No Data	52%	52%
3. EMPLOYMENT IN FOURTH QUARTER - The percentage of clients closed from plan who are employed during fourth quarter following closure		Approved	No Data	52%	52%
4. MEDIAN QUARTERLY WAGE - Median quarterly wage at second quarter following closure from VR program		Approved	No Data	\$3,300.00	\$3,300.00
5. HOUSEHOLDS AT, OR ABOVE, LIVING WAGE - The percentage of households leaving Self Sufficiency who are at, or above, a living wage four quarters out		Approved	No Data	TBD	TBD
6. HOUSING STABILITY - The percentage of Self Sufficiency participants who improve their housing situation		Approved	No Data	TBD	TBD
7. ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.		Approved	92%	97%	97%
8. TIMELY REUNIFICATION - The percentage of foster children exiting to reunification within 12 months of foster care entry.		Approved	71.60%	76%	76%
9. TIMELINESS OF ADOPTION ONCE LEGALLY FREE - Percent of Legally free children adopted in less than 12 months		Approved	42.10%	54%	54%
10. LTC NEED PREVENTION - Percentage of seniors (65+) needing publicly-funded long term care services.		Approved	3.05%	3.08%	3.08%
11. LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES - The percentage of Oregonians accessing publicly-funded long-term care services who are living outside of nursing facilities.		Approved	87.40%	89%	89%
12. SERVICE ELIGIBILITY - ODDS - The percentage of individuals who apply for ODDS services who are determined eligible within 90 days from application		Approved	No Data	TBD	TBD
13. In-Home Services - The percentage of adults enrolled in the Intellectual/Developmental Disabilities program who are receiving services in their own home, including family home		Approved	No Data	75%	75%
14. SUPPORTED EMPLOYMENT - EMPLOYMENT FIRST - The number of individuals who obtain competitive integrated employment		Approved	No Data	TBD	TBD
15. ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES - The percentage of substantiated abuse/neglect of adults in licensed and endorsed programs		Approved	No Data	0%	0%
16. Abuse Investigation Timeliness - Percent of abuse reports assigned for field contact that meet policy timelines.		Approved	97.82%	95%	95%

Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
17. CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved	73.80%	81%	81%
	Accuracy		78.80%	91%	91%
	Overall		75.70%	90%	90%
	Helpfulness		83%	86%	86%
	Expertise		78.50%	90%	90%
	Availability of Information		90%	92%	92%
18. Disparity in foster youth achieving permanency within 2 years by race/ethnicity - Disparity is calculated by taking the ratio of two percentages: Percent of Non-White & Hispanic children achieving permanency goals / Percent of Non-Hispanic White children achieving permanency goals. The permanency goal is the percent of foster youth achieved permanency within 24 months (of those that entered 24 months ago)	Disparity of Non-Hispanic African American Youth	Approved	0.70	1	1
	Disparity of Non-Hispanic Asian/Pacific Islander Youth		0.90	1	1
	Disparity of Non-Hispanic White Youth (always=1)		1	1	1
	Disparity of Non-Hispanic Native American/Alaska Native Youth		1	1	1
	Disparity of Hispanic (any race) Youth		1	1	1
19. CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME - The percent of children served in Child Welfare on an average daily basis (In Home and Foster Care) who were served while residing in their parent's home.		Approved	23.80%	33%	33%
20. FOOD SECURITY - The percentage of Self Sufficiency participants who improve their food security		Approved	No Data	TBD	TBD
21. SELF-EFFICACY/HOPE - The percentage of Self Sufficiency participants who improve their ability to influence their future outcomes		Approved	No Data	TBD	TBD
2. TANF FAMILY STABILITY - Rate per 1,000 of TANF recipient children entering child welfare (foster care or in home)		Legislatively Deleted	3.40	3.90	3.90
3. TANF RE-ENTRY - The percentage of Temporary Assistance for Needy Families (TANF) cases who have not returned within 18 months after exit due to employment.		Legislatively Deleted	62.51%	TBD	TBD
4. SNAP (Supplemental Nutrition Assistance Program) UTILIZATION - The ratio of Oregonians served by SNAP to the number of low-income Oregonians.		Legislatively Deleted	98%	0%	0%
5. SNAP (Supplemental Nutrition Assistance Program) ACCURACY - The percentage of accurate SNAP payments		Legislatively Deleted	92.23%	0%	0%
6. ENHANCED CHILD CARE - The percentage of children receiving care from providers who are receiving the enhanced or licensed rate for child care subsidized by DHS		Legislatively Deleted	77.60%	0%	0%
12. DEVELOPMENTAL DISABILITY SUPPORT SERVICES - The percentage of eligible adults who are receiving adult support services within 90 days of request.		Legislatively Deleted	72.16%	0%	0%
13. PEOPLE WITH DISABILITIES LIVING AT HOME - The percentage of individuals enrolled in the Intellectual/Developmental disabilities program who are receiving services in their own home.		Legislatively Deleted	75.26%	0%	0%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
14. SUPPORTED EMPLOYMENT - Increase the number of individuals who receive developmental disability services in supported employment.		Legislatively Deleted	3,012	0	0
15. ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES - The percentage of people with developmental disabilities experiencing abuse.		Legislatively Deleted	2%	0%	0%
20. TANF JOBS PLACEMENTS - The percentage of clients who achieve job placement each month compared to those anticipated to achieve placement.		Legislatively Deleted	110.40%	TBD	TBD

**LFO Recommendation:**

Approve the agency's request to delete 10 KPMs and add 11 new or modified KPMs, with targets as shown. Regarding the new measures without data or developed targets, LFO recommends directing the Department to provide a detailed update on the status of data collection and target development as part of the Annual Performance Progress Reports due in October 2019 and October 2020.

The Department has also committed to look at KPM renumbering and title standardization for the next budget cycle.

**SubCommittee Action:**

The Human Services Subcommittee approved the Legislative Fiscal Office recommendations on Key Performance Measures.

**HB 5050 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Johnson

**Joint Committee On Ways and Means**

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**Action Date:** 06/25/19

**Action:** Do pass the A-Eng bill.

**Senate Vote**

**Yeas:** 8 - Beyer, Boles, Frederick, Johnson, Manning Jr, Roblan, Steiner Hayward, Wagner

**Abs:** 4 - Girod, Hansell, Heard, Thomsen

**House Vote**

**Yeas:** 8 - Gomberg, Holvey, McLain, McLane, Nosse, Piluso, Rayfield, Stark

**Exc:** 1 - Smith G

**Prepared By:** Julie Neburka and Theresa McHugh, Legislative Fiscal Office

**Reviewed By:** Paul Siebert, Legislative Fiscal Office

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**Emergency Board**

**2019-21**

**Department of Corrections**

**2017-19**

## Budget Summary\*

	<u>2017-19 Legislatively Approved Budget</u>	<u>2019-21 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Emergency Board</u></b>			
General Fund - General Purpose	-	\$ 75,000,000	\$ 75,000,000
General Fund - Special Purpose Appropriations			
State Agencies for state employee compensation	-	\$ 200,000,000	\$ 200,000,000
State Agencies for non-state worker compensation	-	\$ 20,000,000	\$ 20,000,000
Public Defense services and contract model		\$ 20,000,000	\$ 20,000,000
Grand Jury Recordation	-	\$ 3,000,000	\$ 3,000,000
OHA - Youth with Behavioral Health Needs		\$ 5,700,000	\$ 5,700,000
PDSC and DOC - Unauthorized Use of a Vehicle		\$ 1,000,000	\$ 1,000,000
Secretary of State - SB 861 implementation		\$ 1,146,094	\$ 1,146,094
 <b><u>ADMINISTRATION PROGRAM AREA</u></b>			
<b><u>Department of Administrative Services</u></b>			
General Fund		\$ 23,939,562	\$ 23,939,562
General Fund Debt Service		\$ (243,315)	\$ (243,315)
Lottery Funds Debt Service		\$ (2,797,357)	\$ (2,797,357)
Other Funds		\$ 98,343,839	\$ 98,343,839
Other Funds Debt Service		\$ 4,975,884	\$ 4,975,884
<b><u>Advocacy Commissions Office</u></b>			
General Fund		\$ (3,910)	\$ (3,910)
<b><u>Employment Relations Board</u></b>			
General Fund		\$ (24,878)	\$ (24,878)
Other Funds		\$ (17,900)	\$ (17,900)
<b><u>Oregon Government Ethics Commission</u></b>			
Other Funds		\$ (31,294)	\$ (31,294)
<b><u>Office of the Governor</u></b>			
General Fund		\$ 37,976	\$ 37,976
Lottery Funds		\$ (30,060)	\$ (30,060)
Other Funds		\$ (14,162)	\$ (14,162)
<b><u>Oregon Liquor Control Commission</u></b>			
Other Funds	-	\$ (365,805)	\$ (365,805)

<b><u>Budget Summary*</u></b>	<b><u>2017-19 Legislatively Approved Budget</u></b>	<b><u>2019-21 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Public Employees Retirement System,</u></b>			
Other Funds		\$ (99,540)	\$ (99,540)
<b><u>Racing Commission</u></b>			
Other Funds		\$ (74,492)	\$ (74,492)
<b><u>Department of Revenue</u></b>			
General Fund		\$ (1,951,713)	\$ (1,951,713)
General Fund Debt Service		\$ (86,500)	\$ (86,500)
Other Funds		\$ (625,879)	\$ (625,879)
Other Funds Debt Service		\$ 90,000	\$ 90,000
<b><u>Secretary of State</u></b>			
General Fund		\$ 198,280	\$ 198,280
Other Funds		(731,332)	(731,332)
Federal Funds		\$ (6,624)	\$ (6,624)
<b><u>State Library</u></b>			
General Fund		\$ (2,658)	\$ (2,658)
Other Funds		\$ (54,948)	\$ (54,948)
Federal Funds		\$ (4,478)	\$ (4,478)
<b><u>State Treasurer</u></b>			
Other Funds		\$ (786,435)	\$ (786,435)
<b><u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u></b>			
<b><u>State Board of Accountancy</u></b>			
Other Funds	-	\$ (41,790)	\$ (41,790)
<b><u>Chiropractic Examiners Board</u></b>			
Other Funds	-	\$ (40,563)	\$ (40,563)
<b><u>Consumer and Business Services</u></b>			
Other Funds		\$ (1,805,550)	\$ (1,805,550)
Federal Funds		\$ 724,474	\$ 724,474
<b><u>Construction Contractors Board</u></b>			
Other Funds		\$ (223,798)	\$ (223,798)



<b><u>Budget Summary*</u></b>	<b><u>2017-19 Legislatively Approved Budget</u></b>	<b><u>2019-21 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Board of Dentistry</u></b>			
Other Funds		\$ (55,978)	\$ (55,978)
<b><u>Health Related Licensing Boards</u></b>			
Other Funds		\$ (93,931)	\$ (93,931)
<b><u>Bureau of Labor and Industries</u></b>			
General Fund		\$ (186,026)	\$ (186,026)
Other Funds		\$ (128,532)	\$ (128,532)
Federal Funds		\$ (19,597)	\$ (19,597)
<b><u>Licensed Professional Counselors and Therapists. Board of</u></b>			
Other Funds		\$ (23,995)	\$ (23,995)
<b><u>Licensed Social Workers, Board of</u></b>			
Other Funds		\$ (23,401)	\$ (23,401)
<b><u>Medical Board</u></b>			
Other Funds		\$ (105,576)	\$ (105,576)
<b><u>Board of Nursing</u></b>			
Other Funds		\$ (148,702)	\$ (148,702)
<b><u>Board of Pharmacy</u></b>			
Other Funds	-	\$ (93,745)	\$ (93,745)
<b><u>Oregon Board of Psychology</u></b>			
Other Funds	-	\$ (19,078)	\$ (19,078)
<b><u>Public Utility Commission</u></b>			
Other Funds	-	\$ (337,731)	\$ (337,731)
Federal Funds	-	\$ (6,195)	\$ (6,195)
<b><u>Real Estate Agency</u></b>			
Other Funds	-	\$ (87,703)	\$ (87,703)
<b><u>Tax Practitioners Board</u></b>			
Other Funds	-	\$ (12,149)	\$ (12,149)

**Budget Summary\***

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**2017-19 Legislatively  
Approved Budget**

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**2019-21 Committee  
Recommendation**

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**Committee Change**

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**ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA****Oregon Business Development Department**

General Fund	\$	9,992,396	\$	9,992,396
General Fund Debt Service	\$	2,050,084	\$	2,050,084
Lottery Funds	\$	12,813,582	\$	12,813,582
Lottery Funds Debt Service	\$	(3,691,197)	\$	(3,691,197)
Other Funds	\$	204,671,736	\$	204,671,736
Other Funds Debt Service	\$	157,290	\$	157,290
Other Funds Nonlimited	\$	35,000,000	\$	35,000,000
Federal Funds	\$	(6,078)	\$	(6,078)

**Employment Department**

Other Funds	\$	(899,214)	\$	(899,214)
Federal Funds	\$	(665,899)	\$	(665,899)

**Housing and Community Services Department**

General Fund	\$	(941,245)	\$	(941,245)
General Fund Debt Service	\$	9,781,918	\$	9,781,918
Lottery Funds Debt Service	\$	(79,455)	\$	(79,455)
Other Funds	\$	62,397,519	\$	62,397,519
Other Funds Debt Service	\$	1,099	\$	1,099
Federal Funds	\$	(1,035,075)	\$	(1,035,075)

**Department of Veterans' Affairs**

General Fund	\$	(51,109)	\$	(51,109)
General Fund Debt Service	\$	(1,871,420)	\$	(1,871,420)
Lottery Funds	\$	961,666	\$	961,666
Other Funds	\$	3,912,257	\$	3,912,257

**EDUCATION PROGRAM AREA****Department of Education**

General Fund	\$	(125,070)	\$	(125,070)
General Fund Debt Service	\$	(1,345,537)	\$	(1,345,537)
Other Funds	\$	125,770,137	\$	125,770,137
Other Funds Debt Service	\$	9,330	\$	9,330
Federal Funds	\$	(324,415)	\$	(324,415)

## **Budget Summary\***

### **State School Fund**

	<b>2017-19 Legislatively Approved Budget</b>	<b>2019-21 Committee Recommendation</b>	<b>Committee Change</b>
General Fund		\$ 5,101,078	\$ 5,101,078
Lottery Funds		\$ (5,573,050)	\$ (5,573,050)
Other Funds		\$ 471,972	\$ 471,972

### **Higher Education Coordinating Commission**

General Fund		\$ 73,809	\$ 73,809
Other Funds		\$ 6,385,614	\$ 6,385,614
Federal Funds		\$ 65,430	\$ 65,430

### **State Support to Community Colleges**

General Fund		\$ 975,000	\$ 975,000
General Fund Debt Service		\$ (5,763,861)	\$ (5,763,861)
Lottery Funds Debt Service		\$ (242,498)	\$ (242,498)
Other Funds Debt Service		\$ 3,126,854	\$ 3,126,854

### **State Support to Public Universities**

General Fund		\$ 5,653,419	\$ 5,653,419
General Fund Debt Service		\$ (12,483,243)	\$ (12,483,243)
Lottery Funds		\$ 5,859,809	\$ 5,859,809
Lottery Funds Debt Service		\$ (774,410)	\$ (774,410)
Other Funds Debt Service		\$ 4,876,782	\$ 4,876,782

### **State Support to Oregon Health Sciences University**

General Fund Debt Service		\$ (48,310)	\$ (48,310)
Other Funds Debt Service		\$ 48,365	\$ 48,365

### **Teacher Standards and Practices**

Other Funds		\$ (87,203)	\$ (87,203)
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## **HUMAN SERVICES PROGRAM AREA**

### **Commission for the Blind**

General Fund		\$ (103,100)	\$ (103,100)
Other Funds		\$ (7,232)	\$ (7,232)
Federal Funds		\$ (115,724)	\$ (115,724)

## **Budget Summary\***

### **Oregon Health Authority**

	<b>2017-19 Legislatively Approved Budget</b>	<b>2019-21 Committee Recommendation</b>	<b>Committee Change</b>
General Fund		\$ 3,296,378	\$ 3,296,378
General Fund Debt Service		\$ (216,292)	\$ (216,292)
Lottery Funds		\$ (4,929)	\$ (4,929)
Other Funds		\$ 13,711,749	\$ 13,711,749
Other Funds Debt Service		\$ 216,435	\$ 216,435
Federal Funds		\$ 27,649,540	\$ 27,649,540

### **Department of Human Services**

General Fund		\$ 7,944,508	\$ 7,944,508
General Fund Debt Service		\$ 1,512,253	\$ 1,512,253
Other Funds		\$ 43,415,376	\$ 43,415,376
Federal Funds		\$ 132,642,331	\$ 132,642,331

### **Long Term Care Ombudsman**

General Fund		\$ (60,461)	\$ (60,461)
Other Funds		\$ (8,161)	\$ (8,161)

### **Psychiatric Security Review Board**

General Fund		\$ (30,871)	\$ (30,871)
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## **JUDICIAL BRANCH**

### **Judicial Department**

General Fund		\$ 2,077,938	\$ 2,077,938
General Fund Debt Service		\$ (3,585,266)	\$ (3,585,266)
Other Funds		\$ 137,039,553	\$ 137,039,553
Other Funds Debt Service		\$ 1,300,000	\$ 1,300,000
Federal Funds		\$ (1,408)	\$ (1,408)

### **Commission on Judicial Fitness and Disability**

General Fund		\$ 16,000	\$ 16,000
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### **Public Defense Services Commission**

General Fund		\$ 3,394,972	\$ 3,394,972
Other Funds		\$ 302,670	\$ 302,670

## **Budget Summary\***

### **LEGISLATIVE BRANCH**

#### **Legislative Administration Committee**

	<b>2017-19 Legislatively Approved Budget</b>	<b>2019-21 Committee Recommendation</b>	<b>Committee Change</b>
General Fund		\$ 1,330,850	\$ 1,330,850
General Fund Debt Service		\$ 527,814	\$ 527,814
Other Funds		\$ 5,167,447	\$ 5,167,447
Other Funds Debt Service		\$ 38,500	\$ 38,500

#### **Legislative Assembly**

General Fund		\$ (235,919)	\$ (235,919)
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#### **Legislative Commission on Indian Services**

General Fund		\$ (7,244)	\$ (7,244)
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#### **Legislative Counsel**

General Fund		\$ (70,545)	\$ (70,545)
Other Funds		\$ (6,086)	\$ (6,086)

#### **Legislative Fiscal Office**

General Fund		\$ (30,828)	\$ (30,828)
Other Funds		\$ (15,770)	\$ (15,770)

#### **Legislative Revenue Office**

General Fund		\$ (16,951)	\$ (16,951)
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#### **Legislative Policy and Research Office**

General Fund		\$ (57,110)	\$ (57,110)
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### **NATURAL RESOURCES PROGRAM AREA**

#### **State Department of Agriculture**

General Fund		\$ 916,315	\$ 916,315
Lottery Funds		\$ (68,464)	\$ (68,464)
Other Funds		\$ (595,327)	\$ (595,327)
Federal Funds		\$ (52,494)	\$ (52,494)

#### **Columbia River Gorge Commission**

General Fund		\$ 109,813	\$ 109,813
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#### **State Department of Energy**

General Fund		\$ 2,000,000	\$ 2,000,000
Lottery Funds Debt Service		\$ (5)	\$ (5)
Other Funds		\$ 1,576,722	\$ 1,576,722
Federal Funds		\$ (7,330)	\$ (7,330)

## **Budget Summary\***

	<b><u>2017-19 Legislatively Approved Budget</u></b>	<b><u>2019-21 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Department of Environmental Quality</u></b>			
General Fund		\$ 51,176	\$ 51,176
General Fund Debt Service		\$ 834,752	\$ 834,752
Lottery Funds		\$ (31,593)	\$ (31,593)
Other Funds		\$ 3,747,167	\$ 3,747,167
Federal Funds		\$ (113,604)	\$ (113,604)
<b><u>State Department of Fish and Wildlife</u></b>			
General Fund		\$ 115,083	\$ 115,083
General Fund Debt Service		\$ (324,470)	\$ (324,470)
Lottery Funds		\$ (18,626)	\$ (18,626)
Other Funds		\$ (672,467)	\$ (672,467)
Other Funds Capital Improvement		\$ (4,077)	\$ (4,077)
Federal Funds		\$ (1,187,333)	\$ (1,187,333)
<b><u>Department of Forestry</u></b>			
General Fund		\$ 1,340,580	\$ 1,340,580
General Fund Debt Service		\$ (2,470,088)	\$ (2,470,088)
Lottery Funds Debt Service		\$ (61,999)	\$ (61,999)
Other Funds		\$ (1,351,583)	\$ (1,351,583)
Other Funds Debt Service		\$ 151,184	\$ 151,184
Federal Funds		\$ (77,626)	\$ (77,626)
<b><u>Department of Geology and Mineral Industries</u></b>			
General Fund		\$ (25,615)	\$ (25,615)
Other Funds		\$ (29,270)	\$ (29,270)
Federal Funds		\$ (19,870)	\$ (19,870)
<b><u>Department of Land Conservation and Development</u></b>			
General Fund		\$ 1,794,756	\$ 1,794,756
Other Funds		\$ (2,132)	\$ (2,132)
Federal Funds		\$ (17,182)	\$ (17,182)
<b><u>Land Use Board of Appeals</u></b>			
General Fund		\$ (21,627)	\$ (21,627)

## Budget Summary\*

	<u>2017-19 Legislatively Approved Budget</u>	<u>2019-21 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Oregon Marine Board</u></b>			
Other Funds		\$ (92,426)	\$ (92,426)
Federal Funds		\$ (2,643)	\$ (2,643)
<b><u>Department of Parks and Recreation</u></b>			
Lottery Funds		\$ (416,598)	\$ (416,598)
Lottery Funds Debt Service		\$ (76,557)	\$ (76,557)
Other Funds		\$ 4,212,940	\$ 4,212,940
Other Funds Debt Service		\$ 33,023	\$ 33,023
Federal Funds		\$ (4,620)	\$ (4,620)
<b><u>Department of State Lands</u></b>			
Lottery Funds Debt Service		\$ (589,920)	\$ (589,920)
Other Funds		\$ 5,538,837	\$ 5,538,837
Federal Funds		\$ 148,732	\$ 148,732
<b><u>Water Resources Department</u></b>			
General Fund		\$ (435,713)	\$ (435,713)
Lottery Funds Debt Service		\$ (926,818)	\$ (926,818)
Other Funds		\$ 43,734,905	\$ 43,734,905
Other Funds Debt Service		\$ 394	\$ 394
Federal Funds		\$ (1,215)	\$ (1,215)
<b><u>Watershed Enhancement Board</u></b>			
Lottery Funds		\$ (22,280)	\$ (22,280)
Federal Funds		\$ (6,493)	\$ (6,493)
<b><u>PUBLIC SAFETY PROGRAM AREA</u></b>			
<b><u>Department of Corrections</u></b>			
General Fund		\$ (6,481,181)	\$ (6,481,181)
General Fund Debt Service		\$ 1,073,820	\$ 1,073,820
Other Funds		\$ 5,265,521	\$ 5,265,521
Other Funds Debt Service		\$ 51,378	\$ 51,378
<b><u>Oregon Criminal Justice Commission</u></b>			
General Fund		\$ 36,193	\$ 36,193
Other Funds		\$ 273,635	\$ 273,635
Federal Funds		\$ (1,216)	\$ (1,216)

## **Budget Summary\***

	<b><u>2017-19 Legislatively Approved Budget</u></b>	<b><u>2019-21 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>District Attorneys and their Deputies</u></b>			
General Fund		\$ (105,735)	\$ (105,735)
<b><u>Department of Justice</u></b>			
General Fund		\$ (667,789)	\$ (667,789)
General Fund Debt Service		\$ 1,484,988	\$ 1,484,988
Other Funds		\$ (2,479,020)	\$ (2,479,020)
Federal Funds		\$ (716,952)	\$ (716,952)
<b><u>Oregon Military Department</u></b>			
General Fund		\$ 179,395	\$ 179,395
General Fund Debt Service		\$ (36,468)	\$ (36,468)
Other Funds		\$ (373,737)	\$ (373,737)
Other Funds Debt Service		\$ 33,000	\$ 33,000
Federal Funds		\$ (691,605)	\$ (691,605)
<b><u>Oregon Board of Parole and Post-Prison Supervision</u></b>			
General Fund		\$ (101,621)	\$ (101,621)
<b><u>Oregon State Police</u></b>			
General Fund		\$ (2,122,021)	\$ (2,122,021)
Lottery Funds		\$ (69,541)	\$ (69,541)
Other Funds		\$ (873,872)	\$ (873,872)
Federal Funds		\$ (23,603)	\$ (23,603)
<b><u>Department of Public Safety Standards and Training</u></b>			
Other Funds		\$ (290,693)	\$ (290,693)
Federal Funds		\$ 324,810	\$ 324,810
<b><u>Oregon Youth Authority</u></b>			
General Fund		\$ (1,803,255)	\$ (1,803,255)
General Fund Debt Service		\$ (3,008,574)	\$ (3,008,574)
Other Funds		\$ 772,367	\$ 772,367
Other Funds Debt Service		\$ 95,000	\$ 95,000
Federal Funds		\$ (74,149)	\$ (74,149)
<b><u>TRANSPORTATION PROGRAM AREA</u></b>			
<b><u>Department of Aviation</u></b>			
Other Funds		\$ (32,084)	\$ (32,084)
Federal Funds		\$ (826)	\$ (826)



## **Budget Summary\***

### **Department of Transportation**

	<b>2017-19 Legislatively Approved Budget</b>	<b>2019-21 Committee Recommendation</b>	<b>Committee Change</b>
General Fund Debt Service		\$ (8,904)	\$ (8,904)
Lottery Funds Debt Service		\$ (3,182,760)	\$ (3,182,760)
Other Funds		\$ (3,318,842)	\$ (3,318,842)
Other Funds Debt Service		\$ 8,904	\$ 8,904
Federal Funds		\$ (65,547)	\$ (65,547)

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### **2019-21 Budget Summary**

<b>General Fund Total</b>		\$ 380,757,376	\$ 380,757,376
<b>General Fund Debt Service</b>		\$ (14,226,619)	\$ (14,226,619)
<b>Lottery Funds Total</b>		\$ 13,399,916	\$ 13,399,916
<b>Lottery Funds Debt Service</b>		\$ (12,422,976)	\$ (12,422,976)
<b>Other Funds Total</b>		\$ 749,532,835	\$ 749,532,835
<b>Other Funds Debt Service</b>		\$ 15,213,422	\$ 15,213,422
<b>Other Funds Nonlimited</b>		\$ 35,000,000	\$ 35,000,000
<b>Other Funds Capital Improvement</b>		\$ (4,077)	\$ (4,077)
<b>Federal Funds Total</b>		\$ 156,305,516	\$ 156,305,516

\* Excludes Capital Construction

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## **2017-19 Supplemental Appropriations**

### **Department of Corrections**

	<b>2017-19 Legislatively Approved Budget</b>	<b>2017-19 Committee Recommendation</b>	<b>Committee Change</b>
General Fund	-	\$ 3,000,000	\$ 3,000,000

<b><u>2019-21 Position Summary</u></b>	<b><u>2017-19 Legislatively Approved Budget</u></b>	<b><u>2019-21 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b>ADMINISTRATION PROGRAM AREA</b>			
<b><u>Department of Administrative Services</u></b>			
Authorized Positions		2	2
Full-time Equivalent (FTE) positions		2.00	2.00
<b><u>Secretary of State</u></b>			
Authorized Positions		2	2
Full-time Equivalent (FTE) positions		1.75	1.75
<b>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</b>			
<b><u>Consumer and Business Services</u></b>			
Authorized Positions		1	1
Full-time Equivalent (FTE) positions		1.00	1.00
<b>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</b>			
<b><u>Housing and Community Services Department</u></b>			
Authorized Positions		7	7
Full-time Equivalent (FTE) positions		5.67	5.67
<b><u>Oregon Business Development Department</u></b>			
Authorized Positions		1	1
Full-time Equivalent (FTE) positions		0.88	0.88
<b>EDUCATION PROGRAM AREA</b>			
<b><u>Higher Education Coordinating Commission</u></b>			
Authorized Positions		10	10
Full-time Equivalent (FTE) positions		9.50	9.50

## **2019-21 Position Summary**

### **HUMAN SERVICES PROGRAM AREA**

#### **Oregon Health Authority**

	<b>2017-19 Legislatively Approved Budget</b>	<b>2019-21 Committee Recommendation</b>	<b>Committee Change</b>
Authorized Positions		47	47
Full-time Equivalent (FTE) positions		36.18	36.18

#### **Department of Human Services**

Authorized Positions		32	32
Full-time Equivalent (FTE) positions		29.90	29.90

### **JUDICIAL BRANCH**

#### **Judicial Department**

Authorized Positions		17	17
Full-time Equivalent (FTE) positions		13.50	13.50

#### **Public Defense Services Commission**

Authorized Positions		2	2
Full-time Equivalent (FTE) positions		2.00	2.00

### **NATURAL RESOURCES PROGRAM AREA**

#### **Department of Land Conservation and Development**

Authorized Positions		7	7
Full-time Equivalent (FTE) positions		6.00	6.00

#### **Department of Fish and Wildlife**

Authorized Positions		-	-
Full-time Equivalent (FTE) positions		(0.50)	(0.50)

#### **Department of Environmental Quality**

Authorized Positions		(1)	(1)
Full-time Equivalent (FTE) positions		(1.00)	(1.00)

#### **Department of Energy**

Authorized Positions		3	3
Full-time Equivalent (FTE) positions		1.25	1.25

## 2019-21 Position Summary

2017-19 Legislatively  
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### TRANSPORTATION PROGRAM AREA

#### Department of Transportation

Authorized Positions	3	3
Full-time Equivalent (FTE) positions	0.42	0.42

## Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the May 2019 economic and revenue forecast by the Department of Administrative Services (DAS), Office of Economic Analysis, supplemented by transfers from various agency accounts to the General Fund for general governmental purposes as authorized in HB 2377, plus other actions to reduce state agency expenditures.

## Summary of Capital Construction Subcommittee Action

HB 5050 appropriates General Fund to the Emergency Board for general purpose and targeted special purpose appropriations and makes other adjustments to individual agency budgets and position authority as described below.

### Emergency Board

The Emergency Board allocates General Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. The Subcommittee appropriated \$75 million General Fund to the Emergency Board for general purposes.

HB 5050 makes seven special purpose appropriations to the Emergency Board, totaling \$250.8 million General Fund. Agencies must make a request to the Emergency Board to access these funds. The seven special purpose appropriations are:

- \$200 million General Fund for state employee compensation changes.
- \$20 million General Fund for allocation to state agencies for compensation changes driven by collective bargaining for workers who are not state employees.

- \$5.7 million General Fund for allocation to the Oregon Health Authority to support interdisciplinary assessment teams to provide consultation, evaluation, and stabilization services to youth with behavioral health needs. This appropriation reflects one of the recommendations of the Children and Youth with Specialized Needs Workgroup and is consistent with SB 1 (2019), which provides the framework for establishing these teams.
- \$20 million General Fund for allocation to the Public Defense Services Commission for activities designed to improve indigent defense caseloads and to implement an improved public defense contract model.
- \$1 million General Fund for allocation to the Public Defense Services Commission and the Department of Corrections or both, for costs relating to prosecutions for the unauthorized use of a vehicle per HB 2328 (2019).
- \$1,146,094 General Fund for allocation to the Secretary of State for costs relating to the implementation prepaid postage on ballot return envelopes per SB 861 (2019).
- \$3 million General Fund for the implementation of grand jury recordation and SB 505 (2017).

With the beginning of the statewide roll-out of grand jury recordation, questions have arisen regarding how grand jury recordation can be delivered in the most efficient, consistent, and economical method across the state given the Legislature's funding of similar recordation services for circuit courts. To this end, the Subcommittee approved the following budget note.

**Budget Note**

The Judicial Department, District Attorneys, and the Association of Oregon Counties are to report to the Interim Joint Committee on Ways and Means in January of 2020 with a joint plan that provides for the most efficient, consistent, and cost effective delivery of grand jury recordation across the state, including, but not limited to, the assignment by entity of responsibility for: (a) non-attorney staff to manage recording equipment and train grand jurors on the use of recording equipment; (b) non-attorney staff to review and redact grand jury recordings; (c) production of grand jury transcripts; and (d) information technology costs for the day-to-day upkeep of the recording devices and the storage or archiving of recordings.

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2020, any remaining funds become available to the Emergency Board for general purposes.

The Subcommittee established a reservation within the general purpose Emergency Fund of \$10 million for the Department of Human Services for the Child Welfare program as the agency continues to implement its action plan to improve child safety, stabilize the workforce, and help foster families. The Department may request allocation of the reservation from the Emergency Board for efforts or initiatives not covered within the existing budget upon evidence that the additional funding will result in demonstrative improvements in Oregon's child welfare system.

A second reservation was established within the general purpose Emergency Fund of \$9 million for the Oregon Health Authority for the purpose of supporting community mental health programs. The Oregon Health Authority may request allocation of the reservation from the Emergency Board if any or all of these funds are deemed necessary to maintain the 2017-19 level of on-going community mental health program services funded by the agency.

## **Adjustments to Approved 2019-21 Agency Budgets**

### **STATEWIDE ADJUSTMENTS**

Statewide adjustments reflect budget changes in multiple agencies based on reductions in Department of Administrative Services' assessments and charges for services, Attorney General rates, Secretary of State assessments, and Parks assessments. Statewide adjustments also reflect net reductions to debt service realized through interest rate savings on bond sales, and Other Funds balances and interest earnings that can be applied to debt service. Total savings are \$66.2 million General Fund, \$13.7 million Lottery Funds, \$34 million Other Funds, and \$11 million Federal Funds.

Specific reductions include \$37.1 million total funds from lower Department of Administrative Services assessments and service rates; \$31.1 million total funds from PERS rate updates; \$39.8 million total funds from debt service interest rate savings and refunding of outstanding bonds; \$8.1 million total funds from lower Attorney General rates; and \$2.6 million total funds from lower Secretary of State and Parks assessments.

Section 161 of the budget bill reflects the changes, as described above, for each agency. These adjustments are included in the table at the beginning of the budget report but are not addressed in the individual agency narratives. Additionally, new Other Funds debt service expenditure limitations for multiple agencies are established to accommodate the use of fund balances for debt repayment.

### **ADMINISTRATION**

#### **Department of Administrative Services**

The Subcommittee approved various one-time General Fund appropriations to the Department of Administrative Services for the following purposes:

- \$7,500,000 for disbursement to the United Way for census outreach and coordination activities
- \$2,000,000 for disbursement to Clatsop County for the Clatsop County Jail
- \$2,000,000 for disbursement to Innovation Law Lab for Immigration Defense
- \$1,500,000 for disbursement to Josephine County for rural fire protection district start-up costs once the district is created
- \$1,000,000 for disbursement to City of Salem for the Gerry Frank/Salem Rotary Amphitheater
- \$1,000,000 for disbursement to Umatilla-Morrow Head Start for an Early Learning Center
- \$1,000,000 for disbursement to Umatilla County for surface water pumping costs of groundwater rights holders in Critical Groundwater areas
- \$700,000 for disbursement to Central Linn School District for the 6th-8th grade Cobra Academy
- \$500,000 for disbursement to Siuslaw Regional Aquatics Center for renovations of the Mapleton Pool
- \$500,000 for disbursement to Tucker Maxon School for capital improvements
- \$500,000 for disbursement to Association of Oregon Counties for urban growth boundary planning grants to Eastern Oregon Counties
- \$500,000 for disbursement to Oregon Thoroughbred Owners and Breeders Association for safety improvements at race tracks holding race meets and education for thoroughbred owners and breeders
- \$500,000 for disbursement to Lutheran Community Services Northwest for drug abuse programs
- \$500,000 for disbursement to Special Olympics Oregon for sports training and athletic competition
- \$485,000 for disbursement to Clackamas County for Clackamas Women's Services
- \$452,930 for disbursement to Douglas Timber Operators for a Rogue River Sediment Study
- \$400,000 for disbursement to Historic Portland Public Market Foundation for the James Beard Public Market
- \$300,000 for disbursement to City of Independence for a Mid-Willamette Valley Trolley
- \$300,000 for disbursement to Ecumenical Ministries of Oregon for its runaway homeless youth program
- \$250,000 for disbursement to Liberty House of Salem for childhood abuse assessment and support services
- \$175,000 for disbursement to Harney County School District #1J to drill a potable water well
- \$100,000 for disbursement to Save the Salem Peace Mosaic to protect the River of Peace mosaic
- \$30,000 for disbursement to Klamath County to acquire, install, and maintain stream gauges in the Klamath Basin

The Subcommittee added \$61,331,872 Other Funds expenditure limitation for one-time costs of special payments associated with the disbursement of proceeds from 2019-21 Lottery Bond sales; projects are detailed below and approved in HB 5030. Cost of issuance for these projects totals \$1,247,463. There is no debt service allocated in the 2019-21 biennium, as the bonds will not be sold until the spring of 2021. Debt service payments on all the projects described below are estimated to be \$10,581,755 Lottery Funds for the 2021-23 biennium and \$105,334,738 over the life of the bonds.

- \$15,000,000 Other Funds for disbursement to Eugene Family YMCA Facility
- \$10,000,000 Other Funds for disbursement to City of Roseburg - Southern Oregon Medical Workforce Center

- \$5,000,000 Other Funds for disbursement to Oregon Coast Aquarium
- \$5,000,000 Other Funds for disbursement to YMCA of Columbia-Willamette to purchase the Beaverton Hoop YMCA
- \$4,100,000 Other Funds for disbursement to Jefferson County - Health and Wellness Center
- \$3,500,000 Other Funds for disbursement to Parrott Creek Child & Family Services - Building Renovation
- \$2,500,000 Other Funds for disbursement to Center for Hope and Safety - Hope Plaza
- \$2,500,000 Other Funds for disbursement to Wallowa Valley Center for Wellness
- \$2,400,000 Other Funds for disbursement to Port of Cascade Locks - Business Park Expansion
- \$2,311,872 Other Funds for disbursement to Multnomah County School District #7 - Reynolds High School Health Center
- \$2,000,000 Other Funds for disbursement to City of Gresham - Gradin Community Sports Park
- \$2,000,000 Other Funds for disbursement to Curry Health District - Brookings Emergency Room
- \$2,000,000 Other Funds for disbursement to Hacienda Community Development Corporation - Las Adelitas Housing Project
- \$1,600,000 Other Funds for disbursement to Umatilla County Jail - Expansion/Mental Health Facility
- \$1,400,000 Other Funds for disbursement to Port of Morrow - Early Learning Center Expansion

The Subcommittee approved an increase of \$27,405,993 Other Funds expenditure limitation for special payments associated with the disbursement of proceeds from Lottery Bonds issued in previous biennia that have yet to be fully disbursed to grantees.

The Subcommittee added \$10,525,000 Other Funds expenditure limitation for one-time special payments associated with the disbursement of proceeds from Article XI-Q general obligation bond sales; projects are detailed below and approved in HB 5005. Cost of issuance for these projects totals \$199,075. There is no debt service allocated in the 2019-21 biennium, as the bonds will not be sold until the spring of 2021. Total debt service on the projects described below is estimated at \$2,257,480 General Fund for the 2021-23 biennium and \$15,834,095 General Fund over the life of the bonds.

- \$5,325,925 Other Funds for disbursement to the Oregon State Fair for facilities capital improvements
- \$3,000,000 Other Funds for disbursement to the Oregon State Fair for improvements to and repairs of the Horse Barn
- \$2,000,000 Other Funds for disbursement to the Oregon State Fair for improvements to and repairs of the Poultry Barn

The Subcommittee approved \$4,527,721 in additional Other Funds Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in HB 5005 that will be issued before the end of the biennium to support DAS projects, and an Other Funds expenditure limitation increase of \$800,000 was included for the cost of issuance of the bonds.

One-time General Fund increases to on-going operating subsidies for the Oregon Historical Society (\$1,250,000) and Oregon Public Broadcasting (\$500,000) were also approved.



The Subcommittee approved a technical adjustment for the Public Records Advocate Office which increased Personal Services by \$113,406 and reduced Services and Supplies in the Department of Administrative Services Chief Operating Office not related to the Public Records Advocate Office by a like amount, for a net zero change. Two limited duration full-time positions (2.00 FTE) were approved (an Operations & Policy Analyst 4 and a State Procurement Analyst) to backfill DAS employees who will be working with the Public Employee Retirement System (PERS) on information technology solutions needed to implement SB 1049, which made significant changes to public employees' retirement. The cost of the DAS positions dedicated full-time to the PERS project to implement SB 1049 will be paid by PERS.

#### **Office of the Governor**

A General Fund appropriation of \$250,000 was approved for the Office of the Governor to provide administrative support for the Council on Wildfire Response established by executive order number 19-01. The Council was created to review Oregon's current model for wildfire prevention, preparedness, and response and provide recommendations to strengthen, improve, or replace the existing model. The recommendations of the council will be presented to the Governor no later than September 30, 2019.

#### **Oregon Liquor Control Commission**

Other Funds expenditure limitation in the amount of \$233,400 is included for the Oregon Liquor Control Commission to support a permanent, full-time internal auditor position. The position will help to evaluate and improve internal processes with the goal of increasing productivity and minimizing risk throughout the agency's various divisions.

#### **Secretary of State**

To address the costs of implementing HB 2983 relating to campaign finance, the Subcommittee appropriated \$336,696 General Fund to the Secretary of State's Elections Division and authorized the establishment of two new limited duration Compliance Specialist 2 positions (1.75 FTE). These positions will be used to manually accept, review, and maintain lists of filings; answer questions; conduct investigations; oversee civil penalties and case hearings; and fulfill public records requests. Over time, some of these manual processes will be able to be moved online reducing personal services costs, but potentially incurring one-time information technology expenditures. The agency can report back to the Legislature during the 2020 legislative session on progress in implementing HB 2983.

## **CONSUMER AND BUSINESS SERVICES**

### **Department of Consumer and Business Services**

An increase in Other Funds expenditure limitation of \$262,610 and the authorization to establish a permanent full-time position (1.00 FTE) in the Division of Financial Regulation, working on the Senior Health Insurance Benefit program, was approved by the Subcommittee. The position is being restored from a reduction taken in the agency's 2019 budget bill.

The Subcommittee approved an increase in the Federal Funds expenditure limitation to the Department of Consumer and Business Services of \$780,000 to allow the agency to expend federal grant funds awarded but not fully expended during the 2017-19 biennium from the Centers for Medicare and Medicaid Services for the planning and implementing of certain insurance market reforms under Title 27 of the Public Health Service Act.

## **ECONOMIC AND COMMUNITY DEVELOPMENT**

### **Oregon Business Development Department**

The Subcommittee approved a one-time General Fund appropriation of \$10,000,000 for the Oregon Business Development Department (OBDD) to deposit in the University Innovation Research Fund (UIRF) established in HB 2377. Other Funds limitation of \$10,000,000 was also established to accommodate distribution of monies from the UIRF. The UIRF will support grants to public universities and the Oregon Health and Science University to match competitive federal research awards, increasing the competitiveness of Oregon universities for federal research funds, leveraging federal grants that require matching funds, and supporting innovation and research capacity. Grants will be targeted in priority industries, such as advanced manufacturing, high technology, outdoor gear and apparel, health care innovation, food and beverage, and forestry and wood products.

Lottery Funds expenditure limitation for the Strategic Reserve Fund (SRF) was increased by \$2,000,000, bringing total ongoing Lottery Funds support for SRF to \$8,978,100, not including limitation of \$3,718,693 that was provided to expend the program's estimated beginning balance of committed project awards. The Subcommittee also increased Lottery Funds expenditure limitation by \$5,000,000 for the Oregon Manufacturing and Innovation Center (OMIC) operating and research expenses, bringing total Lottery Funds support for OMIC operations in the Department's budget to \$8,736,800.

The Subcommittee approved increasing Lottery Funds by \$175,350 and Other Funds by \$30,944 in the Operations Division to establish an Internal Auditor 3 position (0.88 FTE). The approved amount includes \$194,794 for personal services and \$11,500 for associated services and supplies expenditures.

The Subcommittee approved one-time Lottery Funds expenditure limitation of \$3,600,001 in the Infrastructure Division for the following projects and programs:

- \$500,000 for City of Sandy - Wastewater System Planning and Permitting
- \$500,000 for Columbia Corridor Drainage Districts Joint Contracting Authority - Levee Ready Columbia
- \$1,600,000 for Port of Port Orford - Port of Port Orford Cannery Redevelopment
- \$1,000,000 for City of Astoria - Warehouse Site Cleanup and Redevelopment
- \$1 for Tide Gates and Culverts Repair and Replacement Program

A lottery allocation of \$6,000,000 for the Tide Gates and Culverts Program is included in HB 5029. The Legislature or Emergency Board will increase the Lottery Funds expenditure limitation for the program after the Department presents a request that includes a proposal, developed in coordination with the Oregon Watershed Enhancement Board, for distributing grants and loans for the repair and replacement of tide gate and culvert infrastructure. The proposal should address eligible recipients, matching fund requirements, maximum awards for planning and construction grants and loans, criteria for prioritizing project requests, and necessary coordination with state, local, and federal agencies, as well as surrounding landowners or other entities, required for project implementation.

The Subcommittee approved one-time Lottery Funds expenditure limitation of \$2,125,000 for the Arts Commission to distribute the following grants:

- \$375,000 for Cottage Theatre - ACT III Theatre Expansion
- \$250,000 for High Desert Museum - By Hand Through Memory Exhibit Renovation and Art of the American West Gallery
- \$1,000,000 for Liberty Theatre - Stage House and Facilities Improvements
- \$500,000 for Oregon Nikkei Endowment - Oregon Nikkei Legacy Center Renovations

Other Funds expenditure limitation was increased by \$191,380,000 for distribution of general obligation and lottery bond proceeds authorized in HB 5005 and HB 5030 for the following projects and programs:

- \$100,000,000 for Seismic Rehabilitation Grant Program - Schools
- \$20,000,000 for Seismic Rehabilitation Grant Program - Emergency Services Facilities
- \$15,000,000 for Levee Grant Program
- \$15,000,000 for Port of Coos Bay - Channel Deepening Project
- \$1,880,000 for City of Mill City - Storm Drainage System Improvements
- \$20,000,000 for City of Salem - Drinking Water System Improvements
- \$7,000,000 for City of Sweet Home - Wastewater Treatment Plant Rehabilitation

- \$7,800,000 for Confederated Tribes of the Warm Springs Reservation - Warm Springs Wastewater Treatment Plant, Water Meter, and Water Distribution System Improvements
- \$1,700,000 for City of Hood River - Waterfront Stormwater Line Replacement
- \$1,500,000 for Beaverton Arts Foundation - Patricia Reser Center for the Arts
- \$1,500,000 for Lincoln City Cultural Center - Cultural Plaza and Exterior Grounds

The Subcommittee also increased Nonlimited Other Funds expenditures by \$35,000,000 for distribution of lottery bond proceeds authorized for the Special Public Works Fund (\$30 million) and the Brownfields Redevelopment Fund (\$5 million).

Other Funds expenditure limitation was increased by a total of \$3,338,294 for costs of issuing the general obligation and lottery revenue bonds authorized for the above projects. Bond proceeds are used to finance these costs.

The Subcommittee also established Other Funds debt service expenditure limitation of \$157,290 to allow the agency to apply excess proceeds and interest earnings to debt service payments in the 2019-21 biennium. An associated decrease in General Fund and Lottery Funds debt service is included in the statewide debt service adjustments table.

Finally, General Fund debt service was increased by \$4,535,118 for payments in the 2019-21 biennium on general obligation bonds authorized for the Seismic Rehabilitation Grant Program. The additional debt service supports issuing \$50.6 million of seismic rehabilitation bonds for schools and \$10.1 million of seismic rehabilitation bonds for emergency services facilities in spring 2020. The remaining seismic rehabilitation bonds, and all lottery revenue bonds authorized for projects and programs in this budget, are scheduled to be sold in spring 2021, with related debt service payments beginning in the 2021-23 biennium.

### **Housing and Community Services Department**

The Subcommittee approved adjustments for the Housing and Community Services Department totaling \$70.1 million total funds. These changes provide for administrative expenses, capital construction investments to create new affordable housing for low income and chronically homeless Oregonians, programs funded by lottery bond proceeds, and expenditure limitation related to the passage of HB 2032. A permanent procurement manager and additional months for a limited research manager (both PEM E) positions will ensure accountability and data-driven decisions related to additional housing investments for the 2019-21 biennium. Expenditure limitation totaling \$376,763 Other Funds and 1.50 FTE in position authority are included for this purpose.

Cost of issuance amounting to \$730,000 Other Funds will allow for \$50 million in Article XI-Q Bonds to finance the construction of an estimated 500 units of permanent supportive housing. The target population for the new permanent supportive housing units will be chronically homeless individuals, including the following: formerly incarcerated people reentering the community, people with a severe and persistent mental illness or substance use disorder, and chronically homeless veterans. Expenditure limitation for administration of rental assistance payments is

included for the estimated 200 units of permanent supportive housing that are anticipated to be available to residents by the last six months of the 2019-21 biennium. Rental assistance payments are financed by a transfer of funding from the Oregon Health Authority in the amount of \$2,932,331 Other Funds. These funds also provide for 2 positions (1.17 FTE). Of the total amount budgeted, \$200,000 is for one-time costs related to procurement and enhancement of a data system to track and deliver rental assistance payments. Staffing costs totaling \$232,331 consist of a Program Analyst 3 for program setup and ongoing oversight and an administrative assistant position to process rent payments and calculate subsidy amounts. The rent subsidy payments are expected to total approximately \$999,996 Other Funds for the last six months of the biennium. Other Funds expenditure limitation in the amount of \$1.5 million will provide a rent guarantee to project investors and management companies but is recommended to be unscheduled.

Costs associated with the issuance of \$150 million in Article XI-Q Bonds for the Local Innovation and Fast Track (LIFT) housing program, which will finance the construction of an estimated 2,168 rental units for low income Oregonians, include the following: \$1,550,000 Other Funds for the cost of issuance, Other Funds expenditure limitation in the amount of \$462,839 and position authority for an additional loan officer (0.50 FTE), a low-income housing tax credit analyst (1.00 FTE), a Fiscal Analyst 3 position for debt management (0.50 FTE), and General Fund in the amount of \$11,370,998 for debt service. Debt service supports issuing \$75.8 million of bonds for the LIFT housing program in spring 2020, and early issuance of bonds for permanent supportive housing.

Other Funds expenditure limitation totaling \$15,278,750 is related to Lottery bond proceeds totaling \$15 million and is for project costs and cost of issuance. The bonds will seed a revolving loan fund that will finance the acquisition of housing properties. This is an effort to keep these properties affordable for residents at 60%-100% of area median income. There is also Other Fund expenditure limitation totaling \$25,407,658 for costs related to Lottery bonds to finance the preservation of existing affordable housing. Proceeds totaling \$25 million will be awarded to finance the preservation of 400 units of affordable housing. This can include publicly supported affordable housing, properties with federal project-based rental assistance contracts, rent subsidies, manufactured dwelling parks, and properties undergoing recapitalization.

An increase in Other Funds expenditure limitation of \$5 million and decrease in Federal Funds expenditure limitation of \$1 million are included for the agency's Housing Stabilization Program, which provides homeless assistance and is funded from Department of Human Services Temporary Assistance to Needy Families (TANF) funds. Other Funds expenditure limitation in the amount of \$10.5 million is included for a housing pilot project pursuant to HB 2032 (2019). The project will competitively award TANF funding to be used in conjunction with local shares of Emergency Housing Assistance (EHA) and other program dollars, to extend the period that families eligible for TANF can receive housing and other assistance to keep them stably housed. Successful applicants for the housing pilot program will be expected to apply federal funds prior to utilizing other funding, to ensure that TANF program funds are fully allocated for housing assistance provided through the pilot program. A limited duration Program Analyst 3 position (0.92 FTE) will design the competitive funding award and monitor program outcomes. This funding is not intended to be included in calculations used to estimate the cost of operations in future biennia.

The Low Income Rental Housing Fund program was eliminated because it was found to be redundant to the agency's Emergency Housing Assistance Program. Costs associated with two positions -- a Research Analyst 2 and a Program Analyst 4 position -- were shifted from General Fund to Other Funds. This change reduced ongoing General Fund operating expenditures by a total of \$935,504, while Other Funds expenditure limitation was increased by \$440,043 to accommodate the shift in position costs.

### **Oregon Department of Veterans' Affairs**

The Subcommittee added Lottery Funds expenditure limitation of \$1,000,000 for a one-time grant to the YMCA of Marion and Polk Counties to construct veterans' affordable housing adjacent to the new YMCA facility in Salem. Other Funds expenditure limitation of \$4,000,000 was established for distribution of lottery bond proceeds authorized in HB 5030 for the veterans' affordable housing project and an additional \$56,603 was provided for costs of issuing the lottery revenue bonds. Bonds are scheduled to be sold in spring 2021, so no debt service payments are due in the 2019-21 biennium. Lottery Funds debt service is estimated to be \$690,005 in the 2021-23 biennium.

## **EDUCATION**

### **State School Fund**

The Subcommittee approved increases of \$5,101,078 General Fund and \$471,972 Other Funds, as well as a decrease of \$5,573,050 Lottery Funds for the State School Fund. This change reflects the final balance of available Lottery Funds across the entire state budget as well as the most recent forecast of Marijuana-related revenues.

### **Department of Education**

A total of \$125,000,000 Other Funds expenditure limitation was approved for the Oregon School Capital Improvement Matching program (OSCIM). The proceeds of the sale of Article XI-P general obligation bonds are used for grants to school districts which match the grants with proceeds of locally issued bonds for the construction and improvement of school district buildings and property. The Subcommittee also approved \$1,090,000 Other Funds expenditure limitation for the issuance costs of the Article XI-P bonds.

### **Higher Education Coordinating Commission**

Funding of \$4,184,935 total funds was included in HB 5047, the Student Success budget bill, for the 2019-21 costs of the education-related Statewide Longitudinal Data System (SLDS). That bill provided General Fund and Other Funds expenditure limitation to the Oregon Department of Education (ODE) for transfer to the Higher Education Coordinating Commission (HECC) for the staffing, data processing, and other costs of the SLDS which will be housed within HECC. These resources (expended by HECC as Other Funds) will support eight existing positions as well as the

addition of one Research Analyst position beginning in the second year of the biennium for a total of nine positions (8.50 FTE). Prior to 2017-19, the SLDS was part of the Chief Education Office which sunsets on June 30, 2019.

A General Fund appropriation of \$975,000 was approved for a one-time grant to Treasure Valley Community College for a portion of the construction costs of a new Career and Technical Center. In 2009, the Legislature approved Article XI-G bonds for the original proposal for this project which was reauthorized in 2013 when the scope of the project was changed to expand and improve an existing building. In 2017, the project was again reauthorized. Later in that year, the federal Economic Development Administration awarded the Community College a grant which is being used as a portion of the required match. This \$975,000 grant will be used to make up the difference between the current cost of the project and the previously estimated amount.

The Subcommittee approved transferring the responsibilities of the Criminal Justice Policy Research Institute's Law Enforcement Contacts Policy & Data Review Committee from Portland State University to the Criminal Justice Commission, thereby consolidating both quantitative and qualitative data collection on traffic and pedestrian stops in one state agency. This action reduced the HECC budget for Public University Statewide Programs by \$276,581 General Fund.

Total funding of \$245,362 (\$122,866 General Fund, \$27,030 Other Funds, and \$95,466 Federal Funds) was approved for a permanent Operations and Policy Analyst 4 position (1.00 FTE) to serve as HECC's Chief Culture, Diversity, and Inclusion Officer and will produce the Affirmative Action Plan, develop diversity and inclusion policies and trainings, analyze policies and procedures to ensure their contribution to the HECC's diversity goals, and review and make recommendations to assist HECC in implementing the Equity Lens within the education and workforce programs.

The Subcommittee approved Other Funds expenditure limitation of \$2,194,431 for the costs of issuance of bonds authorized in HB 5005 (Article XI-G and XI-Q bonds) and in HB 5030 (Lottery Bonds) for public universities and community colleges. Capital construction limitation for new capital projects is provided in HB 5006 and project descriptions are included in HB 5005.

The Subcommittee approved \$2,000,000 General Fund for the Oregon State University (OSU) Extension Service to build fire resilience and resistance by expanding the OSU Forestry Extension pilot fire program into a statewide effort. OSU Forestry and Natural Resources Extension and the College of Forestry will build fire resilience and resistance on lands at risk of catastrophic wildfire by forming cross-boundary partnerships and agreements, delivering landowner education and outreach, producing wildfire risk mitigation plans, assisting private landowners in developing land management plans, and implementing risk mitigation projects to reduce fuels. Regional Wildfire Extension Specialists will be added in six key regions of the state.

The Subcommittee also approved increasing General Fund support for the OSU Agricultural Experiment Station by \$2,270,000 and the OSU Extension Service by \$410,000 for an integrated river basin water quality and quantity program. Funding supports positions in the Agricultural Experiment Station (4.50 FTE) and Agricultural Extension Service (1.30 FTE) that will provide the expertise and capacity for systematic, coordinated regional research and education programs focused on helping to solve Oregon's growing ground and surface water management

challenges. Programs will address increasing water conservation, storage, and instream flows; integrating water and fertilizer management; and increasing irrigation efficiency.

A General Fund appropriation of \$375,000 was approved for two organic agriculture faculty positions in the OSU Extension Service to support the Organic Farming Program at the OSU College of Agricultural Sciences. One position will be located at the OSU Corvallis campus to cover the mid and southern valley regions. The second position will be located at the North Willamette Research and Extension Center and will support crops, growers, and consumers in the north valley and metro regions. Funding is approved to support position costs beginning January 1, 2020, or 18 months of the 2019-21 biennium. The Subcommittee also approved a one-time General Fund appropriation of \$125,000 to continue funding in the Agricultural Experiment Station for the Berry Initiative. The approved amount supports a berry research position at the OSU North Willamette Research and Extension Center.

The Subcommittee approved a one-time General Fund appropriation of \$450,000 for the Oregon Institute of Technology (OIT) to support the Oregon Manufacturing Innovation Center (OMIC) Research & Development (R&D) to begin research with equipment at the Rapid Toolmaking Center for Excellence. A one-time General Fund appropriation of \$300,000 was also approved for OIT system integration funds to develop additive manufacturing and prototyping training capability for students at the Klamath Falls campus.

General Fund debt service was increased by \$955,149 for payments in the 2019-21 biennium on general obligation bonds authorized for distribution to OIT for the OMIC R&D Rapid Toolmaking Center for Excellence facility and research equipment. The debt service supports issuing \$6.6 million of Article XI-Q bonds for the project in October 2019. The remaining general obligation bonds approved for public university and community college projects are scheduled to be sold in spring 2021, with related debt service payments beginning in the 2021-23 biennium.

Lottery Funds support for the Sports Lottery program was increased by \$5,859,809, resulting in total Sports Lottery funding of \$14,099,809. The approved increase is allocated to the four technical and regional public universities, bringing the 2019-21 allocation for each to \$2,440,560 (or \$2,440,561, due to rounding adjustments). Allocations to the remaining universities continue at the level approved in the prior two biennia. Total funding will be distributed to the public universities in the following amounts:

- \$2,440,561 for Eastern Oregon University
- \$2,440,560 for Oregon Institute of Technology
- \$1,030,000 for Oregon State University
- \$2,277,567 for Portland State University
- \$2,440,560 for Southern Oregon University
- \$1,030,000 for University of Oregon
- \$2,440,561 for Western Oregon University



The Subcommittee also approved a reduction of \$349,000 General Fund in the Public University Statewide Programs budget for Dispute Resolution allocated to the University of Oregon's Office for Community Dispute Resolution and increased the budget for the Labor Education and Research Center at the University of Oregon by \$349,000 General Fund.

## **HUMAN SERVICES**

### **Oregon Health Authority**

The Subcommittee approved \$200,000 General Fund for providing fresh Oregon-grown fruits, vegetables, and cut herbs from farmers' markets and roadside stands to eligible low-income seniors under the Senior Farm Direct Nutrition Program. Also included is \$1,000,000 General Fund for the same purpose for eligible individuals through the Women, Infants and Children Program. Both program enhancements are one-time only.

HB 5050 makes General Fund and Federal Funds adjustments related to Medicaid cost containment efforts included in the agency's 2019-21 budget bill (SB 5525). The budget bill includes savings of \$6.7 million General Fund and \$25 million Federal Funds to reflect a reduced annual average growth target of 3.3% for Oregon Health Plan capitation rates. Instead of this adjustment, the Subcommittee approved restoring the annual growth target to 3.4% and replacing it with a non-caseload related General Fund savings target of \$10 million.

The Subcommittee approved a \$6 million General Fund increase for community mental health programs to help ensure, at a minimum, these programs maintain the level of services provided in 2017-19 in light of budget adjustments made in the agency's 2019-21 budget bill based on the declining caseload forecast.

Also included is Other Funds expenditure limitation of \$1.5 million, Federal Funds expenditure limitation of \$1.5 million, and two limited duration positions (1.66 FTE) to support the fiscal impact of HB 2032 (2019). This bill creates a Mental and Behavioral Health Pilot Program to award grants to up to four coordinated care organizations to assess gaps in access to Medicaid behavioral health services by Temporary Assistance for Needy Family recipients. The Other Funds revenue will be realized through a transfer of funds from the Department of Human Services.

As a technical adjustment, the bill reduces the expenditure limitation in the agency's 2019-21 budget bill for Lottery Funds revenue allocated from the Administrative Services Economic Development fund by \$2.5 million and establishes a separate expenditure limitation of \$2.5 million for Lottery Funds revenue allocated from the Veterans' Services Fund. This adjustment is necessary to ensure the transfer of Measure 96 Lottery Funds revenue from the Veterans' Services Fund is authorized to take place to support veterans' behavioral health services, as intended in the agency's budget bill.

The Subcommittee also established Other Funds debt service expenditure limitation of \$216,435 to allow the agency to apply excess proceeds and interest earnings to debt service payments in the 2019-21 biennium.

The Subcommittee established expenditure limitation of \$1.5 million Other Funds, subject to available revenue, from the Community Housing Trust Account (which must be expended in accordance with section 431, chapter 595, Oregon Laws 2009) to support facility improvements to help people with mental illness. The intent of this adjustment is to help more Aid and Assistance patients receive restorative services in the community instead of at the Oregon State Hospital.

To support the ongoing effort by the Department of Human Services to develop and implement the ONE Integrated Eligibility and Medicaid Eligibility (ONE IE & ME) system, the Subcommittee approved \$671,490 General Fund, \$11,216,676 Other Funds expenditure limitation, \$1,638,121 Federal Funds expenditure limitation, and 45 positions (34.52 FTE). Of these positions, 20 are limited duration.

The Subcommittee also approved \$1 million General Fund for competitive grants to support sobering center planning and startup costs. Support for startup costs can include funding for operational expenses during a sobering center's first five years of operations. This funding is one-time and should be phased-out in the 2021-23 budget.

#### **Department of Human Services**

The Subcommittee approved two food-related investments in the Self Sufficiency program. The first is \$1,300,000 General Fund, on a one-time basis, for the Oregon Hunger Response Fund, which sustains the 2017-19 funding level. Funding is expected to help the Oregon Food Bank, through its network of 21 regional food banks, acquire and distribute more than one hundred million pounds of food annually to approximately 1,200 food assistance sites.

The second is \$1,500,000 General Fund for the Double Up Food Bucks program, also on a one-time basis, to incentivize fruit and vegetable consumption among Supplemental Nutrition Assistance Program (SNAP) recipients. Under this program, when clients use their SNAP benefit at a farmers' market, the value of that purchase is matched dollar for dollar (up to \$10 per visit), allowing them to take home more healthy food while also providing a financial benefit to local farmers. Eligible products include a variety of fresh, dried, or frozen fruits and vegetables without added sugars, fats, oils, or salt. Mushrooms, cut herbs, dried beans, vegetable starts, and nuts are also allowed under the program.

In the Aging and People with Disabilities (APD) program, the Subcommittee added \$2,235,831 General Fund to restore a budget reduction included in HB 5026, the primary budget bill for the Department of Human Services (DHS). These dollars, which augment federal Older Americans Acts funding, will be distributed to local Area Agencies on Aging to help pay for services including home-delivered meals, support for family caregivers, and transportation to medical appointments.

Another adjustment approved by the Subcommittee for APD is a \$251,600 one-time fund shift from General Fund to Other Funds in the nursing facilities program; this change relies on a projected carryforward balance in the long-term care facility assessment. Then, the General Fund is

used, along with an increase of \$167,188 in Federal Funds expenditure limitation, to pay for two (1.76 FTE) permanent full-time Operations and Policy Analyst 3 positions; these are phased-in effective October 1, 2019. One position will promote the effective use of emergency medical services by residents of licensed long term care settings and the other position will support efforts of the quality measurement council.

For the Intellectual and Developmental Disabilities (IDD) program, the Subcommittee made a budget adjustment to account for SB 274 not moving from the Joint Committee on Ways and Means to the second chamber, due to the measure having unresolvable conflicts with an already enrolled 2019 measure (SB 20). The DHS budget bill, HB 5026, contains increases of \$268,514 General Fund, \$267,674 Federal Funds expenditure limitation, and 3 positions (2.64 FTE) to implement SB 274; these amounts are reversed.

The Subcommittee also discussed provider rate increases approved in HB 5026, the DHS 2019-21 budget bill, and how to best ensure that information on rates for adult foster homes is included in an interim report. As a result, the Subcommittee approved the following budget note:

**Budget Note**

Under a budget note in the budget report for HB 5026, the Department of Human Services is directed to report, by February 1, 2020, to the Interim Joint Committee on Ways and Means on the transition to new rate models for providers in the Intellectual and Developmental Disabilities program. As part of that report, the Department shall provide a status update on the development of a new rate model for adult foster homes serving people with intellectual and developmental disabilities and note any outcomes or timelines related to union negotiations, since these rates are collectively bargained.

The Subcommittee approved funding for the final development phase, implementation, and transition to Maintenance and Operations (M&O) of an integrated eligibility system, called the Integrated Eligibility (IE) project. This effort integrates enrollment and eligibility activities for several programs at the Department of Human Services (DHS) (Non-MAGI Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related Day Care (ERDC)) into the OregonONEligibility (ONE) system used by the Oregon Health Authority (OHA).

Due to schedule changes and issues with the user acceptance testing vendor, the 2019-21 cost estimate for the project has increased over the budget development timeframe; some costs also shifted between biennia. The project's current cost estimate and approved amount for the 2019-21 biennium is \$200,561,925 total funds. This budget includes state staff costs of \$20.7 million, \$94 million for contracted information technology services, \$11.2 million for payments to OHA for its project work, and \$5.8 million for debt service. Other elements addressed in the project plan include cost allocation, contingency, legacy system work, hosting services, disaster recovery, and security enhancements. The state staffing component consists of 33 positions (30.78 FTE) and primarily supports business analytics, system program support, and training activities; 17 of the positions (14.78 FTE) are limited duration for system rollout and short-term training needs.

The bulk of the project budget, at \$139.7 million or 70% of 2019-21 costs, is supported by Federal Funds; this is due to enhanced federal funding (74% federal/26% state) approved for the Design, Development, and Implementation (DDI) phase of the work, which is expected to be closed

out by January 31, 2021. Once the system transitions to M&O in the last six months of the biennium, the federal cost share decreases. General Fund supports \$16.9 million of project costs and debt service; the bulk of the state share will be covered by \$43.9 million in ending balance or new proceeds from Article XI-Q bonds. In HB 5005, the Joint Committee on Ways and Means Subcommittee on Capital Construction approved \$38,165,000 Article XI-Q bonds to finance \$37,500,000 of project costs and \$665,000 for costs of issuing the bonds.

The Joint Legislative Committee on Information Management and Technology (JLCIMT) reviewed the project on June 4, 2019, and recommended conditional approval, contingent on funding availability and subject to completion of several actions. These actions include reporting to JLCIMT during the legislative interim and the 2020 session on project status, progress, and variances to key performance metrics; and developing a mitigation plan for issues and concerns identified by the quality assurance vendor and/or the Legislative Fiscal Office. The mitigation plan is to be provided to JLCIMT no later than November 2019.

## **JUDICIAL BRANCH**

### **Commission on Judicial Fitness and Disability**

The Subcommittee approved an additional \$16,000 for the Commission on Judicial Fitness and Disability to pay for compensation adjustments made at the end of the 2017-19 biennium and for up to 20 hours a month of administrative support. The Commission only has a half-time Executive Director and the amount of materials necessary to provide the volunteer members of the Commission adequate information on specifics of complaints requires additional support work.

### **Judicial Department**

The Subcommittee approved \$1,755,516 General Fund and nine positions (9.00 FTE) for the Oregon Judicial Department to support implementation of SB 24 (2019) and SB 973 (2019) related to supports and services for people with serious mental illness and substance addictions. In addition, two new circuit court judge positions (1.00 FTE) were added, one in Jackson County and one in Marion County, as well as six judicial services specialist positions (3.50 FTE) to be funded with \$1,058,624 General Fund.

Other Funds expenditure limitation of \$410,000 was approved for the cost of issuance of \$28,230,000 in Article XI-Q bonds for the Oregon Judicial Department's Supreme Court Building Renovation Project. The project is to renovate the Oregon Supreme Court building, including seismic updates, energy efficiency improvements, and various systems and safety code upgrades. Bonds will be issued in March 2021.

Additionally, funds were added to the Judicial Department's budget to continue renovating county courthouses. Specifically, \$136,695,000 Other Funds is provided for project costs and the cost of issuing bonds for projects associated with the Clackamas, Lane, and Linn County Courthouses. The budget also includes \$1,300,000 Other Funds expenditure limitation for debt service costs and \$2,000,000 General Fund for planning costs associated with replacing the Benton County Courthouse.

### **Public Defense Services Commission**

The Subcommittee restored one position and \$305,853 Other Funds in the Public Defense Services Commission's Application Contribution Program that was reduced in the agency's 2019-21 budget bill. In addition, effective July 1, 2020, the Parent-Child Representation Program will be extended into Multnomah County with \$3.5 million General Fund and one permanent full-time Deputy General Counsel position (1.00 FTE).

The Subcommittee approved the following two budget notes for the Public Defense Services Commission:

#### **Budget Note**

The Oregon Public Defense Services Commission is directed to work with stakeholders to identify data public defense contractors should be required to submit to the Office of Public Defense Services as part of its contractual agreement. It is the Legislature's intent that OPDS, in establishing reporting requirements, obtain data that to the greatest extent possible will allow the agency to determine (1) the level and quality of services provided to each defendant, and (2) improvements in case outcomes for defendants.

#### **Budget Note**

The Oregon Public Defense Services Commission shall evaluate options for delivering indigent public defense services and adopt an approach that delivers quality public defense services. In its evaluation of public defense contract options, the Commission is directed to consider the findings of the January 2019 report by the Sixth Amendment Center entitled "The Right to Counsel". As part of its new contract model, the Commission shall require contract attorneys to provide information the Commission determines is needed to demonstrate the level and quality of services provided, and the case outcomes.

### **LEGISLATIVE BRANCH**

Funding is provided to the Legislative Administration Committee (LAC) for the Document Publishing and Management System (DPMS) project, including Other Funds expenditure limitation in the amount of \$5,168,000 for the cost of issuing general obligation bonds and for actual project costs to be incurred during the 2019-21 biennium. In addition, \$766,117 General Fund is provided to LAC for debt service costs associated with

the DPMS project. LAC is also charged with planning for Phase II of the Capitol Accessibility, Maintenance and Safety (CAMS) Project; \$1,361,800 General Fund is appropriated for this planning effort.

## **NATURAL RESOURCES**

### **Department of Agriculture**

The Subcommittee approved four General Fund increases, each of them one-time only, for the Department of Agriculture (ODA) totaling \$1,200,000. First, \$200,000 General Fund was added for the predator control program, which provides pass-through money to the U.S. Department of Agriculture Wildlife Services for predator control services in partnership with the Department of Fish and Wildlife and Oregon counties. A similar one-time appropriation is provided to the Department of Fish and Wildlife. Next, \$300,000 General Fund was provided for additional funding to the Invasive Species Council, and \$100,000 General Fund was added for the collection and testing of water samples from Klamath Lake to analyze for nutrients, including phosphorous, which can lead to harmful algae bloom. Finally, \$600,000 General Fund was added for the replacement of lab equipment.

### **Columbia River Gorge Commission**

The Subcommittee approved an increase of \$109,813 General Fund for the Columbia River Gorge Commission to finance Oregon's share of a new Vital Sign Indicators Land Use Planner position and costs related to replacement of staff laptops and desk top computers. These expenditures were included in the State of Washington's budget for the Commission but were not included in the initial Oregon budget due to revenue uncertainties at the time of passage. With this appropriation, the agency will be able to hire the additional land use planner position since the operating costs of the Commission are to be shared equally by the two states under the Interstate Compact.

### **Department of Energy**

The Subcommittee approved a one-time General Fund appropriation of \$2 million to the Department of Energy for the solar rebate program established in HB 2618. The \$2 million will be deposited into the Rooftop Solar Incentive Fund for the issuance of rebates and to pay for implementation and administration of a solar rebate program. Of the \$2 million, \$1.5 million is available for rebates through Special Payments, with \$500,000 available for administration. The Department will hire three limited duration positions, a Program Manager 3 (0.25 FTE) and two Program Analyst 2 positions (0.50 FTE each). Additionally, the Department will utilize existing personnel to assist with program establishment, implementation, and oversight. Personal Services costs are anticipated to be \$255,258, with \$83,138 for services and supplies and \$161,604 for indirect costs associated with administering the program.

### **Department of Environmental Quality**

The Subcommittee approved a \$250,000 one-time General Fund appropriation to provide grants to local communities for planning and implementation of smoke management plans consistent with Oregon's new smoke management rules. The Department will utilize existing staff to administer and distribute the grant funds.

A technical adjustment was approved to accurately reflect the reduction of a position eliminated in the Department's 2019-21 budget bill (HB 5017). General Fund was reduced from the Land Quality program to reflect the eliminated position; however, the position was funded across three programs, and an adjustment is made to reduce General Fund in Air Quality and Water Quality with a corresponding increase to Land Quality for a net zero impact.

The Subcommittee approved \$5,065,000 Article XI-Q bonds to finance \$5,000,000 of project costs and \$65,000 for costs of issuing the bonds. The Environmental Data Management System (EDMS) project is to develop and implement a customized off-the-shelf software solution that will replace multiple outdated and disparate information technology systems. The EDMS project will modernize and improve business processes by providing a common platform to receive and share environmental information and support e-commerce and web-based interactions. Early estimates indicate the EDMS project will cost around \$18 million to be completed. Also approved is \$834,752 General Fund for the debt service associated with the bonds, which are scheduled to be sold in May 2020.

### **Department of Fish and Wildlife**

The Subcommittee approved a \$200,000 one-time General Fund appropriation for the predator control program, which provides pass-through money to the U.S. Department of Agriculture Wildlife Services for predator control services in partnership with the Department of Agriculture and Oregon counties. A similar one-time appropriation is provided to the Department of Agriculture.

The Subcommittee approved a \$1,352,102 Other Funds expenditure limitation to continue operations of the Leaburg Hatchery. The Department will utilize a portion of the General Fund provided in SB 5510 for steelhead production to raise some of those fish at Leaburg instead of at the Santiam Hatchery. This will allow the Santiam Hatchery to continue to produce its current level of both steelhead and spring chinook, while Leaburg will be able to produce the summer steelhead and transport them to the Santiam waterways. To properly align the Department's budget and position need for the continued operation of Leaburg, there is a reduction of \$866,091 Federal Funds limitation that was carry-forward in the budget from 2017-19, the abolishment of a full-time technician position, and the addition of a half-time senior technician position, leaving a net reduction of 0.50 FTE. Total staffing at Leaburg will be 7 positions (6.50 FTE) funded with Other Funds fishing license revenue.

### **Department of Forestry**

A one-time General Fund appropriation of \$200,000 to the Oregon Department of Forestry was approved to purchase a tract of timber land adjacent to the Santiam State Forest for inclusion in the Santiam State Forest. Purchase of the property is intended to resolve a legal dispute between the current owner and the Department of Forestry regarding access to the roughly 160-acre parcel. Access is limited due to the condition and availability of a logging road crossing existing state forest property that requires rebuilding.

A one-time General Fund appropriation of \$1.7 million to the Oregon Department of Forestry was approved for activities related to slowing or stopping the spread of *Phytophthora ramorum*, the invasive pathogen that causes sudden oak death.

The Subcommittee approved an increase of \$52,035 in the Other Funds expenditure limitation established for the Oregon Department of Forestry to accommodate the payment of bond issuance costs related to bonds issued for the replacement of a shared facility at Toledo. An increase of \$121,559 General Fund and Other Funds expenditure limitation of \$168,904 is included for the payment of debt service on the bonds for the project.

### **Department of Land Conservation and Development**

The Subcommittee approved a one-time General Fund appropriation in the amount of \$2,005,563 and the establishment of seven limited-duration positions (6.00 FTE) for the implementation of HB 2001 and HB 2003 by the Department of Land Conservation and Development. The funding is in addition to General Fund appropriated in HB 2001 and HB 2003 for assistance to local governments and provides for the administrative costs of the agency for implementing the provisions of the bills.

### **Department of Parks and Recreation**

An increase in the Lottery Funds expenditure limitation of \$448,769 was approved by the Subcommittee for the Oregon Parks and Recreation Department. This increase is due to updated projections of Lottery revenues as of the May 2019 revenue forecast. This increase will provide the Department with sufficient capacity to distribute the 12% of lottery revenues allocated to the Department that are dedicated to local parks.

The Subcommittee approved the establishment of an Other Funds expenditure limitation for the Parks and Recreation Department in the amount of \$33,023 for debt service. Investment earnings on non-expended bond proceeds are credited to the agency as Other Funds regardless of the type of bond issuance. These earnings are then expended by the agency to offset the debt service expenditures from the fund type that would otherwise be used. The offsetting reductions to Lottery Funds expenditure limitation for debt service are included in the statewide debt service adjustments.



An increase in the Other Funds expenditure limitation of \$5,106,587 for the Oregon Parks Department was approved by the Subcommittee for the expenditure of lottery bond proceeds for the Oregon Main Street Revitalization program. The funding will be used to provide competitive grants to organizations participating in the Oregon Main Street Network. The program awards grants to acquire, rehabilitate, and construct buildings on properties in designated downtown areas and facility community revitalization that leads to additional private investment, job creation or retention, expansion or establishment of viable businesses, or creating a stronger tax base. Of the total increase, \$106,587 is for the costs of bond issuance.

### **Department of State Lands**

An increase in Federal Funds expenditure limitation of \$154,000 was approved for the Department of State Lands' South Slough National Estuarine Research Reserve. The National Oceanic and Atmospheric Administration awarded a federal grant to the Department to expand the reserve's maintenance compound and enhance security for the reserve's facilities.

The Subcommittee approved an Other Funds expenditure limitation increase in the amount of \$6 million for the Department of State Lands from the Portland Harbor Cleanup Fund. The agency will use the increased limitation to transfer \$6 million from the fund to a trust account established by the state and the city of Portland under a settlement agreement for remedial design with the U.S. Environmental Protection Agency (EPA). The amount transferred will be matched by the city of Portland. Monies in the trust will be transferred to the EPA on an as-needed basis to fund the activities under the agreement.

### **Water Resources Department**

The Subcommittee approved the establishment of an Other Funds expenditure limitation for the Water Resources Department in the amount of \$394 for debt service. Investment earnings on non-expended bond proceeds are credited to the agency as Other Funds regardless of the type of bond issuance. These earnings are then expended by the agency to offset the debt service expenditures from the fund type that would be used otherwise. The offsetting reductions to Lottery Funds expenditure limitation for debt service are included in the statewide debt service adjustments.

The Subcommittee approved a total increase of \$25,521,689 in Other Funds expenditure limitation established for the Water Resources Department for the purpose of making grants, loans, and paying the cost of bond issuance from lottery bond proceeds deposited into the Water Supply Development Fund established under section 3, chapter 784, Oregon Laws 2013. Of the amount of additional limitation provided for the expenditure of net bond proceeds allocated to the fund, \$15,000,000 is for Water Supply Development grants and loans to evaluate, plan, and develop in-stream and out-of-stream water development projects that repair or replace infrastructure to increase the efficiency of water use; provide new or expanded water storage; improve or alter operations of existing water storage facilities in connection with newly developed water; create new, expanded, improved, or altered water distribution, conveyance, or delivery systems in connection with newly developed water; allocate federally stored water; promote water reuse or conservation; provide streamflow protection or restoration; provide for water

management or measurement in connection with newly developed water; and, determine seasonally varying flows in connection with newly developed water. The budget includes \$521,689 for the payment of bond issuance costs. The remaining \$10 million expenditure limitation is for bond proceeds allocated to the fund for the Deschutes Basin Board of Control Piping Project. The funding will be combined with additional state, local, and federal funds to allow the Board of Control to pipe currently open canals for a total project cost of \$99.38 million.

The Subcommittee approved a total increase of \$18,327,563 in the Other Funds expenditure limitation established for the Water Resources Department for the purpose of making grants, loans, and paying the cost of bond issuance from lottery bond proceeds deposited into the Water Supply Fund established by section 10, chapter 906, Oregon Laws 2009. Of the total increase, \$327,563 is for the estimated cost of bond issuance. The budget includes \$14 million for a grant to the Wallowa Lake Irrigation District for the rehabilitation of the Wallowa Lake Dam. The remaining \$4 million is for a grant to the City of Newport for planning, environmental permitting, and design costs to replace the Big Creek Dams.

## **PUBLIC SAFETY**

### **Department of Corrections**

The Subcommittee approved a General Fund appropriation of \$1,650,000 to the Department of Corrections for its Corrections Information System Tool Upgrade project.

The agency's General Fund appropriation for debt service was increased by \$1,579,588 for debt service to be paid in 2019-21 on \$47,835,000 in Article XI-Q bonds for the Department of Corrections' deferred maintenance program, wireless communications system, and camera system. Projects will be undertaken for facility improvements including building envelope, electrical systems, water systems, roofs, HVAC, fire systems and infrastructure improvements; to acquire and install wireless communications systems at 10 correctional facilities for mobile radio communications; and to acquire and install upgraded camera systems at 10 correctional facilities and place additional cameras in strategic locations to improve monitoring of activity. Debt service for bonds issued in 2019-21 is estimated to be \$12,463,107 General Fund in 2021-23.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$724,932 for cost of issuance of \$47,835,000 in Article XI-Q bonds for the Department of Corrections' deferred maintenance program. Bonds will be issued in May 2020 and in March 2021.

An Other Funds expenditure limitation for debt service of \$51,378 was established for the Department of Corrections in order to allow the agency to apply interest earned on bond proceeds to debt service on bonds.

The Subcommittee approved an Other Funds expenditure limitation increase of \$4,585,442 for the Community Corrections program to allocate funding to counties from the Criminal Fines Account for the purpose of planning, operating, and maintaining county juvenile and adult corrections programs and facilities and drug and alcohol programs. The Subcommittee approved the following budget note:

**Budget Note:**

The Department of Corrections shall require county recipients of Criminal Fines Account disbursements to report annually on the programs and services funded with this allocation and on the number of clients served.

**Oregon Department of Justice**

The Subcommittee appropriated \$700,000 General Fund to support the Oregon Crime Victims Law Center, as a one-time increase. This will increase General Fund support for the Law Center from the Department of Justice (DOJ) from \$342,081 to \$1,042,081. This increase may supplant the need for DOJ to provide the Law Center with a state grant funded from punitive damage awards. In addition, the Law Center may continue to apply for, and possibly be awarded, federal Victim of Crime Act grant funding, as was the case during the 2017-19 biennium.

**Oregon Military Department**

The Subcommittee approved an increase in Other Funds expenditure limitation of \$348,000 for cost of issuance of \$22,275,000 in Article XI-Q bonds for Aviation Facility Emergency Enhancement projects in Salem and Pendleton, three Armory Service Life Extension projects at the Owen Summers and Anderson Readiness Center facilities in Salem and at the Jackson Armory in Portland, and construction of exhibit space at the Oregon Military Museum at Camp Withycombe. Bonds are planned to be issued in May 2020, and in March 2021.

The agency's General Fund appropriation for debt service was increased by \$533,528 for debt service on \$22,275,000 in Article XI-Q bonds estimated to be paid in 2019-21. Debt service for these bonds is estimated to be \$4,367,339 General Fund in 2021-23.

For a risk abatement study of the Critical Energy Infrastructure Hub located in Portland, the Subcommittee approved a one-time General Fund appropriation of \$300,000. The Office of Emergency Management will collaborate with the Department of Environmental Quality and the Department of Energy to commission a study that will evaluate the impacts of a catastrophic failure of fuel storage facilities located at the Critical Energy Infrastructure Hub following a Cascadia subduction zone earthquake.

**Criminal Justice Commission**

The Subcommittee approved adding Other Funds expenditure limitation of \$275,086 to the Criminal Justice Commission's 2019-21 budget to allow the agency to spend a grant award from the Laura and John Arnold Foundation. Oregon is one of five states chosen to participate in the

National Criminal Justice Reform Project and will use the grant funds to gather and establish baseline data on Oregon's pretrial detention system and pretrial jail population.

The Subcommittee approved transferring the responsibilities of the Criminal Justice Policy Research Institute's Law Enforcement Contacts Policy & Data Review Committee responsibilities from Portland State University to the Criminal Justice Commission, thereby consolidating both quantitative and qualitative data collection on traffic and pedestrian stops in one state agency. This action adds \$78,242 General Fund to the Criminal Justice Commission's 2019-21 budget and makes permanent an existing limited-duration Administrative Specialist 2 position.

To address the growth of the Criminal Justice Commission due to the programs, responsibilities, and positions added to the agency's budget through other legislation passed in 2019, an existing Program Analyst 4 is reclassified to a Principal Executive Manager F position, to ensure adequate managerial oversight of the grant programs operated by the Commission. This reclassification has no budget impact in 2019-21.

### **Department of Public Safety Standards and Training**

To accommodate a purchase not anticipated to be received by June 30, 2019, the Subcommittee approved increasing the Department of Public Safety Standards and Training's 2019-21 Federal Funds expenditure limitation by \$325,955 in order to carry forward a grant received from the Federal Emergency Management Agency's Assistance to Firefighters grant program in 2018 for the purchase of a new fire truck. This is a one-time increase in expenditure limitation for the 2019-21 biennium.

### **Oregon Youth Authority**

The Subcommittee approved an increase in Other Funds expenditure limitation of \$774,709 for cost of issuance of \$34,430,000 in Article XI-Q bonds to complete the remodel of seven living unit cottages at the MacLaren Youth Correctional Facility and dormitory spaces at the Rogue Valley Youth Correctional Facility; remodel three medical and dental clinics; renovate the control rooms at the Oak Creek, Rogue Valley, and Eastern Oregon youth correctional facilities; and undertake deferred maintenance projects in 2019-21. Bonds are planned to be issued in October 2019, May 2020, and in March 2021.

The agency's General Fund appropriation for debt service was increased by \$914,307 for debt service to be paid on \$34,430,000 in Article XI-Q bonds in 2019-21. Debt service for these bonds is estimated to be \$6,245,948 General Fund in 2021-23.

Other Funds expenditure limitation for debt service of \$95,000 was established for the Oregon Youth Authority in order to allow the agency to apply interest earned on bond proceeds to debt service on bonds.

## TRANSPORTATION

### Department of Transportation

The Subcommittee increased the Department of Transportation's (ODOT) Other Funds expenditure limitation, on a one time basis, by \$5,149,463 for ODOT project costs and cost of issuing lottery bonds. This amount consists of \$42,876 for the Sherwood Pedestrian Connectors Project and \$5,106,587 for the Coos Bay Rail Line and Bridge Replacement Project.

Additional one-time Other Funds expenditure limitation of \$1,000,000 was approved for the Neskowin Emergency Egress Project in Tillamook County. The source of funds for this project is the Transportation Operating Fund. The Transportation Operating Fund was also used to provide one-time Other Funds expenditure limitation of \$650,000 to support the upgrade and recapitalization of 44 electric vehicle charging station locations known as the West Coast Electric Highway.

The Subcommittee approved the addition of three limited duration Transportation Service Representative 1 positions (0.42 FTE) and \$221,442 Other Funds expenditure limitation to implement HB 2015 (2019).

Two budget notes were approved, as follows:

#### **Budget Note**

The Department of Transportation shall study the I-5 Boone Bridge Project and provide an estimate of the cost to complete the project. The Department shall report back to the Joint Committee on Ways and Means and the Joint Committee on Transportation no later than February 1, 2021.

#### **Budget Note**

The Department of Transportation, in coordination with the City of Sherwood, shall report to the Joint Committee on Ways and Means on the results of the City of Sherwood's Pedestrian Connector Project implementation and related feasibility study and submit a funding request for the balance of project costs in February 2020.

## **Adjustments to 2017-19 Budgets**

### **Department of Corrections**

The Subcommittee approved a net-zero rebalance of \$650,000 between General Fund appropriations and appropriated an additional \$3,000,000 General Fund, on a one-time basis only, to the Department of Corrections to address the remainder of a known 2017-19 budget shortfall of \$20.2 million and additional unanticipated expenditures totaling \$23.5 million. Unanticipated expenditures included emergency repairs to facilities, spending on medication for Hepatitis C and for contract medical staff in prisons, computer replacements and necessary software upgrades, and to backfill a federal grant. The agency has mitigated its budget shortfall through management actions such as a hiring freeze on management positions, limiting spending on staff training, reducing inmate alcohol and drug treatment costs, and limiting inmate clothing orders through the end of the biennium, as well as by using Other Funds revenue where available.



# Oregon

Kate Brown, Governor

## Department of Human Services

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### **2019-21 Legislatively Adopted Budget (LAB)**

### **Oregon Department of Human Services**

### **Message from Director Fariborz Pakseresht**



Our vision of safety, health and independence for all Oregonians is what drives our work at the Oregon Department of Human Services (DHS). Our services touch one in four Oregonians, primarily the most vulnerable among us, and we serve them with the intention of helping each person realize their full potential.

To help all we serve reach their full potential, DHS is working toward a 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.

Integration of services has been a goal of human services agencies across the country. The framework many human services organizations are adopting to guide service delivery evolution is the Human Services Value Curve, a maturity model to be implemented over time. This framework recognizes that:

- People and programs are interconnected.
- Service continuums must be designed with outcomes in mind instead of individual interventions.
- It is important to pay as much attention to the environment as we do to the individual.
- Each individual and family's health, wellbeing and needs must be approached holistically, addressing each factor that determines their survival and security.
- A multi-generational approach is necessary to help families move beyond the daily struggle to survive and achieve lasting economic stability.

DHS holds a unique position among state agencies in creating an Oregon where all its residents can thrive. We often interact with people from the moment they enter this world until the moment they leave it. Along that life journey, our interactions

*"Assisting People to Become Independent, Healthy and Safe"*

should be pleasant, efficient, and outcomes-focused. Our path forward is designed to embrace that role and steadily move toward full realization of our mission, vision, and values.

Our success will depend on how well we work with other system partners and our communities to create a continuum of care and services that provide Oregonians with best opportunities to succeed and thrive.

The Legislatively Adopted Budget for DHS makes investments that support our priorities to:

- Provide person- and family-centered, holistic services that help Oregonians achieve their own goals and live their full potential.
- Support children and keep them safe from birth to adulthood on their path to become healthy, productive, and purposeful adults.
- Help parents and family providers create safe, stable, and nurturing environments for children and adults in their care.
- Assist families with basic needs to lift them out of financial crisis and create a pathway to the education and living wage jobs that move them out of poverty.
- Support and assist Oregonians with disabilities to achieve, maintain and advance in meaningful employment and in independence.
- Provide access to high quality, long-term services and supports for Oregon's rapidly aging population and individuals with disabilities, in the setting of their choosing, delivered by a strong, stable, well-trained, paid, and unpaid direct care workforce.
- Empower and support Oregonians with intellectual and developmental disabilities to live full lives in their communities.
- Strengthen our relationship with, and improve our services to, the nine federally recognized Native American Tribes.
- Provide these services in a seamless, integrated manner that is sustainable, effective, efficient, outcome-based, and provided with a commitment to



service equity to ensure they are available to all qualified Oregonians and result in the best outcomes for everyone.

During the 2019-21 biennium, our priority will be on stabilizing our organization and strengthening our foundation, so it can support and sustain the seamless, integrated service delivery system we are working toward. We have already completed thorough internal assessments to show us where our foundation needs shoring up. Moving forward, we know we must:

- Do a better job of listening to, communicating with, and connecting with those we serve as well as our staff and partners who serve them because they hold the best ideas for improving our work.
- Learn how to tell our stories so that our work is defined by our many successes and not by our failures.
- Develop a learning environment that encourages the surfacing of flaws and mistakes, so we can address them, and allow creativity to flourish.
- Create a culture where safety and well-being, caring and supportive environments, high expectations and accountability, meaningful participation, and engaging the community become part of the fabric of DHS.
- Model and practice our core values and our emerging culture.
- Leverage the wisdom of the community to improve the outcomes for those we serve by learning from our diverse communities, including Oregon's Tribes, who feel marginalized and ignored by our current practices.
- Honor diversity and inclusion by including it in every aspect of the work we do.
- Use research, data, and analytics to inform our decisions.
- Shift the way we think about our work from operating in silos to an organization that is open, dynamic, interconnected and tuned in to the needs of those we serve.

The over 9,000 DHS employees working across the state meet the needs of Oregonians with the help of many public, private, and community organizations. We value their partnership, dedication, and commitment to continuous improvement. The Legislatively Adopted Budget provides investments that support the work we do together to create safety, health, and independence for the more than one million Oregonians we serve.

Sincerely,

Fariborz Pakseresht  
Director, Oregon Department of Human Services

# Oregon Department of Human Services

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## Overview

The mission of the Department of Human Services (DHS) is to help Oregonians in their own communities achieve safety, well-being and independence through services that protect, empower, respect choice and preserve dignity. As described in more detail in the DHS Director's Letter, the DHS budget is based on the following guiding principles:

- Safety for Children and Vulnerable Adults
- Independence, Dignity, Choice and Self-Determination for Older Adults, People with Disabilities
- Reducing Families and Individuals in Poverty
- Employment for People with Disabilities, and
- Program Performance and Operational Efficiency and Effectiveness

## Funding

The DHS Legislatively Adopted Budget (LAB) is \$3.86 billion General Fund and \$12.56 billion total funds for the 2019-21biennium.

DHS	GF	OF	FF	TF	POS	FTE
LAB 17-19	3,203,132,651	666,808,960	7,789,467,431	11,659,409,042	9,075	8,616.92
LAB 19-21	3,855,078,525	673,915,109	8,034,133,180	12,563,126,814	9,444	9,324.14
Difference LAB - LAB	651,945,874	7,106,149	244,665,749	903,717,772	369	707.22
% Difference LAB - LAB	20.35%	1.07%	3.14%	7.75%	4.07%	8.21%

Major changes from 17-19 LAB to CSL are driven mainly by:

- Roll up of 17-19 investments
- Standard inflation
- Forecasted Cost per Case and Caseload changes including AAA, CDDP and Brokerage staffing
- Backfill of General Fund for one-time revenues and capped federal fund grants
- Changes in Federal Fund Match Rates

## Strategic Funding Investments and Reductions

For the 19-21 biennium, the LAB provides a package of services that promote safety, wellness and the economy for some of Oregon's most vulnerable residents. These investments will help DHS meet the needs of Oregonians in this period of change and growth. There were also several reductions taken in the LAB.

## **Oregon Department of Human Services**

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A list of Policy Option Packages (POP), other investments and reductions are included in the appropriate programs budget narrative in the following sections of the DHS LAB document.

## DHS Comparison of Current 2017-19 Programs to the Legislatively Adopted Budget for 2019-21

Program Area Overview	Program Services at 17-19 LAB	Program Services at 19-21 LAB
<b>Self Sufficiency Programs</b>		
<b>Temporary Assistance to Needy Families (TANF)</b>		
Caseload (including 1 and 2 parent families)	18,109 cases per month (based on Spring 2017 forecast)	17,405 cases per month (based on Spring 19 forecast)
Maximum Cash Benefit for Family of 3	No Changes	No Changes
Income Limit at TANF Exit Due to Employment	No Changes - phased in to 24 months.	No Changes
TANF Time Limits	No Changes	No Changes
Maintenance of Effort (MOE) - required to avoid penalties and loss of TANF Block Grant	Continue to meet MOE but not contingency MOE requirements. No contingency funds will be able to be drawn in 2017-19	Continue to meet MOE but not contingency MOE requirements. No contingency funds will be able to be drawn in 2019-21 without a significant increase in MOE countable expenditures.
Post-TANF	Continues suspension of the Post TANF payment until June 2019.	HB 3183 permanently eliminates the post TANF payment.
Supports for the transition to employment	No Changes	No Changes
Re-engagement and Disqualifications	No Changes	No Changes
Pre-SSI Enhanced Grant	No Changes	No Changes
Deprivation Policy	No Changes	No Changes
Employment Separation Penalty ("job quit")	No Changes	No Changes
Income Limit for Non-Needy Caretaker Relative Families	No Changes	No Changes
Training	No Changes	No Changes
Self-Sufficiency staff	No additional staff added or abolished	21 positions for the Community Partner Outreach program and Cover All Kids were moved back to OHA where they are a better fit policy wise
Electronic Benefit Cards	No Changes	No Changes
Co pay - sliding scale based on income	No Changes	No Changes
Provider Payment Level	No Changes	No Changes
Restores one-time funding for food programs (Oregon food bank)	Includes funding of \$450,000 permanent and \$1,300,000 one time funding for the Oregon Hunger Response Fund.	Includes funding of \$450,000 permanent and \$1,300,000 one time funding for the Oregon Hunger Response Fund.
Invests in 211 statewide	No Changes	No Changes
Food Assistance Programs	No Changes	\$1.5 million one-time funding for "Double -up Food Bucks" program
Homeless and Runaway Program	No Changes	Tranferred to Self Sufficiency from Child Welfare

# DHS Comparison of Current 2017-19 Programs to the Legislatively Adopted Budget for 2019-21

Program Area Overview	Program Services at 17-19 LAB	Program Services at 19-21 LAB
<b>Employment Related Day Care (ERDC)</b>		
Caseload	Lowers the number of cases per month able to be served from 9,577 in 2015-17 down to 8,738 in 2017-19 based on current cost per case due to budgetary constraints.	Increases funding to cover new bargained rates based on increased federal revenue and covers an estimated average of 8,230 families over the biennium
Co pay - sliding scale based on income	No Changes	No Changes
Provider Payment Level	No Changes	Includes funding to cover anticipated costs of rates increased in 17-19 through collective bargaining.
<b>Self Sufficiency Staffing and Technology</b>		
Staff level percentage of workload model	Self Sufficiency staffing levels will be at about 77.8 percent of the workload model based on the Spring 2017 DHS Caseload forecast.	Based on lower caseloads Self Sufficiency staffing levels (not including the OHP porcessing center) will be at approximately 97% of current workload model
Information Technology - IE/ME Eligibility Automation project	Project funded through 2017-19. DHS is expected to come to the JLCIMT in September of 2017 and to the 2018 legislative session for updates.	Project funded through 2019-21 for DDI and Operation and Maintenance is phased in for part of the biennium with the remaining O&M costs to be phased in in 2021-23 This is technically budgeted in the central office, shared and SAEC budgets as well as an OHA component for shared OIS services.
<b>Child Welfare Programs</b>		
Foster Care payment level	Increases rate by an average of 14%.	No Changes
Behavioral Rehabilitation Service provider payments	Increases rate by an average of 21%. Implements all eight recommendations of the BRS Comprehensive Review Committee.	No Changes
Behavioral Rehabilitation Services - Strengthening therapeutic foster care support children and youth in need of time-limited substitute care within their	n/a	New investment. Develop a system of professional foster care networks that are coupled with in-home services. Components of this model should include:
Focus children's program - serves children with multiple mental health issues or a history of physically/sexually aggressive behavior who are ineligible or inappropriate for foster care, residential care, psychiatric hospitalization, DD Services, or termination of wardship.	No Changes	This budget is reduced by 25% GF with the anticipation there will be FF to be leveraged once in-state BRS or OHA psychiatric placements are available.
In-Home Services	No Changes	No Changes
System of Care payments - child specific services not available from other funding sources.	No Changes	No Changes
Addiction Recovery Teams	No Changes	No Changes
Domestic Violence Specialists and Resources	No Changes	No Changes
Child Welfare staffing - Staff level percentage of workload model	Positions were increased by 78 POS/69.64 FTE to continue the workload model at 86.7%;	Adds 268 positions related to caseload and 4 operations positions that will be moved at the first rebalance to their specific offices.

## DHS Comparison of Current 2017-19 Programs to the Legislatively Adopted Budget for 2019-21

Program Area Overview	Program Services at 17-19 LAB	Program Services at 19-21 LAB
Comprehensive CW Information System	N/A	Adds funds and 9 positions at 9.00 FTE for transitioning its SACWIS system to Comprehensive Child Welfare Information System (CCWIS). The goal is to transform OR-Kids into an application about which end users consistently feel confident in completing their daily work, where data is viewed as a reliable and valid basis, and needs are met in a weekly and monthly basis.
SB 155 Investigation Allegations of Abuse	N/A	SB155 adds 7 SSS1's positions at 5.25 FTE to help meet the staffing needs necessary to fulfill the requirements of SB 155 at minimum.
Child Welfare hotline	N/A	Adds 46 positions at 38.51 FTE to improve staffing at the new central Oregon Child Abuse Hotline (ORCAH). Positions fully phased in July 1, 2020
Foster Care Recruitment Team	N/A	Adds 17 positions and 17.00 FTE. To support the development of data informed statewide foster family recruitment and retention model. The foster family recruitment and retention team will consist of a centrally located program manager and a recruitment specialist located in each of the agency's 16 districts.
Child Care for Foster Parents and Post-Adoptive Services - applicable child savings	SB 102 created the Applicable Child Savings Fund which allows general fund saved due to Applicable Child savings to be placed in an other funds account to allow it to be spent as required by federal law. Federal law states that any applicable child GF savings must supplement and not supplant federal savings. 30% of the savings must be used for post-adoption services. A foster care benefit of up to \$375/mo per child for working foster parents with children up to 5.	Expands foster care child care benefit to include children through age 12 and covering related child care costs. DHS will monitor the balance of the Applicable Child Savings account and adjust the benefit and/or eligibility to ensure the sustainability of the program into the future using applicable child savings funds.
Strengthening, Preserving, & Reunifying Families (SPRF)	No Changes	General fund is reduced by 50%. There are no federal funds at this time. TF reduction is 75% from 17-19.
Homeless and Runaway Program	No Changes	Tranferred to Self Sufficiency from Child Welfare
Consultant, Educator Training (CET) positions known as Mentoring Assisting Promoting Success (MAPS)	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.)	Adds additional 16 MAPS positions at 14.08 FTE
Leveraging Intensive Family Engagement (LIFE)	Provides funding to the Leveraging Intensive Family Engagement (LIFE) program in five counties. The program offers monthly case planning meetings, enhanced family finding, parent mentors, and team collaboration.	Continues funding for the Leveraging Intensive Family Engagement (LIFE) program at its current, limited level in five counties. The program offers monthly case planning meetings, enhanced family finding, parent mentors, and team collaboration.

## DHS Comparison of Current 2017-19 Programs to the Legislatively Adopted Budget for 2019-21

Program Area Overview	Program Services at 17-19 LAB	Program Services at 19-21 LAB
Legal Representation	Investment will provide DHS caseworkers with continuous representation which, in turn, will promote attorney-caseworker collaboration, improve caseworker job satisfaction and retention, avoid the risk for unlawful practice of law by case workers, and improve the overall efficiency and cost effectiveness of the system. Exception to the practice of law extended until 2020.	Fully funds DHS caseworker representation by DOJ state-wide.
Expand KEEP program statewide	Serves Washington and Multnomah counties.	Expands KEEP statewide - KEEP is a Foster Parent Support Pilot Program serving Multnomah and Washington Counties DHS foster families. The Program is designed to enhance placement stabilization of foster youth in their foster home. The program provides enhanced trauma informed training for foster parents, including relative foster parents, through individual and group sessions, weekly phone contact and behavioral intervention support. The program focuses on parent training and coaching.
<b>Vocational Rehabilitation Programs</b>		
Vocational Rehabilitation services	Continues funding to leverage available federal funds - May avoid going into an "order of selection" (client prioritization) until late in the biennium depending on caseloads and cost per rehabilitation.	Continues funding to leverage available federal funds - May avoid going into an "order of selection" (client prioritization) until late in the biennium depending on caseloads and cost per rehabilitation.
Meet maintenance of effort requirement and draw all eligible federal funds (22% GF - 78% FF match rate)	No Changes	No Changes
Employment First	No Changes	No Changes
Centers for Independent Living	No Changes	No Changes
Vocational Rehabilitation services	N/A	Three permanent positions to help VR collaborate with school districts to provide pre-employment transition services for all eligible students. Currently, VR has two service coordinators for the entire state. The package pays for two Program Analyst 1 positions (2.00 FTE) who will coordinate services in eastern and southern Oregon and one Operations and for one Policy Analyst 1 position (1.00 FTE) for program data support.
<b>Intellectual and Developmental Disability</b>		



## DHS Comparison of Current 2017-19 Programs to the Legislatively Adopted Budget for 2019-21

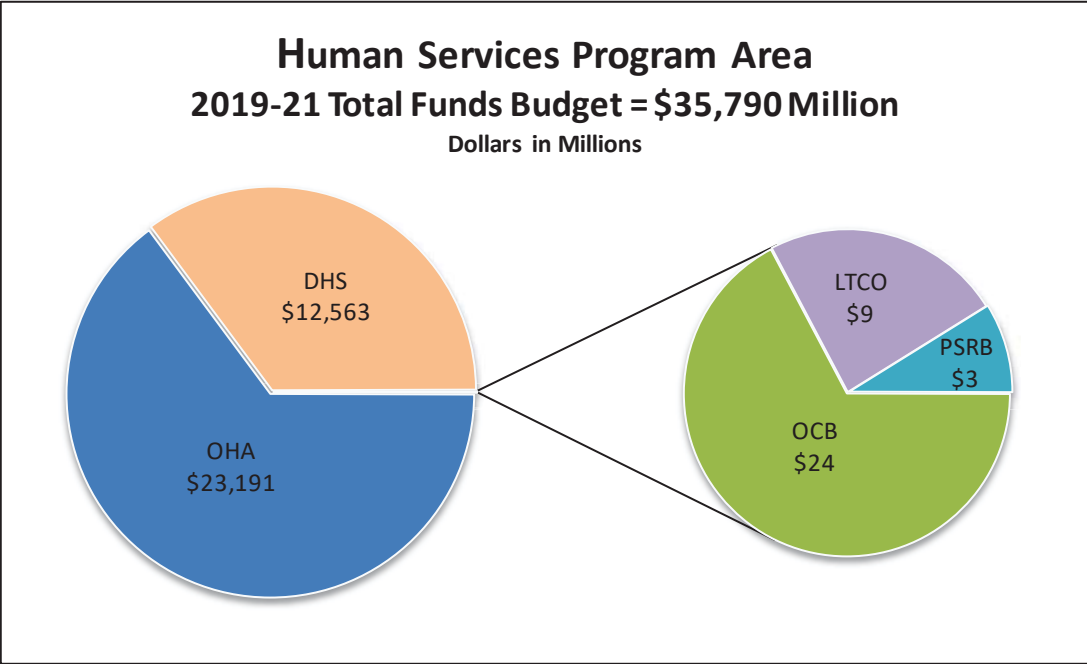
Program Area Overview	Program Services at 17-19 LAB	Program Services at 19-21 LAB
DSP Wages	Increases funding for DSP rates by an average 5%	It is the intent of the Legislature that providers serving people with intellectual and developmental disabilities will use the \$30.0 million General Fund (\$91.8 million total funds) approved for provider rate increases in HB 5026 to help bring the direct support professional wage as close as possible to \$15.00 per hour by the end of the 2019-21 biennium. In addition, the Legislature understands the Department of Human Services will be transitioning to new rate models during the biennium; to ensure there is enough funding available to effectively implement these new structures, rate increases under the old models should be limited to no more than four percent. DHS is also directed, to the best of its ability, to apply this investment in a manner that prioritizes supporting individuals with the highest need. By February 1, 2020, the agency will submit a report to the Interim Joint Committee on Ways and Means outlining how the funding has been and will be applied, describing stakeholder involvement in the process, identifying impacts on providers and workers, and providing an update on the transition to the new rate models.
Adult Support Services	Adds \$1.9M GF (\$6.2M Total Funds) to increase PSW's hourly wage \$0.15 per hour effective 4/1/18. Also gave PSWs training options to become certified at various levels which come with hourly pay incentives.	Continues Investment
Children Support Services	Adds \$1.9M GF (\$6.2M Total Funds) to increase PSW's hourly wage \$0.15 per hour effective 4/1/18. Also gave PSWs training options to become certified at various levels which come with hourly pay incentives.	No Changes-currently State of OR and SEIU are in bargaining.
Employment First Policy Implementation	No Changes	A reduction was taken for lower than anticipated usage of Job Coaching hours.
Children Support Services	Adds \$1.9M GF (\$6.2M Total Funds) to increase PSW's hourly wage \$0.15 per hour effective 4/1/18. Also gave PSWs training options to become certified at various levels which come with hourly pay incentives.	No Changes-currently State of OR and SEIU are in bargaining.
Fairview Housing Trust Fund	No Changes. Total trust balance just over \$6.0 million.	Consistent with requirements under SB 491 (2019), the IDD program will transfer the balance of the Fairview Trust from the Department of Human Services to the Oregon Community Foundation on January 1, 2020.
Counties and brokerages administrative costs	Funded at 95% equity but at 85% of the workload model for Brokerages and 88% of the workload model for CDDP's	ODDS has implemented new updated timing models based on RMS (Random Moment Surveys). This model now includes ONA Assessors (Oregon Needs Assessment) and DRC (Designated Referral Coordinator) classifications. Funded at 95% equity but at 82% of the workload model for CDDPs and 79% of the workload model for Brokerages.

## DHS Comparison of Current 2017-19 Programs to the Legislatively Adopted Budget for 2019-21

Program Area Overview	Program Services at 17-19 LAB	Program Services at 19-21 LAB
County and brokerage case management	Funded at 95% equity but at 85% of the workload model for Brokerages and 88% of the workload model for CDDP's	ODDS has implemented new updated timing models based on RMS (Random Moment Surveys). This model now includes ONA Assessors (Oregon Needs Assessment) and DRC (Designated Referral Coordinator) classifications. Funded at 95% equity but at 82% of the workload model for CDDPs and 79% of the workload model for Brokerages.
Funded Quality Assurance positions in ODDS	Continues the investment	Continues the investment
Bed hold payments	Funded up to 21 days	No Changes
Family Support Program	Family Support program reduced by 50%. Funds Networks at 15-17 levels with added inflation.	No Changes
Unspecified reductions	I/DD funding reduced by \$12 million GF to be achieved through unspecified reductions.	N/A
<b>Aging and People with Disabilities Programs</b>		
Long Term Care Services administered to eligible clients.	No Changes	No Changes
In-Home Services	Shared bargaining pot for non-state employees established in Special Purpose Appropriation.	While subject to bargaining this budget assumes an increase in In-Home Agency rates by 5% 7/1/19 and an additional 5% on 7/1/20
Live-in Services	Eliminated beginning Oct 1, 2017. Most cases anticipated to move to Hourly in-home services.	No Changes
Community Based Facility Services	Funding increased by 5% in July 2017 and 2.5% in July 2018.	Increasing ALF/RCF/MC and PACE rates by 5% 7/1/19 and an additional 5% on 7/1/20
Nursing Facility (NF) Services	Funded at statutory rates of \$301.70/day in the first year and \$320.19/day in the second year.	Funded at statutory rates of \$328.00/day in the first year and \$344.28/day in the second year.
Complex Medical Add-on for Nursing Facilities	No Changes	No Changes
Oregon Project Independence (OPI)	No Changes	No Changes - direction to persue possible Medicaid funding required in a budget note
Other APD Services	No Changes	No Changes
Long Term Care Case Management	No Changes	No Changes
ARDC and Options counseling	No Changes	No Changes
OAA sequestration backfill	No Changes	No Changes
Medicare Buy-in Programs	No Changes	No Changes
General Assistance Program	No Changes	No Changes

## DHS Comparison of Current 2017-19 Programs to the Legislatively Adopted Budget for 2019-21

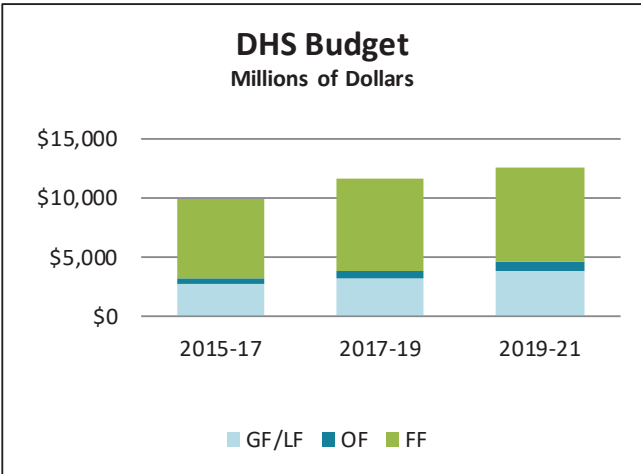
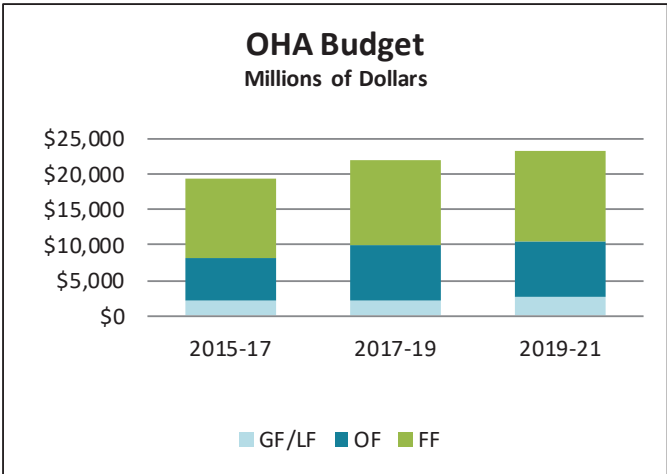
Program Area Overview	Program Services at 17-19 LAB	Program Services at 19-21 LAB
Adult Foster Home Rates	N/A	Subject to collective bargaining an assumed Increase to APD AFH rates by 10% effective 1/1/20 and 5% on 7/1/20
<b>Adult Protective Services and APD Eligibility</b>		
Adult Protective Services IT System phase II	Funded through 2017-19	Operations and Maintenance costs funded in Central Budget for the Centralized Abuse Management (CAM) system
State Staffing levels	Funds workload model at 94.9% by the end of the biennium	Funding at about 94% of current workload model
Transfer Area Agencies on Aging funding.	Funding at 95% equity	Funding at 95% equity at about 94% of current workload model
Additional staffing for Nursing Facility and Community Based Care Surveyors	N/A	Added 35 surveyor positions. 15 were approved at the December 2018 rebalance for work related to Nursing Facilities. In addition 20 positions were approved for work relating to Community Based Care settings.
Additional staffing for AAA	N/A	In addition to the funding mentioned above, state AAA were provided 64 workload related positions and 32.00 FTE. Transfer AAA's were provided funding for the equivalent of 79 positions and 39.50 FTE to address workload issues not sufficiently captured in the current workload model
<b>DHS-Wide Program Impacts</b>		
Staffing costs and bargaining pot	Includes a salary pot of \$100 million General Fund for state employee bargaining.	Includes a salary pot of \$200 million General Fund for state employee bargaining.
Fitness Determinations and Background Checks	Agency funding does not support the level of increase or increase in complexity of today's background checks especially those that involve out of state comparisons and fingerprints. This has led to a long backlog of background checks for providers and employees who need them for employment.	Funding included for the roll-up of the 33 BCU positions added through HB 5201 (2018) during the 2017-19 biennium
Secretary of State	Funds DHS as currently known federal approval of allocation of secretary of state for compliance audits with performance audits funded through General Fund.	Funds DHS as currently known federal approval of allocation of secretary of state for compliance audits with performance audits funded through General Fund.
Special Purpose Appropriation for non-state employee bargaining	Special Purpose Appropriation of \$10 Million General Fund established for non-state employee bargaining for several programs within DHS including child care, adult foster homes, homecare and personal support workers.	Special Purpose Appropriation of \$20 Million General Fund established for non-state employee bargaining for several programs within DHS.



The Human Services program area budget includes \$8.362 billion Other Funds, with Public Employees' Benefit Board/Oregon Educators Benefit Board resources making up just under half of the total. Other significant sources are Medicaid provider assessments, tobacco taxes, tobacco master settlement revenues, transfers from other agencies, and various fees.

At \$20.819 billion, Federal Funds include matching funds such as Medicaid, capped block grants such as Temporary Assistance to Needy Families (TANF), numerous other federal grants, and Nonlimited Federal Funds, primarily for Supplemental Nutrition Assistance Program (SNAP/food stamps) benefits.

The previous chart shows the 2019-21 total funds budget for each of the five program area agencies, while the following charts provide budget comparisons over the last three biennia for the Oregon Health Authority (OHA) and the Department of Human Services (DHS).



Budget highlights for each agency in the program area are described below.

## **Department of Human Services**

The 2019-21 legislatively adopted budget for the Department of Human Services is \$3.855 billion General Fund, \$12.563 billion total funds, and 9,444 positions (9,324.14 FTE). The budget is 20.4% General Fund and 7.8% total funds more than the agency's 2017-19 legislatively approved budget.

Some trends that influence demand on agency programs and its budget include a growing population of older adults, an increasing number of people with disabilities, the rate of economic growth, a tight labor market in which housing and other living costs outpace wage increases, and regional dynamics that have limited economic recovery in many parts of rural Oregon.

A significant cross program budget component is approval of funding for the final development phase, implementation, and transition to Maintenance and Operations (M&O) of an integrated eligibility system, called the Integrated Eligibility (IE) project. This effort integrates enrollment and eligibility activities for several DHS programs into the system used by OHA. The 2019-21 estimated project cost of \$200.6 million total funds covers state staff costs of \$20.7 million, \$94 million for contracted information technology services, \$11.2 million for payments to OHA for its project work, and \$5.8 million for debt service. Other elements addressed in the project plan include cost allocation, contingency, legacy system work, hosting services, disaster recovery, and security enhancements.

Another agency-wide budget element is a budget note providing direction to the agency regarding the breakout of its budget appropriations into more detail for 2021-23 budget development. More detail follows for the agency's five major programs: Self Sufficiency, Child Welfare, Vocational Rehabilitation, Aging and People with Disabilities, and Intellectual and Developmental Disabilities.

### Self Sufficiency

The agency's Self Sufficiency programs assist low-income families by helping them become stable and self-supporting. Services focus on basic needs, such as food and shelter, but also include job training, employment assistance, parenting supports, health care, and child care. The legislatively adopted budget is \$448.7 million General Fund and \$3.111 billion total funds; this is a 13.6% General Fund increase from the 2017-19 legislatively approved budget. The total funds budget is a 4.4% decrease due to adjusting Nonlimited expenditures downward to reflect an updated projection for Supplemental Nutrition Assistance Program (SNAP) benefit payments. Federal Funds limited expenditures increase by a net \$68 million, primarily due to moving \$40 million in federal Temporary Assistance for Needy Families (TANF) funding from the Child Welfare program to Self Sufficiency.

Nonlimited Federal Funds expenditures for SNAP (food stamps) make up 62.3% of the total budget for Self Sufficiency. At \$1.939 billion, SNAP benefit payments are projected to be \$275 million (or 12.4%) lower than in the 2017-19 biennium. The 2019-21 biennial average SNAP caseload forecast is 324,970 households, which is 10.9% lower than the 2017-19 projected average of 364,713 households.

By the end of 2019, the DHS caseload forecast projects TANF caseloads to fall to levels not seen since autumn 2006 (pre-recession levels). While both the caseload floor itself and the timing for reaching it have fluctuated in recent forecasts, the 2019-21 biennial average forecast is 17,405 families, which is 7.9% lower than the projected 2017-19 average of 18,902 families.

The Employment Related Day Care (ERDC) program is budgeted at \$179.8 million total funds (\$65.5 million General Fund and \$114.3 million Other Funds). The program's Other Funds expenditures are

supported by federal Child Care Development Fund dollars transferred to DHS from the Early Learning Division at the Department of Education. This funding level, which is a 12% increase over the 2017-19 level, is expected to allow the program to serve an average of 8,230 families over the biennium; the associated pricing is based on a cost per case of \$910 per month. About \$2.7 million of the budget will be used on a one-time basis to support a pilot incentive program for child care providers offering evening, night, and weekend child care.

Other budget actions include a one-time investment of \$2 million General Fund associated with HB 2508, which directs the Department to award grants to eligible refugee resettlement agencies providing services to refugees who reside in Oregon. Two food-related, one-time General Fund proposals were approved; \$1.3 million to help the Oregon Food Bank acquire and distribute food and \$1.5 million for the Double Up Food Bucks program, which matches SNAP benefits used at farmers' markets and helps clients take home more healthy food.

### Child Welfare

The Child Welfare program conducts prevention, protection, and regulatory activities to keep children safe and improve their quality of life. Services include responding to reports of child abuse or neglect, providing in-home supports or out-of-home care when necessary, and arranging adoption or guardianship services and supports.

The 2019-21 legislatively adopted budget is \$775.5 million General Fund and \$1.353 billion total funds, which is 29% and 15.1% higher, respectively, than the \$601.1 million General Fund and \$1.175 billion total funds 2017-19 legislatively approved budget. Budget increases are primarily tied to maintaining base positions at risk of loss due to federal TANF funding realignment, adding new positions to address workload issues, and investing in efforts to help foster families. The Spring 2019 caseload forecast projects the program will serve an average of 21,455 children over the 2019-21 biennium, which is 1% lower than the 2017-19 biennial forecast average of 21,680 children.

A total of 272 positions (271.50 FTE) are added between biennia to help stabilize the program; the position mix was developed using mandated caseload workload model calculations coupled with a "best practices standard" approach. As the Department is actively working to update the workload model and workload continues to be a challenge for caseworker recruitment and retention, these resources are not expected to fully meet program needs. The budget also includes 16 (14.08 FTE) Mentoring, Assisting, and Promoting Success (MAPS) positions, which provide mentoring and other supports to first-year caseworkers; these new positions augment 50 added in the prior biennium.

Other investments targeted at helping improve program performance and capacity include:

- \$8.9 million General Fund and 46 permanent positions (38.51 FTE) for the Oregon Child Abuse Hotline. The agency's move to this centralized screening operation was initially accomplished by realigning existing positions and staff over an eight month period ending in early April 2019; more staff are needed to help handle a high volume of calls and mitigate caller wait times.
- \$3.8 million total funds and 17 positions (17.00 FTE) to develop a data-informed statewide foster family recruitment and retention team. A centrally located program manager will oversee a recruitment specialist located in each of the agency's 16 districts.
- \$3.1 million General Fund (\$7.8 million total funds) will pay for the statewide expansion of a former pilot program, called Keeping Foster and Kin Parents Supported and Trained. The program provides



weekly training to small groups of parents; the sessions cover parenting techniques and skills tailored specifically to each cohort's needs.

- \$2.3 million General Fund (\$3.9 million total funds) and 17.60 FTE to continue the Leveraging Intensive Family Engagement program at its current, limited level in five counties. The program was initially scheduled to be phased out by October 2019 since it was funded with expiring federal Title IV-E Waiver funds. The program supports monthly case planning meetings, enhanced family finding activities, parent mentors, and team collaboration.

In the 2017-19 biennium, the Department of Justice began providing full legal representation to DHS caseworkers. In the 2019-21 legislatively adopted budget, the last phase of program implementation is funded with \$12.7 million General Fund (\$23.3 million total funds). The funding covers program rollout costs for Clackamas, Clatsop, Marion, Multnomah, Union, and Washington counties, along with other position-related adjustments needed to adequately operate the program. Another investment continues planning and initiation work related to the OR-KIDS system, which is the state's primary child welfare data system, with 3.8 million General Fund (\$7.5 million total funds) and nine permanent positions (9.00 FTE). Federal rules require these systems to meet new standards regarding data quality and modularity.

A \$50 million General Fund statewide behavioral health investment package has two Child Welfare components. The first is a \$3.5 million General Fund appropriation (\$8.5 million total funds) to pay for therapeutic foster care home recruitment, training, and support. The second appropriates \$4 million General Fund to the Emergency Board to help increase capacity for non-Medicaid in-home services under the Family First Prevention Services Act. In addition to allowing federal dollars to help pay for prevention services, this new federal law also limits federal funding for children placed in a setting that is not a foster family home unless the setting is a qualified residential treatment program. The restriction is expected to affect services offered by existing providers, many of whom were already having difficulty attracting and retaining staff even before addressing new programmatic requirements. A related budget note directs the Department to assess and report back on workforce issues associated with the residential provider community and ways to help surmount regulatory barriers or other challenges.

Three budget reduction actions were approved to help make General Fund available for other program needs. These reduce the enhanced foster care budget by \$2.3 million General Fund; decrease the Strengthening, Preserving, and Reunifying Families budget by 50% (just under \$7 million General Fund); and trim the budget for Focused Opportunities for Children Utilizing Services placements by 25% (\$6.3 million General Fund, \$6.6 million total funds). This last program is supported mostly by General Fund and primarily serves children with specialized needs placed out-of-state; as the state develops in-state placements to help meet those needs, federal dollars can potentially be leveraged to help cover placement costs and stretch the state dollars further.

### Vocational Rehabilitation

The Vocational Rehabilitation program assists youth and adults with disabilities to obtain, maintain, or advance in employment. The program's overarching goal is to help clients succeed in jobs that allow them to live as independently as possible, reduce or eliminate their need for publicly funded benefits, and be fully contributing members of their local communities.

The legislatively adopted budget is \$35.6 million General Fund and \$122.4 million total funds; the total funds budget is 4.2% above the 2017-19 legislatively approved budget. However, the General Fund budget is a 20.5% increase over the prior biennium primarily due to backfilling \$4.9 million in one-time

federal reallocation dollars with General Fund. The program's 2019-21 biennial average forecast is 10,347 clients, which is 0.9% higher than the 2017-19 forecast average of 10,252.

The budget continues essential services with an emphasis on improving employment outcomes for people with intellectual and developmental disabilities under the Employment First initiative and implementing program changes driven by the Workforce Innovation and Opportunity Act. Consistent with recent biennial practices, the budget includes \$4.5 million Federal Funds expenditure limitation to spend one-time Federal Fiscal Year 2018 reallocation revenue carried forward from the 2017-19 biennium; this action offsets a projected federal funding shortfall. To help the program collaborate with school districts to provide pre-employment transition services for all eligible students, the budget includes \$0.6 million Other Funds expenditure limitation and 3 permanent positions (3.00 FTE).

### Aging and People with Disabilities

Aging and People with Disabilities (APD) programs provide long term care services to seniors and people with physical disabilities. Clients are served in their own homes, in community based care settings, and in nursing facilities. The legislatively adopted budget is \$1.207 billion General Fund and \$3.946 billion total funds, which is 18.5% and 11.5% higher, respectively, than the \$1.019 billion General Fund and \$3.541 billion total funds 2017-19 legislatively approved budget.

The legislatively adopted budget accounts for overall caseload growth and cost per case changes based on the Spring 2019 forecast; the program's 2019-21 biennial average forecast is 35,070 clients, which is 1% higher than the 2017-19 forecast average of 34,730. While the pace of overall caseload growth is forecasted to slow compared to recent history, the trend is steadily upward and shifts between lower cost (in-home) and higher cost (nursing facility) caseloads can heavily influence the budget.

The budget includes \$5.8 million total funds and 19 permanent positions (19.00 FTE) to implement two actions approved at the December 2018 meeting of the Emergency Board. Fifteen positions support compliance with a federal mandate requiring all nursing facility complaint investigations to be handled by the agency's Nursing Facility Survey unit; federal funding pays for 75% of the work. The other 4 positions will be used to embed case managers in hospitals; these staff can more quickly assess and place hospitalized individuals needing long term care Medicaid services upon discharge. The full cost of the positions will be paid for by the hospitals.

In the nursing facilities program, \$32.2 million from a projected carryforward balance in the long term care facility assessment (Other Funds revenue) is used in place of the same amount of General Fund on a one-time basis; the General Fund is then used to pay for several program needs:

- Rate increases for Assisted Living Facilities, Residential Care Facilities, Memory Care Facilities, In-Home Care Agencies, and Providence ElderPlace.
- Funding to increase rates for Adult Foster Homes within the APD program; these rates are also subject to collective bargaining.
- Twenty full-time permanent community-based care surveyor positions (10.00 FTE; phased in July 1, 2020) to help reduce a backlog of inspections and keep up with facility oversight.
- To address workload issues and a workload model that is out of sync with duties in local offices serving seniors and people with physical disabilities, the equivalent of 143 positions (71.50 FTE; phased in July 1, 2020) are added; most of these are case manager positions.



- Two positions (1.76 FTE) permanent full-time positions are approved to promote the effective use of emergency medical services by residents of licensed long term care settings and to support efforts of the quality measurement council.

The budget includes one reduction action eliminating \$1.3 million General Fund (discretionary, unmatched funding) used to fund evidence-based health promotion programs operated through local Area Agencies on Aging (AAA). The 2019-21 legislatively adopted budget maintains Oregon Project Independence (OPI), which provides in-home services outside of the Medicaid program, at current levels with \$28.1 million General Fund. A related budget note directs the Department to explore opportunities to obtain federal funding for OPI and for a potential family caregiver respite program.

#### Intellectual and Developmental Disabilities

The Intellectual and Developmental Disabilities (IDD) program provides services for Oregonians with intellectual and developmental disabilities of all ages. Services include in-home family support, intensive in-home supports, out-of-home 24-hour services delivered by proctor/foster care or residential care providers, and brokerage support services. The legislatively adopted budget is \$1.054 billion General Fund and \$3.085 billion total funds, which is 19.8% and 13.5% higher, respectively, than the \$880.5 million General Fund and \$2.719 billion total funds in the 2017-19 legislatively approved budget.

The legislatively adopted budget for IDD reflects continued caseload growth and budget pressure due to expanded services and costs per case for children and adults, primarily resulting from implementation of the K Plan. Based on the Spring 2019 forecast, the 2019-21 case management (overall client count) biennial average caseload forecast is 30,592 clients, which is 9.8 % higher than the 2017-19 average forecast of 27,860 clients; the budget accounts for this caseload growth and associated cost per case increases. The budget also includes payments to Community Developmental Disability Programs and brokerages for administering these services, however, the full cost to implement an updated workload model for these entities is not covered.

To help increase wages of direct support professionals (providers not represented by a labor union), the budget contains \$30 million General Fund (\$91.8 million total funds) to increase most IDD provider rates. The IDD budget includes part of the statewide \$50 million behavioral health investment; \$4.9 million General Fund (\$10.5 million total funds) and one permanent position (0.88 FTE) will help provide enhanced foster care services to about 140 youth and develop small group home settings for 12 youth.

Three program-related budget notes were approved, addressing IDD case management duties and training requirements; implementation of provider rate increases and new rate models; and rates for adult foster homes that are subject to collective bargaining.

Budget reductions are also taken to help support other program needs; no reductions are made to the Fairview Trust. The Trust is also sheltered from future budget reduction discussions via SB 491, which transfers the account balance to the Oregon Community Foundation.

# Oregon Department of Human Services

## Central and Shared Services,

### State Assessments and Enterprise-wide Costs

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#### Overview

DHS Central, Shared Services and State and Enterprise-wide Costs (SAEC) provide critical leadership, business supports and program operations necessary to achieve the mission of the agency: helping Oregonians achieve well-being and independence through opportunities that protect, empower, respect choice and preserve dignity.

DHS Central, Shared Services and SAEC budgets include:

- Payments to DAS and third parties for goods and services that serve the entire agency, such as facility rents, Enterprise Technology Services charges, the DAS risk assessment charges, DAS government service charges, computer replacement, and debt service.
- Payments for DHS's cost of services shared with OHA. When the agency split, DHS and OHA agreed to share information technology, financial, investigations, and other services to avoid cost increases and focus on improving performance and efficiency.
- The cost of the DHS/OHA shared services provided by DHS. These costs are entirely other funds, paid for by the payments described in above and similar payments in the OHA budget. From a total fund perspective, these costs are double-counted in the DHS and OHA budgets.
- The cost of DHS central budgets, including the Director, Governor's Advocacy Office, Legislative and communication support, budget, equity and diversity, human resources and others.

The DHS Central, SAEC and Shared Services budgets are structured and administered according to the following principles:

*Control over major costs.* DHS centrally manages many major costs. Some of these costs, like many DAS charges, are fixed costs to the agency. Others, like facility rents, are managed by the agency. DHS also strongly supports and actively participates in statewide efforts to locate work across the enterprise and install

## **Oregon Department of Human Services Central and Shared Services, State Assessments and Enterprise-wide Costs**

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performance management systems to make administrative functions more efficient and effective.

*Customer-driven shared services.* When the agency split, DHS and OHA agreed to maintain many administrative functions as shared services to prevent cost increases, maintain centers of excellence, and preserve standards that help the agencies work together.

DHS and OHA govern their shared services through a joint committee composed of leaders of the two agencies. This approach ensures that shared services are prioritized and managed to support program needs. The committee and its subgroups have established documented service level agreements and performance measures for each service, moved staff in and out of shared services to rationalize service delivery, and begun implementing more integrated systems to support employee performance.

*Performance management system.* DHS has implemented and continues to refine a performance management system containing the following key elements:

- A fundamental understanding of DHS’ functions; what is the work we are doing;
- A clear statement of the outcomes DHS must achieve;
- Descriptions of the processes DHS uses to achieve its outcomes;
- Owners for our processes and outcome measures;
- Written “breakthrough” strategies for each initiative that will significantly improve outcomes and processes.
- A quarterly all-leadership review of progress on each measure and strategy.

DHS is now implementing the same system within each program and support service category and revisiting the management system to better align with the agency mission and goals. The system is contained in the Director’s Office and is managed by the entire executive team.

The DHS Legislatively Adopted Budget (LAB) for all Central Services, SAEC and Shared services is \$333.9 million GF and \$946 million TF:

**Oregon Department of Human Services  
Central and Shared Services,  
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<b>Central Shared and SAEC</b>	GF	OF	FF	TF	POS	FTE
LAB 17-19	277,837,102	227,830,577	348,942,478	854,610,157	980	921.69
LAB 19-21	333,850,274	231,966,500	380,248,338	946,065,112	924	913.43
Difference LAB - LAB	56,013,172	4,135,923	31,305,860	91,454,955	(56)	(8.26)
% Difference LAB - LAB	20.16%	1.82%	8.97%	10.70%	-5.71%	-0.90%

<b>Central Shared and SAEC LAB</b>	GF	OF	FF	TF	POS	FTE
Central	49,192,572	44,907,776	180,890,447	274,990,795	244	240.54
Shared	-	147,436,690	-	147,436,690	680	672.89
SAEC	284,657,702	39,622,034	199,357,891	523,637,627	-	-
<b>TOTAL</b>	333,850,274	231,966,500	380,248,338	946,065,112	924	913.43

**DHS Central Services**

DHS Central Services consist of the Office of the Director and Policy including the Chief of Staff, Tribal Affairs, the Deputy Director, the Office of the Chief Financial Officer the Office of the Chief Administrative Officer. Central office also includes the Office of Equity and Multicultural Services (OEMS), the Office of Human Resources, the Central DHS Budget, Planning and Analysis Office, the Government Relations Office, Office of Communications, the Office of Program Integrity, the Office of Reporting Research, Analytics and Implementation, the Office of Business Information Services, the Office of Information Support Services and the Integrated Eligibility and Medicaid Eligibility ONE Project Office. These offices provide essential business supports to programs in achieving the department and programs mission, vision and outcomes.

The DHS LAB request for Central Services is \$49.2 million General Fund and \$275.0 million Total funds:

<b>Central</b>	GF	OF	FF	TF	POS	FTE
LAB 17-19	35,751,624	46,080,695	173,572,073	255,404,392	290	250.75
LAB 19-21	49,192,572	44,907,776	180,890,447	274,990,795	244	240.54
Difference LAB - LAB	13,440,948	(1,172,919)	7,318,374	19,586,403	(46)	(10.21)
% Difference LAB - LAB	37.60%	-2.55%	4.22%	7.67%	-15.86%	-4.07%

Note: Central includes the IE project investment. This represents 75.3% of the central TF budget.

Major changes from 17-19 LAB to CSL include mainly:

- Standard inflation.

# **Oregon Department of Human Services**

## **Central and Shared Services,**

### **State Assessments and Enterprise-wide Costs**

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- Movement of the Office of Administrative Hearings budget to SAEC
- Transfer of Human Resource (HR) analyst from Child Welfare to Central HR
- Phase out of the IE/ME ONE project – (19-21 funding provided in HB 5050)

#### ***DHS Central Services***

The following DHS Central Services provide essential supports to programs in achieving the department and programs mission, vision and outcomes.

#### ***Office of the Director***

The DHS Director's Office is responsible for agency leadership, policy development, resource allocation, and administrative oversight for all programs, staff and offices in DHS in a manner that supports equitable outcomes for Oregon's diverse population. These functions are led by the Director and Deputy Director, and coordinated by the Director Cabinet members, with the Governor's Office, the Legislature, other state and federal agencies, Tribes, partners and stakeholders, communities of color, LGBTQIA+ communities, local governments, advocacy and client groups, and the private sector. The Director and Deputy Director oversee Internal Audits and the Office of Training, Investigations and Safety, which provide shared services for both DHS and OHA.

#### ***Chief of Staff***

The Chief of Staff oversees projects and initiatives with DHS-wide or cross-agency enterprise-wide impact on behalf of the Director. The Chief of Staff also oversees the Governor's Advocacy Office (GAO), which helps affected parties work through questions, concerns, or complaints related to DHS services or departmental actions. The office includes the DHS ombudsman program, the office of the Children's Advocate, the Foster Care Ombudsman, and civil rights and discrimination investigations, which also governs the agency's formal complaint process. The GAO works cooperatively with field and central office staff, program staff, legislators, DHS leadership and other key stakeholders to successfully, equitably and respectfully reach issue resolution.

# **Oregon Department of Human Services Central and Shared Services, State Assessments and Enterprise-wide Costs**

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## *Tribal Affairs*

The DHS Director's Office is also home to Tribal Affairs. DHS is committed to positive working relationships with the nine Oregon tribes. Staff regularly engages with tribal governments through tribal liaisons and continually strives to ensure these communities receive equitable, sufficient and appropriate human services.

## *Office of the Chief Financial Officer*

Office of the Chief Financial Officer (OCFO) provides optimal business services to ensure accountability, data driven decisions, and stewardship of resources in support of the DHS mission. This is done by working closely with DHS and OHA programs and the OHA Chief Financial Officer, to ensure accurate, timely and efficient recording and management of financial resources; culturally competent and equitable services; authorizing the redistribution of available resources to meet changing needs; and establishing administrative controls. This office also oversees budget, planning and analysis functions for DHS based programs and leadership of the DHS budget with the Governor's Office, Legislature, Department of Administrative Services (DAS), Legislative Fiscal Office (LFO) and DHS partners.

## *Office of the Chief Administrative Officer*

Office of the Chief Administrative Officer (CAO) provides leadership and direction for the DHS Shared Services and select Central Services. The CAO and Deputy CAO oversees the service level agreements (SLA) between Shared Services and OHA. Through SLAs, the office provides leadership to ensure that the services provided by each unit utilize the most current best practices from their respective fields to optimize services in the most fiscally responsible and equitable manner possible. The office ensures that all services and business practices are conducted in a culturally responsive and equitable manner. This oversight includes the office of Program Integrity, which provides operational and case reviews, often mandated by law, to determine how accurately the agency is making eligibility determination; the office provides training where needed. The office also oversees Information Support Services and the Office of Business Information, again to ensure policy integrity through data and information technology solutions.

# **Oregon Department of Human Services**

## **Central and Shared Services,**

### **State Assessments and Enterprise-wide Costs**

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#### *Office of Human Resources*

The Office of Human Resources serves as a strategic staff partner by providing proactive and comprehensive human resources services, in alignment with agency and program mission and goals. HR works closely with internal customers on Workforce Strategies that support agency and program needs and strategies and builds a healthy and inclusive workplace culture of ongoing development and feedback to ensure the agency has a diverse workforce with the right people with the right skills, training, and support to do their work, now and in the future. The Office of Human Resources ensures compliance with all Federal, state, and local laws pertaining to personnel matters, including affirmative action and equal employment opportunity.

#### *Office of Communications*

This office supports the mission by providing accurate information to a diversity of employees, media outlets, clients, legislators, stakeholders and interest groups, providers and partners, local governments, other state and federal agencies, policymakers, tribes, targeted audiences and the public. The unit prides itself on culturally relevant and linguistically competent communication practices. Effective communication is the primary vehicle to demonstrate public transparency, accountability and trust. The office also provides support to the department's priority projects as defined by the DHS Director and executive team.

#### *Office of Government Relations*

This unit is essential to the agency's core functions through ensuring that any statutory, policy and budget implications positively impact the Oregonians that we serve. This team coordinates all DHS legislative matters with legislative offices, key stakeholders, federal partners and the Governor's Office. The government relations unit also supports both field and central office staff providing consultation and support in legislative and policy changes, primarily working with central office staff on policy development for program services. Staff in this unit support the director of DHS, the directors of all program and operations in DHS and the district managers in field offices. Legislative work is conducted with the intent of

## **Oregon Department of Human Services Central and Shared Services, State Assessments and Enterprise-wide Costs**

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eliminating existing inequities and to promote equitable outcomes, using a comprehensive equity lens.

### *Office of Legal Relations*

This unit manages all lawsuits, tort claims, and subpoenas related to DHS program and operations. Staff in this unit provide expert consultation to DHS field and central office staff, Department of Justice (DOJ) and Department of Administrative Services (DAS) Risk Management in policy related to legal matters. This team ensures timely completion of the required judicial documents to move smoothly through complicated legal matters.

### *Office of Equity and Multicultural Services*

Office of Equity and Multicultural Services (OEMS) provides leadership and direction in supporting the integration of equity, diversity and inclusion policies and initiatives throughout the agency. As an office that assists all DHS program areas, OEMS has two main charges. The first is to guide the agency to ensure a diverse workforce that has the cultural agility and language skills to serve the needs of all Oregonians; and second is to help the agency work toward equitable outcomes for all populations using DHS services. OEMS accomplishes this mission through policy-making, strategic planning, quality improvement consulting, technical assistance, research, Employee Resource Groups (ERGs), Diversity Committees, community engagement, advocacy, ally-ship, partnerships, and continuous learning.

### *Office of Reporting, Research, Analytics, and Implementation*

The Office of Reporting, Research, Analytics, and Implementation (ORRAI) compiles reports, conducts research, analyzes data, implements research, and provides inter-agency program as well as enterprise wide data. ORRAI provides mission critical information to directors, legislators, partner agencies, and the public. The office utilizes predictive analytics, workload modeling, and DHS and inter-agency program data to improve outcomes for children and families. The office translates data into information and develops practitioner tools to ensure decisions are data-informed.



**Oregon Department of Human Services  
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Integrated Eligibility Project Office

Integrated Eligibility Project Office was established to carry out the requirements of the Integrated Eligibility Project, as described in the Budget Narrative of this document, including promoting and protecting civil rights of Medicaid clients.

Office of Organizational Development

The Office of Organizational Development oversees organizational capacity for continuous advancement toward the DHS mission critical goals. This includes building enterprise partnerships within the community; managing a portfolio of projects impacting organizational development; supporting employee development towards change; employing Lean principles through continuous improvement activities; implementing the DHS performance management system; and supporting volunteerism centrally in DHS and throughout the state in the field.

**DHS Shared Services**

DHS Shared Services supports both DHS and OHA by providing optimal business services to ensure accountability, data-informed decisions, and stewardship of resources. Shared Services are completely Other Funded and provide services to both DHS and OHA. Funding for Shared Services is included in the Shared Services Funding portion of the Statewide and Enterprise-wide Costs (SAEC) budget. The Legislatively Adopted Budget for Shared Services in 2019-21 is \$147.4 million Other Funds.

<b>Shared Services</b>	GF	OF	FF	TF	POS	FTE
LAB 17-19	-	139,935,177	-	139,935,177	690	670.94
LAB 19-21	-	147,436,690	-	147,436,690	680	672.89
Difference LAB - LAB	-	7,501,513	-	7,501,513	(10)	1.95
% Difference LAB - LAB		5.36%		5.36%	-1.45%	0.29%

Major changes between 2017-19 LAB and 2019-21 CSL include:

- Phase in of investments made in 2017-19

**Overview of Shared Services**

DHS Shared Services supports both DHS and OHA by providing optimal business services to ensure accountability, data-informed decisions, and

# **Oregon Department of Human Services Central and Shared Services, State Assessments and Enterprise-wide Costs**

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stewardship of resources. DHS Shared Services contains the following key offices and programs that serve both DHS and OHA.

## ***Budget Center***

This area provides program and administrative budget planning, financial analysis and technical budget support for DHS and OHA. These services are provided for department leadership, program, policy and field managers, staff and external policymakers.

## ***Office of Forecasting and Research and Analysis***

Office of Forecasting and Research and Analysis (OFRA) supports DHS and OHA by providing accurate, timely, unbiased caseload forecasts, and related research and analysis to support budgeting, policy development, identification and elimination of inequitable outcomes, and operational planning.

## ***The Office of Enterprise Data Analytics (OEDA)***

This office conducts inter-agency research and advanced statistical modeling to answer cross agency and/or cross programmatic operational questions.

## ***Office of Financial Services***

This office provides accounting services, administers employee benefits and payroll, prepares financial reports, and collects funds for DHS and OHA. This area provides accurate, accountable and responsive financial management and business services to clients, providers, vendors, stakeholders and employees to ensure compliance with state laws and federal policies, rules and regulations.

## ***Human Resources Center (HR)***

This office provides essential HR administrative functions and services for DHS and OHA, and supports organizational development and an improved common culture of leadership, diversity, inclusion, and engagement across both agencies, through; personnel records management; leave administration; ADA reasonable accommodations, centralized position administration; safety and risk response and management; staff and management training; facilitation services HR data analysis and reporting; HR policy administration; and internal communication

# **Oregon Department of Human Services Central and Shared Services, State Assessments and Enterprise-wide Costs**

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strategies and resources for managers and staff.

## ***Background Check Unit***

The Background Check Unit (BCU) provides a comprehensive background screening process to determine if an individual should be allowed to have access to vulnerable people, IT systems or client information. BCU also provides centralized support for FBI Criminal Justice Information Services (CJIS) clearance and training for DHS and OHA staff. BCU is also Oregon's point of contact for processing out-of-state child protective service check requests in support of federal legislation.

## ***Office of Facilities Management***

This office provides the management and oversight of all facility and leasing related matters for DHS and OHA administrative offices, branch offices, and other facilities statewide. Its staff and operations support the departments' mission by ensuring buildings are safe and universally accessible, and by maintaining and operating buildings, telecommunications, and their physical infrastructure in a cost-effective, sustainable, and environmentally responsible manner. This office collaborates with both DHS and OHA leadership to develop long term strategic plans for the facilities need of both organizations.

## ***Office of Imaging and Records Management Services***

This office provides services tailored to the business and program operational needs related to: agencies delegated authority regarding imaging, electronic and physical document and records management; data entry of documents to send data to mainframe applications to generate payment to medical and childcare providers; image and data capture of source documents into a central repository; image and data capture of documents into electronic workflow eliminating the need for the customer(s) to process physical documents; archive storage of physical records; tracking of archived records; shipping of archived records; and destruction of physical documents/records per agreement and Secretary of State's Office retention schedule.

# **Oregon Department of Human Services Central and Shared Services, State Assessments and Enterprise-wide Costs**

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## Office of Contracts and Procurement

The Office of Contracts and Procurement (OC&P) supports all offices of the DHS, the OHA, and the Home Care Commission by procuring supplies and services in the most cost-effective manner through innovative and responsible solutions. OC&P assists agencies with their supplier diversity programs that seek to include women, minority, and emerging small businesses.

## Office of Training Investigations and Safety (OTIS)

This office is responsible for conducting and coordinating abuse investigations and providing protective services statewide in response to reports of abuse and neglect to people they serve, including:

- Adults over the age of 65
- Adults with physical disabilities
- Adults with intellectual or developmental disabilities
- Adults with mental illness, and
- Children receiving residential treatment services

## Office of Internal Audit and Consulting

This office provides independent and objective information and consulting services for DHS/OHA. The internal audit team reviews all DHS/OHA areas including central operations and programs, field offices, and institutions. The unit provides other services such as consultation on internal controls and process improvement efforts, facilitation of risk assessment activities, coordination of external audits, and tracking and follow-up on internal and external audit findings.

## Office of Payment Accuracy and Recovery

This office provides recovery services by identifying and recovering moneys paid in error to clients or providers; investigates allegations of fraudulent activities; investigates and recovers funds expended for services when a third party should have covered the service; and recovers funds from the estates of Medicaid recipients for the cost of cash and medical benefits provided.

## Publications and Creative Design Services

Publications and Design manages the writing, design, development, printing and

**Oregon Department of Human Services  
Central and Shared Services,  
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distribution of DHS and OHA publications for internal and external audiences, which includes accessible formats and multiple languages. Also provides consulting to plan professional quality publications that reflect DHS and OHA style guidelines; edit and proof materials created by staff experts and partners in their individual fields; provide graphic design, layout, original and digital illustration, forms creation, graphic artwork and Web and electronic materials.

**Statewide Assessments and Enterprise Costs (SAEC)**

This budget includes the DAS, ETS, Risk Management and other assessments, debt service, and the DHS rent, computer replacement and shared services funding budgets. The LAB for SAEC is \$284.7 million General Fund and \$523.6 million Total Funds.

<b>SAEC</b>	GF	OF	FF	TF	POS	FTE
LAB 17-19	242,085,478	41,814,705	175,370,405	459,270,588	-	-
LAB 19-21	284,657,702	39,622,034	199,357,891	523,637,627	-	-
Difference LAB - LAB	42,572,224	(2,192,671)	23,987,486	64,367,039	-	-
% Difference LAB - LAB	17.59%	-5.24%	13.68%	14.02%		

Note: There are no positions or FTE in the SAEC budget.

Major changes between 17-19 LAB and 19-21 CSL include:

- Inflation
- Roll up of 17-19 actions/Emergency Boards
- Adjustments to match Department of Administrative Services' Price List items
- General Fund Backfill of non-TANF capped federal funds grants

**Oregon Department of Human Services  
Central and Shared Services,  
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**Major Strategic funding investments and reductions in Central, Shared and SAEC**

DHS Overview of 2019-21 Legislatively Adopted Budget Major Actions (Dollars in millions) July 2019								
What	GF	OF	FF	TF	Positions	FTE	Package	
ONE IE & ME Project	16.90	43.90	139.70	200.50	33	30.78	EOS	
Central Abuse Management System operations and maintenance	1.76		1.76	3.52	3	2.64	208	
OHA MMIS Modularization project	0.28		0.28	0.56	2	2.00	202	
SB 155 (2019) The measure requires all investigations involving suspected abuse or sexual conduct by school employees to be conducted by Teacher Standards and Practices Commission (TSPC) and requires the Department of Human Services (DHS) to investigate all reports of abuse.	1.34	0.82	0.39	2.55	6	4.50	SB 155	
Reduce Business Information Services office funding	(0.50)		(0.50)	(1.00)			801	
Reduce Shared services funding	(0.50)		(0.50)	(1.00)			801	

# **Oregon Department of Human Services**

## **Self Sufficiency Programs**

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### **Overview**

Oregonians access self-sufficiency services when they are in need and have no other alternatives. From all corners of the state, we served over one million Oregonians last year through our Supplemental Nutrition Assistance Program (SNAP). Most Oregonians seeking assistance need help meeting a variety of needs such as nutritious food – over 600,000 persons this month – or basic needs such as shelter and utilities costs in addition to basic household supplies such as toothpaste, bedding, and other basic hygiene needs. Cash assistance supports families with children living in extreme poverty, and assistance with quality child care helps parents remain employed and maintain a path of financial stability. Programs also help low-income families impacted by domestic violence or refugees seeking a safe area to live. Some programs require participation in employment services or job training to help clients support themselves and their families. Families can also apply for other federal programs (SSI) if employment is not a viable option due to a severe disability.

### **Challenges**

When adequately resourced, staff delivering these programs help break the cycle of poverty and help Oregonians transition to jobs. This keeps families safe and stable, supporting the healthy development of young children. Unfortunately, with program reductions, an economic recession that triggered a dramatic increase in demand for services, and a slow economic recovery, these programs have been significantly challenged to achieve results. Additionally, SNAP caseloads remain high.

Staff at the state and local levels continue to collaborate and build upon existing agency and community partnerships to help families find the resources and services they need. There is also a need, and an opportunity, to further connect with the multiple redesigns of state systems (Workforce, Early Learning and Health) that touch or should touch families served by the DHS self-sufficiency programs. In particular, the slow economic recovery creates challenges for people throughout the state to have access to jobs that build a path to self-sufficiency.

### **Seeking Self-Sufficiency**

These programs are designed to help break the cycle of poverty, help Oregonians transition to jobs, support the healthy development of young children and help keep families stable. These changes prevent children from being abused or neglected and requiring out-of-home placement in more expensive foster care.

# Oregon Department of Human Services

## Self Sufficiency Programs

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The TANF program funds are used to maximize the dollars for benefits that are targeted at building participant progression in work related activities. These funds identify and build on skills, and leverage community collaborations, to provide solid foundations that lead to employment placement, retention and advancement.

For the 19-21 biennium we plan to continue program improvements.

The proposed Self Sufficiency Legislatively Adopted Budget is \$448.7 million General Fund and \$3.1 billion total funds, primarily driven by SNAP benefits.

SSP	GF	OF	FF	TF	POS	FTE
LAB 17-19	395,195,756	108,963,729	2,748,583,285	3,252,742,770	2,514	2,358.29
LAB 19-21	448,736,284	120,449,792	2,541,567,129	3,110,753,205	2,498	2,494.60
Difference LAB - LAB	53,540,528	11,486,063	(207,016,156)	(141,989,565)	(16)	136.31
% Difference LAB - LAB	13.55%	10.54%	-7.53%	-4.37%	-0.64%	5.78%

Major changes from 17-19 LAB to CSL are driven mainly by:

- Standard inflation
- Backfilling of one-time revenues from 2017-19
- Phase in of investments from 2017-19

### **Major Strategic funding investments and reductions in Self Sufficiency**

Note: EOS is the End of Session bill SB 5050 (2019)



# Oregon Department of Human Services

## Self Sufficiency Programs

DHS Overview of 2019-21 Legislatively Adopted Budget Major Actions (Dollars in millions) July 2019							
What	GF	OF	FF	TF	Positions	FTE	Package
Funds TANF program caseload with no changes to eligibility			13.00	13.00			90
Keep TANF eligibility and time limits at 17-19 levels			7.50	7.50			804
Grant-Funded Limited Duration Positions			1.70	1.70	7	7.00	111
Emergency housing			10.50	10.50			804
Augment Housing Stability Program			5.00	5.00			804
Education attainment for TANF and SNAP parents receiving TANF			3.50	3.50			804
JOBS fund shift to free up GF to fund OHA pilot	(1.50)		1.50	0.00			804
Transfer GF to OHA for Behavioral Health pilot (HB2032)	1.50			1.50			804
Transfer Community Partner Outreach Program and Cover All Kids programs back to OHA	(4.90)	(0.16)	(5.05)	(10.11)	(21)	(21.00)	801
One time funding for Oregon Hunger Response Fund	1.30			1.30			EOS
One time funding for the "Double Up Food Bucks" Program	1.50			1.50			EOS
Refugee Program (HB2508 (2019))	2.00			2.00			HB2508
Continued program funding with one time FF carryover and enhanced funding for bargained ERDC rate increases using "new" CCDF funding provided to Oregon		29.20		29.20			801
Moves Homeless and Runaway Youth program from Child Welfare to Self Sufficiency	2.90		0.60	3.50	1	1	95

## **Oregon Department of Human Services**

### **Self Sufficiency Programs**

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#### **Conclusion**

The budget for 2019-21 will, in the short-run, maximize results for clients and further reduce the TANF caseload by maximizing employment outcomes. Improving participation and employment outcomes will also help avoid federal government penalties, keeping our limited state dollars in Oregon.

In the long-run, these investments will improve service quality and equity, ensure that DHS clients benefit from coordination with other child and family serving systems (including health, education, and workforce systems), and allow the Department to maximize results for families.

# **Oregon Department of Human Services**

## **Child Welfare Programs**

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### **Overview**

We provide prevention, protection and regulatory programs for Oregon’s most vulnerable children – keeping them safe and improving their quality of life. Prolonged economic stress is increasingly putting Oregon children in unsafe situations. These issues disproportionately affect communities of color, contributing to their over-representation in both the child welfare and corrections systems. The demand for future state-funded services is directly related to our ability today to prevent and mitigate these traumas.

### **Engaging Families**

Our strategies depend on creating an environment that is safe for vulnerable citizens based on family, social and economic issues. We focused initiatives geared toward minimizing risk by transforming interventions to better meet the challenges families face. This will enhance our ability to engage individuals who are less able to care for themselves, their families and communities. This creates a stronger continuum of efforts to prevent abuse and neglect, and efforts to hold perpetrators accountable.

Our budget will help ensure that Oregonians are safer in the future than today by focusing on proven strategies that result in the greatest reduction in overall risk.

We aim to achieve the following outcomes:

- A clear focus on safety strategies for the most vulnerable Oregon citizens.
- A better array of evidence-based interventions with community-based supports for families before, during and after involvement with the Child Welfare system, including strategies to safely and equitably reduce the number of children who experience foster care. This includes available services and supports so children are not at risk for re-entry into foster care and families can be stabilized.
- Improved services for children and families disproportionately represented in the child welfare population, targeting culturally appropriate strategies to provide intervention and services, and using decision point analysis to address disparities.
- And finally, to increase staffing and lower caseloads on overworked caseworkers.

### **Funding Request – Strategic Initiatives**

The Legislatively Adopted Budget is \$775.5 million General Fund and \$1.35

# Oregon Department of Human Services

## Child Welfare Programs

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billion total funds for the 19-21 biennium.

CW	GF	OF	FF	TF	POS	FTE
LAB 17-19	601,121,145	33,823,561	540,082,805	1,175,027,511	2,920	2,761.73
LAB 19-21	775,531,048	38,997,487	537,988,342	1,352,516,877	3,274	3,222.90
Difference LAB - LAB	174,409,903	5,173,926	(2,094,463)	177,489,366	354	461.17
% Difference LAB - LAB	29.01%	15.30%	-0.39%	15.11%	12.12%	16.70%

Major changes from 17-19 LAB to CSL are driven mainly by:

- Inflation
- Forecasted increases in Caseload and Cost Per Case
- General Fund backfill of capped federal fund sources

### **Strategic Funding Investments**

**Children and Families:** Child Welfare services represent a continuum of supports with the ultimate goal of keeping children safe. Historically in Oregon this has equated with removal and placement into foster care. Based on research and feedback from children, youth and families who experience our system, strategic efforts are refocusing the service continuum to ensure safety while also focusing on child well-being, family stability and, when possible, avoiding removal and placement in foster care by supporting families safely parenting their children in their home. Post adoption and guardianship support helps sustain permanency for children, again preventing them from returning to foster care.

These strategies include:

1. An increased focus and culture of Safety in Child Welfare
2. Programs that are designed to strengthen, preserve and reunify families involved in the child welfare system, preventing entry into the foster care system and shortening the length of stay for children that do enter;
3. Focus on addressing disproportionality of children entering and remaining in the foster care system; and
4. Target resources for more families in extreme poverty at risk of involvement with Child Welfare Program funding. Investments are intertwined in the Child Safety, Child Welfare Design and Delivery, and Permanency Programs.

### **Major Strategic funding investments and reductions in Child Welfare**

# Oregon Department of Human Services

## Child Welfare Programs

DHS Overview of 2019-21 Legislatively Adopted Budget Major Actions (Dollars in millions) July 2019							
What	GF	OF	FF	TF	Positions	FTE	Package
Add 272 positions due to workload changes	37.00		14.70	51.70	272	271.50	CSL/90/801
Backfill \$40 million for unavailable TANF Funding in CW positions due to admin cap on the grant	40.00		(40.00)	0.00			070/107
Strengthening therapeutic foster care support children and youth in need of time-limited substitute care within their community.	3.50	0.40	4.60	8.50			802
Develop a foster family recruitment and retention team	3.00		0.75	3.75	17	17.00	131
Expand Keep program statewide	3.10		4.70	7.80			801
Funds statewide legal representation for Foster Care workers by DOJ	12.70		10.70	23.40			801
Oregon Child Abuse Hotline (ORCAH)	8.90			8.90	46	38.51	119
Leveraging Intensive Family Engagement (LIFE)	2.80		2.00	4.80	20	20.00	801
Mentoring Assisting and Promoting Success positions	2.20		0.96	3.16	16	14.08	801
Transfer Homeless and Runaway Youth program from Child Welfare to Self Sufficiency.	(2.90)		(0.60)	(3.50)	(1)	(1.00)	95
Limit SPRF and other CW services to available GF due to limited available federal funds			(21.40)	(21.40)			70
Family First Prevention Services	0.00			0.00			802
Child Welfare Reservation of \$10 mil GF from the \$75 Mil Emergency Board SPA	0.00			0.00			EOS
Adds budget to Child Care for Foster Parents and Post Adoption Services		0.58	0.37	0.95			801
CCWIS - Child Welfare System Upgrade due to federal requirements	3.80		3.70	7.50	9	9.00	803
SB 155 (2019)	1.12			1.12	7	5.25	SB(155)
Reduce SPRF GF by 50%	(7.00)			(7.00)			801
Reduce FOCUS by 25%	(6.30)	(0.13)	(0.19)	(6.62)			801
Reduce Applicable child one time funding	(2.30)			(2.30)			801

## **Oregon Department of Human Services Child Welfare Programs**

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### **Conclusion**

We want to break the cycle that causes harm to individuals and drives Oregonians into expensive state-sponsored programs. Our strategies focus on helping ensure that Oregonians are safer in the future than today by increasing resources proven to result in the greatest reduction in overall risk. Though those strategies require some upfront, taxpayer investment, we are committed to being accountable for needed service delivery and performance metrics focused on improvements in the lives of those we serve and long-term reductions in the demand for state services. We know that abuse and neglect will never totally be eliminated, but we believe that Oregon should be a place where our children are safe. We believe our budget will improve the state's ability to work with individuals and communities to achieve that goal, while reducing the demand for costly state services in the future.

# Oregon Department of Human Services

## Vocational Rehabilitation Programs

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### Overview

We help Oregonians with disabilities become employed through specialized training and learning new skills. This includes helping youth with disabilities transition to jobs as they become adults, helping employers overcome barriers to employing people with disabilities, and partnering with other state and local organizations that coordinate employment and workforce programs. A total of 383,381 work age Oregonians experiences a disability, but only 36 percent are employed. Employment helps people with disabilities become more self-sufficient, involved in their communities and live more engaged, satisfying lives. Investments through this program provide outcomes for individuals, improve their lives, help them become productive members of our society, contribute to local economies and reduce reliance on expensive state and federal programs.

The Workforce Innovation and Opportunity Act (WIOA) which passed in July of 2014 reauthorized Title I the State Vocational Rehabilitation Services program and Title VI the Supported Employment program. WIOA makes significant changes to Title I. It strengthened alignment with core components of the workforce development system, redefined employment outcome to be competitive integrated employment, and defined students with disabilities and youth with disabilities as specific populations requiring services. Title VI now requires that supported employment be in a competitive integrated setting and places a focus on youth with the most significant disabilities. The act further set aside portions of the federal funds to be dedicated to specific populations as well requiring specific services be delivered to those populations. There is a significant increase in reporting requirements and an emphasis on job retention and credential attainment.

### Current funding levels

The Legislatively Adopted Budget to operate the Vocational Rehabilitation (VR) program is \$35.6M General Fund and \$122.4 million total funds for the 19-21 biennium.

VR	GF	OF	FF	TF	POS	FTE
LAB 17-19	29,533,924	2,337,472	85,660,464	117,531,860	259	258.25
LAB 19-21	35,576,784	3,012,926	83,842,517	122,432,227	261	260.04
Difference LAB - LAB	6,042,860	675,454	(1,817,947)	4,900,367	2	1.79
% Difference LAB - LAB	20.46%	28.90%	-2.12%	4.17%	0.77%	0.69%

Major changes from LAB to CSL are driven mainly by:

- Standard inflation

# Oregon Department of Human Services

## Vocational Rehabilitation Programs

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- General Fund Backfill of one-time revenues from 2017-19
- Addition of FFY 18 Re-allotment dollars for use in 19-21

### Major Strategic funding investments and reductions in Vocational Rehabilitation

DHS Overview of 2019-21 Legislatively Adopted Budget Major Actions (Dollars in millions) July 2019							
What	GF	OF	FF	TF	Positions	FTE	Package
Pre-Employment Transition Services		0.60		0.60	3	3.00	116

### Conclusion

As the economy continues to recover, the focus has increased on workforce development, employment and opportunity for *all* Oregonians. The Vocational Rehabilitation program welcomes the opportunity to help the growing number of Oregonians with disabilities meet their employment goals. Over the last two years, employment outcomes for VR clients have increased by 12.0 percent even with increased caseload.

This proposal represents the next phase of strategic investments required to leverage employment services to enhance the lives of Oregonians and contribute to local economies. Vocational Rehabilitation is committed to achieving the outcomes identified in the Governor’s Executive Order for Employment for People with I/DD and the Lane v. Brown settlement. VR will also continue to identify new ways to enhance its work with the Oregon Workforce Investment Board, Local Workforce Investment Boards, and the Workforce Policy cabinet in the implementation of the OWIB strategic plan and local board’s efforts to better align economic and workforce development activities.



# Oregon Department of Human Services

## Aging and People with Disabilities Programs

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### Overview

The Department of Human Services Aging and People with Disabilities (APD) program mission is to assist Oregon’s diverse population of older adults and people with disabilities achieve well-being through opportunities for community living, employment, family support and services that promote independence, choice and dignity.

The state of Oregon is a leader in long term care systems and was ranked number four nationally in AARP’s latest ranking. In 1981 Oregon received the first waiver nationwide for long term care services allowing Oregonians receiving Medicaid to choose services in their own home or their communities rather than an institutional facility such as a nursing home. In 2013, Oregon transitioned most of its services into the 1915(K) State Plan Option. The K Option provides significant benefits to the State in cost savings and allows Oregonians individual choices to best serve their needs. Oregonians value receiving long term care services in a non-institutional setting with nearly 88% choosing alternatives that allow them to remain independent and safe.

<b>Long Term Care Setting (as of Mar 2018)</b>	<b># of Recipients</b>	<b>% of LTC Caseload</b>
Nursing Facility	4,393	12.7%
In Home	18,462	53.2%
Community Based Setting	11,818	34.1%
<b>Total</b>	<b>34,673</b>	<b>100%</b>

### Oregon’s population is aging

Our 65+ population is projected to grow from 502,000 to 950,000 by 2030. While we prepare for this growth, we know we must do more than create cost effectiveness in the choices of long-term care. We must also look at preventative measures Oregonians can implement now so they never need publicly-funded long-term care services.

Our budget focuses on continuing modernization and improvements to help Oregonians sustain long term care services, become more independent and safe.

# Oregon Department of Human Services

## Aging and People with Disabilities Programs

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### **Funding**

The Legislatively Adopted Budget to operate the Aging and People with Disabilities (APD) programs is \$1.21 billion general fund and \$3.95 billion total funds for the 2019-21 biennium.

<b>APD</b>	<b>GF</b>	<b>OF</b>	<b>FF</b>	<b>TF</b>	<b>POS</b>	<b>FTE</b>
LAB 17-19	1,018,971,037	265,740,017	2,255,802,269	3,540,513,323	1,488	1,407.26
LAB 19-21	1,207,013,810	250,840,663	2,488,511,056	3,946,365,529	1,570	1,516.87
Difference LAB - LAB	188,042,773	(14,899,354)	232,708,787	405,852,206	82	109.61
% Difference LAB - LAB	18.45%	-5.61%	10.32%	11.46%	5.51%	7.79%

Major changes from LAB to CSL are driven mainly by:

- Standard inflation
- Forecasted Cost per Case and Caseload changes including Area Agencies on Aging (AAA) staff funding
- Changes in Federal Fund Match Rates
- Backfill of one-time revenues with GF

# Oregon Department of Human Services

## Aging and People with Disabilities Programs

### Major Strategic funding investments and reductions in Aging and People with Disabilities

DHS Overview of 2019-21 Legislatively Adopted Budget Major Actions (Dollars in millions) July 2019							
What	GF	OF	FF	TF	Positions	FTE	Package
Roll up of 15 Surveyor Positions received in Dec 2018 rebalance	1.00		4.00	5.00	15	15.00	82
Rate increase of 10% increase on 1/1/20 and another 5% 7/1/20 for Adult Foster homes.	5.00		10.30	15.30			805
Rate increase of 5% on 7/1/19 and again on 7/1/20 for Assisted Living Facilities, Residential Care Facilities, Memory Care, Providence Elder Place, In-Home Agencies and Providence Elder Care.	17.20		35.40	52.60			805
Increase Community Based Care surveyors positions	1.40		0.90	2.30	20	10.00	805
Add state staff	3.90		2.60	6.50	64	32.00	805
Add AAA funding for staff	4.10		4.10	8.20			805
Add quality measurement council and emergency medical services positions	0.25		0.17	0.42	2	1.76	EOS
SB 669	0.13		0.13	0.25			SB 699
Eliminate Evidence Based Health Promotion	(1.30)			(1.30)			801

### Conclusion

For the 19-21 biennium, the APD budget provides services that promote safety and well-being for Oregon's older adults and people with disabilities. This is the Department's highest priority and an area that has been lacking investment in past biennia. These investments will help DHS meet the needs of Oregonians in this period of change and growth.

# **Oregon Department of Human Services**

## **Intellectual and Developmental Disabilities Program**

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### **Overview**

We provide services to cover a lifetime of support to Oregonians with intellectual/developmental disabilities. People with disabilities of all ages want the same opportunities every Oregonian wants: not just to survive, but to thrive. They want to live in their own homes and make decisions about daily activities so they can go to school, work, church, enjoy recreation and participate fully in their communities. We currently help over 26,000 children; adults and their families have the best quality of life possible throughout their lifespan. Most individuals with developmental disabilities are eligible for a Medicaid waiver or state plan which allows them to remain in their family home or community instead of an institution. Our mission is to help them be fully engaged in life and address their critical health and safety needs.

### **History and Future State**

The state of Oregon is recognized nationally as an innovative leader in developing community-based services for individuals with intellectual/developmental disabilities. Oregon is one of only three states that have no state or privately operated institutional level services specifically for people with developmental disabilities. In fact, approximately 75 percent of individuals with intellectual/developmental disabilities in Oregon are served in their own home or their family's home.

That is the result of two decades of work to aggressively “re-balance” the intellectual/developmental disabilities system – moving from an institutional model with expensive “one size fits all” approach – to a self-directed, family involved, individually focused and less expensive service approach. Today, consumers and families report a high level of satisfaction through the increased control over services, the ability to more fully integrate in home communities and the benefits of home community life.

Oregon home and community based services for people with Intellectual and Developmental Disabilities are provided under several Medicaid authorities including Community First Choice Option (CFCO), also known as K-Plan; and five 1915c waiver programs. Supports provided under K-Plan are services such as attendant services that support individuals in accomplishing Activities of Daily Living and Instrumental Activities of Daily Living (ADL/IADL), relief care, behavioral support services, transportation, environmental modifications, and

## **Oregon Department of Human Services Intellectual and Developmental Disabilities Program**

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assistive technology and devices. By moving most services to the K-Plan most of the caps on services and limits on eligibility for services to those with I/DD were removed based on federal requirements to gain 6% in increased Federal program participation.

In addition, the Lane v. Brown Settlement has added additional requirements to I/DD programs around placement of those with I/DD into integrated settings and moving away from sheltered workshops which the federal government will no longer support as of April 1, 2019.

However, to serve the increasing number of people with intellectual and developmental disabilities, maintain those high levels of satisfaction and to further advance the inclusion of people with intellectual/developmental disabilities in their communities, the system has an urgent need to continue its evolution in a fiscally sustainable manner.

To that end, the budget will further improve the customer experience and advance efficiencies to maximize resources. Specifically, we seek to achieve the following outcomes and goals:

- Assure the health and safety of individuals served.
- Increase provider rates to create a more stable and competent workforce for I/DD services
- Be responsive to emerging consumer demands for individualized, self-directed services and sufficient service choices.
- Promote maximum consumer independence and engagement in homes and communities.
- Leverage use of available federal funding options.
- Address improvements in business practices such as payment and information systems to achieve overall operational efficiencies.

### **Funding**

The Legislatively Adopted Budget to operate the Intellectual & Developmental Disability (I/DD) program for the 2019-21biennium is \$1.1 billion GF and \$3.1 billion total funds.

# Oregon Department of Human Services

## Intellectual and Developmental Disabilities Program

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I/DD	GF	OF	FF	TF	POS	FTE
LAB 17-19	880,473,687	28,113,604	1,810,396,130	2,718,983,421	914	909.70
LAB 19-21	1,054,370,325	28,647,741	2,001,975,798	3,084,993,864	917	916.30
Difference LAB - LAB	173,896,638	534,137	191,579,668	366,010,443	3	6.60
% Difference LAB - LAB	19.75%	1.90%	10.58%	13.46%	0.33%	0.73%

Major changes from LAB to CSL are driven mainly by:

- Standard inflation
- Forecasted Cost per Case and Caseload changes including CDDP and Brokerage funding
- Changes in Federal Fund Match Rates

### **Major Strategic funding investments and reductions in the Individuals with Intellectual and Developmental Disabilities Programs**

With the goal of preventing or delaying access to the highest cost services within our system, DHS plans to direct funds to improve outcomes, expand on service innovations and strategically advance initiatives in the following areas:

- Increased safety
- Employment outcomes through benefits counseling
- Service Capacity
- Improve and implement new models of service including helping individuals with I/DD transition from sheltered workshops and planning for new systems.

Included in the Legislatively Adopted Budget are the following investments and reductions:

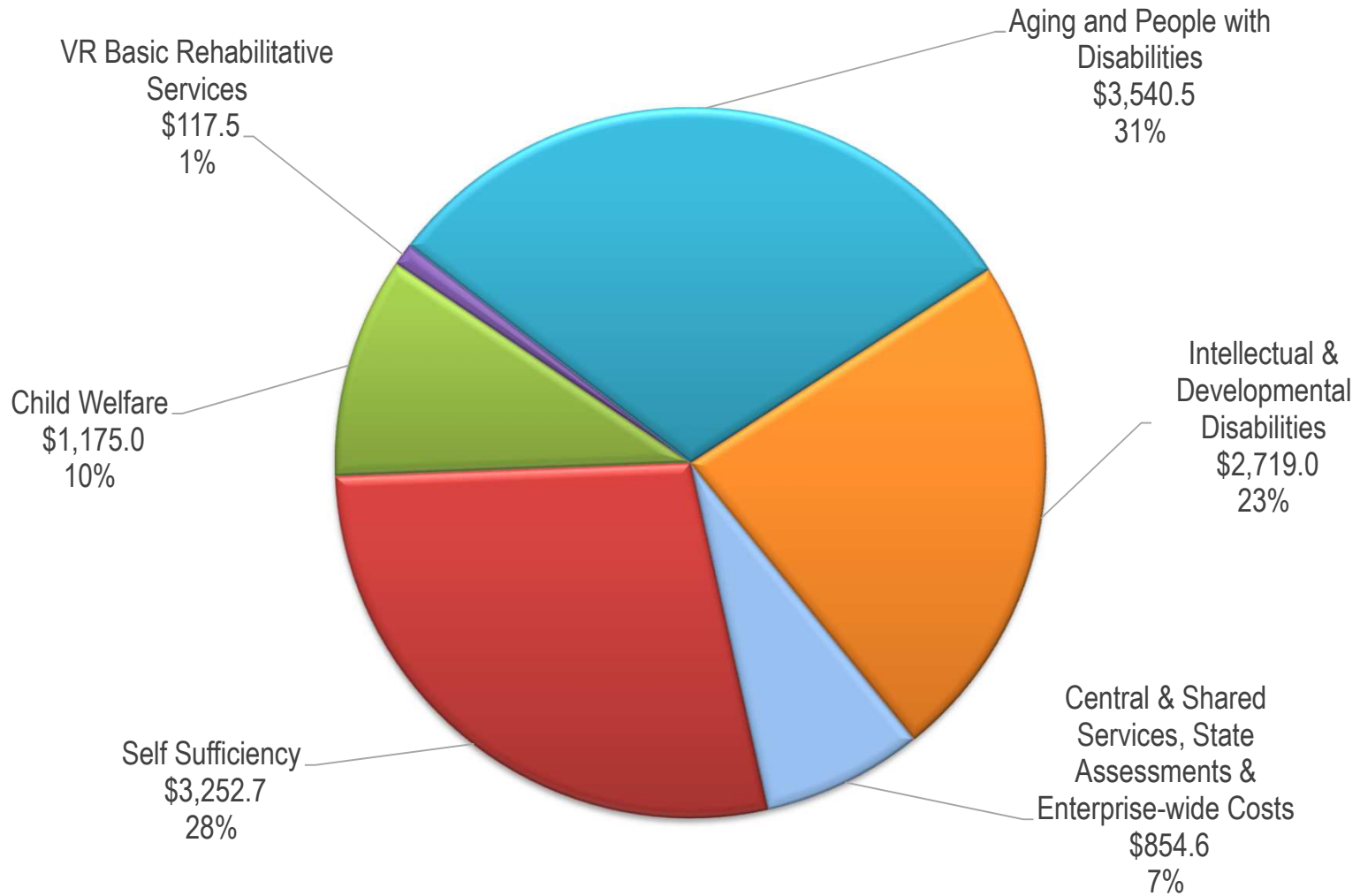
# Oregon Department of Human Services Intellectual and Developmental Disabilities Program

DHS Overview of 2019-21 Legislatively Adopted Budget Major Actions (Dollars in millions) July 2019							
What	GF	OF	FF	TF	Positions	FTE	Package
CDDP and Brokerages	13.00		10.00	23.00			801
Children's services workload	0.30		0.30	0.60	3	3.00	801
Rate increase for I/DD providers	30.00		61.80	91.80			801
Enhanced Foster Care for youth with I/DD	4.94		10.48	15.42	1	0.88	802
Fairview Trust to Oregon Community Foundation	Consistent with requirements under SB 491 (2019), the IDD program will transfer the balance of the Fairview Trust from the Department of Human Services to the Oregon Community Foundation on January 1, 2020.						
Reduce Community Housing contract by 10%	(0.32)	(0.32)		(0.64)			801
Higher Match for eXPRS system	(3.00)		3.00	0.00			801
Assumption of lower job coaching hours based on recent trends	(2.00)		(2.00)	(4.00)			801

## **Conclusion**

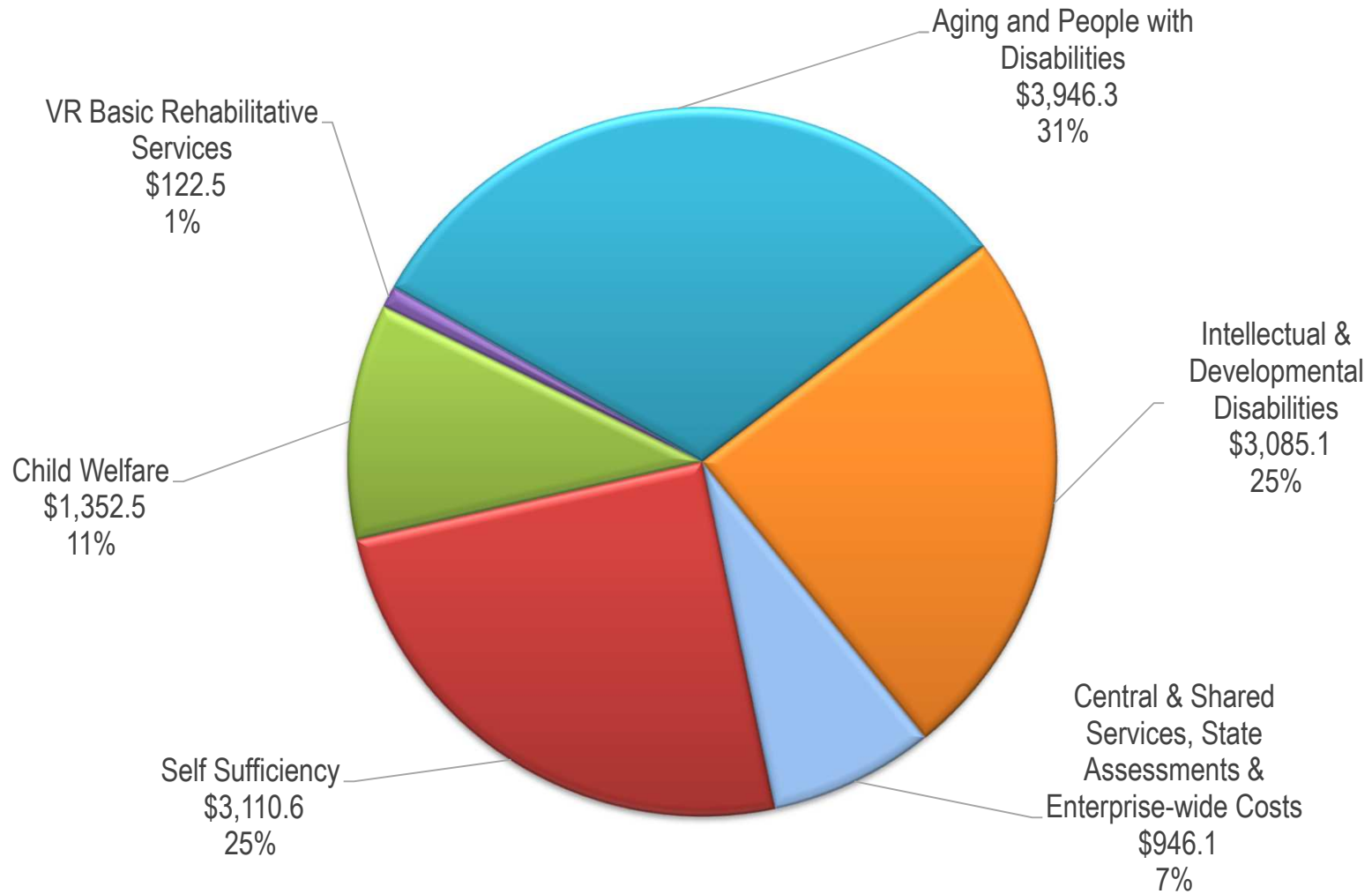
This budget represents a substantive level of strategic planning that will allow the I/DD system to improve the quality of service it offers to Oregonians with intellectual/developmental disabilities and their families. The primary focus is on sustainable, quality service programming that accounts for the short- and long-term budget realities that shape our implementation planning. Out-of-home placements for people with disabilities can range from \$24,000 to \$156,000 a year. Focusing our efforts on helping people with disabilities remain at home or in their community provides not only financial benefits, but better quality throughout their lifespan. We are confident that this plan will maximize resources and strengthen the service system, enhancing its ability to produce results for those we serve.

Department of Human Services  
2017-19 Legislatively Approved Budget  
Total Fund by Program Area  
\$ 11,659.4 million





Department of Human Services  
2019-21 Legislatively Adopted Budget  
Total Fund by Program Area  
\$ 12,563.1 million



**PROGRAM PRIORITIZATION FOR 2019-21**

Agency Name: Department of Human Services																			Agency Number: 10000		
2019-21 Biennium																					
Agency-Wide Priorities for 2019-21 Biennium																					
1	2	3	4a	4c	4d	5	6	7	8	10	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program or Activity Initials (DCR)	Sub-DCR	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
		CW	Foster Care	Foster Care Prevention	Provides services to safely support children in their own homes and support family stability.	Timeliness and permanency of child reunification	12	1,082,143	91,282	2,549,411	0	\$ 3,722,836	0	0.00	N	Y	FM	ORS 419A and 419B	All - see program unit/activity description		
		CW	Foster Care	Foster Family Shelter Care	A limited term payment provided to a certified family when a child or young adult in the legal or physical custody of the Department moves to a certified family's home from a placement with a BRS provider and there is no current level of care determination - paid for the first 20 days to allow time for the CANS to be administered.	Timeliness and permanency of child reunification	12	3,898,723	390,613	2,578,627	0	\$ 6,867,963	0	0.00	N	Y	FM	ORS 418.015	All - see program unit/activity description		
		CW	Foster Care	Regular Foster Care	Temporary out-of-home care provided by a relative caregiver or general applicant foster parent who has been authorized to provide care to a child or young adult in the legal or physical custody of the Department.	Timely adoption, Absence of repeat maltreatment, Timeliness and permanency of child reunification	12	81,952,741	10,330,333	61,940,107	0	\$ 154,223,181	0	0.00	N	N	FM	ORS 418.015	All - see program unit/activity description		
		CW	Foster Care	Enhanced Supervision	Additional support, direction, observation and guidance necessary to promote and ensure the safety and well-being of a child or young adult when they qualify for a level of care payment.	Timely adoption, Absence of repeat maltreatment, Timeliness and permanency of child reunification	12	1,011,069	0	0	0	\$ 1,011,069	0	0.00	N	Y	FM	ORS 418.015	All - see program unit/activity description		
		CW	Community Based Domestic Violence Services		DHS makes grants available to domestic violence and sexual assault service providers throughout Oregon. These providers offer crisis lines, crisis response, emergency shelter and other related services to survivors of sexual assault, survivors of domestic violence, and their children, in a culturally and linguistically appropriate manner.	Absence of repeat maltreatment	12	467,078	3,370,819	3,045,067	0	\$ 6,882,964	0	0.00	N	Y	FM	ORS 409.290 to 409.300			
		CW	Residential Care	Residential Treatment	Behavioral Rehabilitation Services (BRS) and therapeutic foster care for children with high needs.	Timely adoption, Absence of repeat maltreatment, Timeliness and permanency of child reunification	12	57,205,554	6,556,898	61,908,816	0	\$ 125,671,268	0	0.00	N	Y	FM	ORS 418.015	All - see program unit/activity description		
		CW	Residential Care	FOCUS	Child specific contracts for out-of-state placements and additional supports to assure children's needs are being met while they are in care.	Timely adoption, Absence of repeat maltreatment, Timeliness and permanency of child reunification	12	27,810,684	1,294,411	1,834,829	0	\$ 30,939,924	0	0.00	N	Y	FM	ORS 418.015	All - see program unit/activity description		
		CW	Foster Care	Personal Care	Specific services provided to a child with a chronic medical condition, with medical needs requiring specialized care, or with a physically handicapping condition requiring care and assistance in most domains of daily functioning.	Teen suicide, Absence of repeat maltreatment	12	3,195,387	262,369	3,933,243	0	\$ 7,390,999	0	0.00	N	Y	FM	ORS 418.015	All - see program unit/activity description		
		SSP	TA Domestic Violence Survivors		The TA-DVS program provides temporary financial assistance and support to families affected by domestic violence during crisis or emergent situations when other resources are not available. TA-DVS is used to help the domestic violence survivor and the children address their safety concerns and stabilize their living situation, reducing the likelihood of the survivor returning to the abuser. The TA-DVS Benefits are 100% federally funded by the TANF Program.	TANF re-entry, TANF family stability, Absence of repeat maltreatment	12	1,352	0	7,829,425	0	\$ 7,830,777	0	0.00	N	N	FO	45 CFR 260.31 (b) & ORS 411.117 (1) (e)			
		SSP	TA-DVS Advocates		DHS contracts with local Domestic Violence Sexual Assault agencies to provide co-located Certified Domestic Violence (DV) Advocates in Self-Sufficiency and Child Welfare offices. The goal of the Co-located DV Advocates Program is to improve outcomes and stability for families experiencing domestic violence through services including but not limited to: safety planning, risk and fatality assessment, shelter services, support in referrals to other community resources such as housing, mental health services, counseling, peer support groups, etc.		12	4,113,109	0	0	0	\$ 4,113,109	0	0.00	N	N	S	ORS 411.117 (1) (c)			
		CW	Community Based Sexual Assault Victims Fund		DHS makes grants available to domestic violence and sexual assault service providers throughout Oregon. These providers offer crisis lines, crisis response, emergency shelter and other related services to survivors of sexual assault, survivors of domestic violence, and their children, in a culturally and linguistically appropriate manner.		12	82,282	533,332	0	0	\$ 615,614	0	0.00	N	Y		ORS 409.273 to 409.285			
		CW	Other Tribal Programs		General Fund portion of foster care maintenance payments and payment for BRS placements for children in Tribal custody.		12	1,204,053	32,824	5,099,089	0	\$ 6,335,966	0	0.00	N	N		ORS 418.015			

**PROGRAM PRIORITIZATION FOR 2019-21**

Agency Name: Department of Human Services																			Agency Number: 10000		
2019-21 Biennium																					
Agency-Wide Priorities for 2019-21 Biennium																					
1	2	3	4a	4c	4d	5	6	7	8	10	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program or Activity Initials (DCR)	Sub-DCR	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/Div																				
		APD	APD Program	Oregon Supplemental Income Program (OSIP)	OSIP offers cash and medical assistance to eligible clients who qualify by meeting means tested income and resource requirements. Other prerequisites such as residency and citizen/alien status must also be considered prior to granting benefits. In general the Oregon Supplemental Income Program Medical (OSIPM) is provided to two groups of individuals. First are those eligible for Supplemental Security Income (SSI), as provided for under Section XVI of the Social Security Act. This group is assumed eligible for Medicaid due to age or disability, as long as they also meet specific Medicaid requirements such as residency, pursuing health care coverage and cash medical support, the resource limit for a couple determined through a resource assessment, etc. These individuals receive the basic SSI standard from the Social Security Administration and OSIPM (OHP plus benefit package) from the Department. Second are eligible for medical coverage as an OSIPM client either when the individual receives home or community based services or when they reside in a nursing facility or state institution. The income standard for this group is based on 300% of the SSI standard for an individual. Those with income above the standard can be eligible by means of an income cap trust. Both OSIPM groups can receive cash payments called "special needs" if the client meets the requirements of the rules. The client may receive a one-time special need payment for a home repair or a monthly, ongoing special need payment for a laundry allowance, for example. This program is the basis under which Medicaid is granted under the Old Age Assistance, Aid to the Disabled and Aid to the Blind Programs whereby the client receives medical assistance through a managed care provider. Depending on the client's living arrangement, case management responsibilities are provided either by the Department, AAA or county mental health or developmental disabilities programs. Eligible OSIP and OSIPM clients can be qualified for other programs while receiving cash or medical benefits. These programs include the Qualified Medicare Beneficiary Program (QMB) or the the Specified Low-Income Medicare Beneficiary Program (SMB).		12		12,992,220	0	0	0	\$ 12,992,220	0	0.00	N	N	FO	ORS 410.070	All - see program unit/activity description	
		APD	APD Program	In-home Program	In-home services are the cornerstone of Oregon's community-based care system. For older adults or people with physical disabilities, the ability to live in their own homes is compromised by the need for support in regular activities of daily living. For more than 25 years, Oregon has created options to meet people's needs in their own homes. All options are funded with support of the Medicaid program through home- and community-based waivers or state plan options. Oregon has been able to create cost-effective programs that meet people's needs in their homes and other community settings using these options and spared Oregonians from the unnecessary use of much higher cost services, primarily offered in nursing facilities. Services to older adults and people with physical disabilities are designed to support assistance with fundamental activities of daily living (ADLs), such as mobility, cognition, eating, personal hygiene, dressing, toileting and bathing. To receive in-home services, an individual must be financially eligible for Medicaid. A case manager works with the client and together they identify needs and develop a plan for the in-home services. These include a variety of 24-hour care settings and services to provide an alternative to nursing facilities. Services include assistance with activities of daily living, medication oversight and social activities. Services can include nursing and behavioral supports to meet complex needs. State and federal guidelines related to health and safety of these facilities have to be met.		12		334,113,299	4,197,619	712,695,791	0	\$ 1,051,006,709	0	0.00	Y	N	FO	ORS 410.070	All - see program unit/activity description	POP 140 - APD Consumer Community Integration Package
		APD	APD Program	Community-Based Care Facilities	Institutional services for older adults and people with physical disabilities are provided in nursing facilities licensed and regulated by DHS. Nursing facilities provide individuals with skilled nursing services, housing, related services and ongoing assistance with activities of daily living. Oregon has led the nation since 1981 in the development of lower cost alternatives to institutional (nursing facility) care. Home- and community-based alternatives to nursing facility services emphasize independence, dignity and choice and offer needed services and supports at lower costs than medical models.		12		340,563,556	15,559,662	701,871,290	0	\$ 1,057,994,508	0	0.00	Y	Y	FO	ORS 410.070	All - see program unit/activity description	POP 121 - Community Based Care Medicaid Access Package, POP 140 Consumer Community Integration Package
		APD	APD Program	Nursing Facilities	Institutional services for older adults and people with physical disabilities are provided in nursing facilities licensed and regulated by DHS. Nursing facilities provide individuals with skilled nursing services, housing, related services and ongoing assistance with activities of daily living. Oregon has led the nation since 1981 in the development of lower cost alternatives to institutional (nursing facility) care. Home- and community-based alternatives to nursing facility services emphasize independence, dignity and choice and offer needed services and supports at lower costs than medical models.		12		220,164,090	198,115,292	706,734,135	0	\$ 1,125,013,517	0	0.00	N	Y	FM	ORS 410.070	All - see program unit/activity description	

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Agency Name: Department of Human Services																			Agency Number: 1000			
2019-21 Biennium																						
Agency-Wide Priorities for 2019-21 Biennium																						
1	2	3	4a	4c	4d	5	6	7	8	10	12	13	14	15	16	17	18	19	20	21	22	
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Agcy	Prgm/Div																					
			I/DD	I/DD Program	K Plan Services (Includes community living supports (CLS))	K-Plan or Community First Choice Option (CFCO) provides a broad range of home and community-based services and supports for people with disabilities, including those with I/DD. Most used service under the K-Plan is Attendant Care which provides support for people to perform activities of daily living and instrumental activities of daily living (ADL/IADL), which may include skills training in those areas. With CFCO, this is the primary service available to people with I/DD. Attendant care services and are generally categorized based on the setting in which the person lives.  Services that now fall under attendant care include: • In-home supports for children and adults • Children's intensive in-home services • 24-hour services. • Group home for children and adults • Adult and child foster care • Supported living (adults only) • Day supports • Stabilization and Crisis Unit (SACU) Other services provided under the K-plan include environmental safety modifications, assistive technology, behavioral consultation, transportation.	12	792,224,860	7,917,124	1,627,304,385	0	\$ 2,427,446,369	0	0.00	Y	Y	FO	42 CFR 441 subp	All - see program unit/activity description	POP 126 - Workforce & Expansion Development POP 129- Expanded Supports for Kids with Significant Needs POP 133- Intensive Employment Supports (Day Supports)		
			I/DD	I/DD Program	Waiver Services - Employment First (no CSL)	These services have been strengthened and improved as part of the important Employment First initiative. I/DD has restructured employment services to encourage integrated, competitively paid employment for people with I/DD. Employment services are no longer bundled with attendant care services, they have been broken out into discrete services to support people as they learn about, find and maintain employment. Employment services are not offered through the CFCO, they remain available through the Medicaid waiver. Employment services include: Employment path; job discovery; Job development; Job coaching and Small-group supported employment.	12	41,365,121	0	66,009,746	0	\$ 107,374,867	0	0.00	Y	Y	FO	EO 15-01 <a href="https://www.oregon.gov/DHS/EMPLOYMENT/EMPLOYMENT-FIRST/Document%20Order%2015-01.pdf">https://www.oregon.gov/DHS/EMPLOYMENT/EMPLOYMENT-FIRST/Document%20Order%2015-01.pdf</a>	All - see program unit/activity description	POP 133- Intensive Employment Supports		
			I/DD	I/DD Program	Waiver Services - No Employment	1915c Waivers include Adult HCBS Waiver, Children's HCBS Waiver and three model Waivers for children under 18 with complex needs: Medically Involved Children's Model Waiver, Medically Fragile Model Waiver, and Behavioral Model Waiver. These waivers primary service is case management that is furnished to assist individuals in gaining access to needed medical, social, educational and other services. Waiver Case Management includes the following assistance: assessment and periodic reassessment of individual needs, development (and periodic revision) of a specific care plan, referral and related activities, and monitoring and follow-up activities. Other 1915c Waiver services include environmental safety modifications, vehicle modifications, family training, specialized medical supplies, and direct nursing services (for adults only).	12	16,846,906	8,535,364	23,189,110	0	\$ 48,571,380	0	0.00	Y	Y	FO	42 CFR 441 Subpart G <a href="https://www.ecfr.gov/cgi-bin/text-idx?SID=e1d5a7b4341f1514069eca301e17436&amp;mc=true&amp;node=p42.4.441&amp;rgn=dv5">https://www.ecfr.gov/cgi-bin/text-idx?SID=e1d5a7b4341f1514069eca301e17436&amp;mc=true&amp;node=p42.4.441&amp;rgn=dv5</a>	All - see program unit/activity description	POP 102 - 100% Workload Model POP 118 - I/DD Data Management System POP 126 -Workforce Expansion & Development POP 129 - Expanded Supports for Kids with Significant Needs (CIS) POP 138 - Improve Health & Safety for People with I/DD		
			I/DD	I/DD Program	Stabilization and Crisis Unit (k plan group homes)	SACU is a 24-hour service provided under the CFCO. SACU provides a safety net for Oregon's most vulnerable, intensive, medically and behaviorally challenged people with I/DD. SACU provides services when no other community-based option is available for a person. This includes persons with I/DD coming out of the Oregon State Hospital, corrections systems, and from crisis situations where counties and private providers cannot meet the needs of the person to ensure their health and safety. SACU focuses on supporting people in community-based settings and enabling them to return to less intensive service levels as quickly as possible. SACU provides 24-hour residential and day supports to people with I/DD from across the state who have significant medical or behavioral needs. The services are provided in licensed five-bed group homes.	12	47,946,109	1,467,118	89,276,901	0	\$ 138,690,128	0	0.00	N	Y	FO	42 CFR 441 subp	All - see program unit/activity description	N/A		
			CW	Foster Care	Independent Living Services	Helps youth who are, or were, in foster care to become self-sufficient adults. Gives an opportunity for youth to learn valuable skills necessary to make a successful transition from state or tribal care to living independently.	12	2,162,049	131,642	5,938,290	0	\$ 8,231,981	0	0.00	Y	Y	FM	ORS 419A and 419B	All - see program unit/activity description	POP 142 to increase services to current and former foster youth		
			CW	Foster Care	Nursing Assessments	Every child receives an intake nursing assessment by a DHS contracted nurse shortly after entering foster care. This assessment assures the child has all prescribed medication and assistive devices and is second set of eyes assuring safety. The contracted nurse also works with the foster/relative care provider to assure they have a clear understanding of the child's needs and can expedite referral to a physical, dental or mental health assessment when necessary.	12	559,233	6,879	942,130	0	\$ 1,508,242	0	0.00	Y	Y	FM	ORS 419A and 419B	All - see program unit/activity description	POP 137 to provide nursing assessments for young children with an in home case and for children going home on a trial reunification.		
			CW	Foster Care	Other Medical	Other Medical is used to pay for services to help guide good case planning when the services are not covered by Medicaid or private health insurance, such as: Parent/Child Interaction, Sibling Interaction, Urinalysis Drug Testing, Psychosexual Evaluations, etc.	12	5,256,683	24,706		0	\$ 5,281,389	0	0.00	N	Y	FM	ORS 419A and 419B	All - see program unit/activity description			
			CW	Foster Care	Client Transportation	Client Transportation is used to fund transportation related to visitation, medical appointments, court hearings, etc.	12	4,952,083	975,427	2,156,795	0	\$ 8,084,305	0	0.00	Y	Y	FM	ORS 419A and 419B	All - see program unit/activity description	POP 144 PLACEHOLDER for Family First Legislation, which will impact all services and their funding sources across child welfare.		
			CW	Foster Care	IV-E Waiver Care	Title IV-E Waiver project is Leveraging Intensive Family Engagement (LIFE). LIFE services include intensive family finding efforts to create and strengthen relationships with kith and kin, structured case planning meetings that are strengths based; trauma informed; culturally responsive, and family driven, and referrals to parent mentors who can facilitate the family's navigation through the system to help shorten the lengths of stay for children predicted to stay in the system for more than 3 years.	12	2,515,866	37,291		0	\$ 2,553,157	0	0.00	Y	N	FO	ORS 419A and 419B	All - see program unit/activity description	POP 143 to restore lost FF due to the ending of the IV-E Waiver Program to support the LIFE Program in its current state. POP 145 Expand the LIFE Program statewide.		

**PROGRAM PRIORITIZATION FOR 2019-21**

Agency Name: Department of Human Services																			Agency Number: 10000		
2019-21 Biennium																					
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1	2	3	4a	4c	4d	5	6	7	8	10	12	13	14	15	16	17	18	19	20	21	22
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Agcy	Prgm/ Div																				
		CW	Foster Care	Contracted Foster Care Svc	Contracted services to support the recruitment and retention of good foster families.	Timely adoption, Absence of repeat maltreatment, Timeliness and permanency of child reunification	12	1,677,722	24,836	475,884	0	\$ 2,178,442	0	0.00	Y	Y	FO	ORS 419A and 419B	All - see program unit/activity description	POP 139 to provide continuing education for caregivers.	
		CW	Foster Care	Interstate Compacts	The Interstate Compact for the Placement of Children (ICPC) Program processes requests for placement across state lines in the context of dependency cases and in private placements, ensuring that legal and administrative requirements are met so that children are placed in safe and appropriate permanent homes. In addition, field-based specialized ICPC workers complete home studies for Oregon families across the state who are seeking placement of their relative children from another state's foster care program.	Timely adoption, Absence of repeat maltreatment, Timeliness and permanency of child reunification	12	506,168	17,117	320,241	0	\$ 843,526	0	0.00	N	N	FO	ORS 419A and 419B	All - see program unit/activity description		
		CW	In-Home Safety and Reunification Services		This program provides culturally appropriate intensive, short term services to families with children who can remain safely in their homes, and to children and families who are safely reunited. ISRS provides a combination of safety and strengths-based services that lead to lasting safety changes within the family. These services are time limited and are complemented by SPRF services for families in need of longer term or more intensive services.		12	1,439,676	204,338	18,252,805	0	\$ 19,896,819	0	0.00	N	Y	FO	ORS 419A and 419B	All - see program unit/activity description		
		CW	Recovering Families Mutual Homes		Services in Washington, Clackamas and Lane counties that allow parents who have just completed residential treatment for their addiction to stabilize in their communities in settings that are alcohol and drug free and staff supported. Decreases foster care costs as children stay with their parents.	Timely adoption, Absence of repeat maltreatment, Timeliness and permanency of child reunification	12	313,756	159	219,409	0	\$ 533,324	0	0.00	N	Y	FO	ORS 419A and 419B	All - see program unit/activity description		
		CW	Family Support Teams		Family Support Teams are a combination of contracted staff with expertise in addiction treatment and intervention and Child Welfare caseworkers responding to parents with substance use disorders. Service providers include addictions counselors and peer level supports known as 'outreach workers' housed in Child Welfare branches for immediate access by caseworkers and families.	Absence of repeat maltreatment	12	1,797,998	300,510	4,700,894	0	\$ 6,799,402	0	0.00	N	Y	FO	ORS 419A and 419B	All - see program unit/activity description		
		CW	System of Care		System of Care funds support Oregon's most vulnerable children by providing local child welfare offices with the flexibility to purchase specific services to meet a family's specific needs to assure the safety, permanency and well-being of their child(ren). Services are identified and planned for through family engagement and involvement in case planning. Whenever possible, shared funding of custom-designed services is achieved through collaboration with community partners.	Absence of repeat maltreatment	12	3,576,243	345,243	8,843,243	0	\$ 12,764,729	0	0.00	N	Y	FO	ORS 418.015	All - see program unit/activity description		
		CW	Strengthen, Presvrg & Reunfg Families (SPRF)		The Strengthening Preserving and Reunifying Families law (ORS 418.575-418.598) allows funding for an array of services for families through collaboration between DHS and local community partners. The Department has developed outcome-based contracts for services to specifically address the needs of children and families who come to the attention of child welfare through a screened in report of abuse or neglect. These outcome based contracts are foundational for an overall ability to report on results associated with SPRF services and funding.		12	7,520,745	0	0	0	\$ 7,520,745	0	0.00	Y	Y	FO	ORS 418.575 thro	All - see program unit/activity description	POP 143 to restore lost FF due to the ending of the IV-E Waiver Program.	
		CW	Guardianship Assistance		Guardianship Assistance is intended to help prevent a child from remaining in foster care when reunification with parents and adoption are not appropriate permanency options. Guardianship assistance supports relatives assuming legal guardianship by providing financial and medical assistance until the child/young adult is 18 years of age, to guardians who are not able to meet their child's needs without assistance.	Timely adoption, Absence of repeat maltreatment, Timeliness and permanency of child reunification	12	14,313,945	328,115	18,628,289	0	\$ 33,270,349	0	0.00	N	N	FO	Social Security Act, Section 473; ORS 418.330; ICWA	All - see program unit/activity description		
		CW	Adoption Assistance Post Adoption-Services		Adoption Assistance is intended to help prevent a child from remaining in foster care when they cannot be safely returned to parent(s), and provides financial and medical assistance until the child/young adult is 18 years of age, to adoptive parents who are not able to meet the child/young adult's needs without assistance.	Timely adoption, Timeliness and permanency of child reunification	12	70,680,093	199,903	67,394,497	0	\$ 138,274,493	0	0.00	N	N	FM	Public Law 96-272; Public Law 105-89; Social Security Act, Section 473; ICWA	All - see program unit/activity description		
		CW			Post Adoption Services support adoptive parents and guardians through training, specialized support, mentoring, etc.	Timely adoption, Timeliness and permanency of child reunification	12	320,014	3,247,267	906,294	0	\$ 4,473,575	0	0.00	N	Y	FO	ORS 419A and 419B	All - see program unit/activity description		
		SSP	Supplemental Nutrition Asst. Program	EBT SNAP	SNAP offers food assistance to low-income individuals and families to help meet their nutritional needs. Benefits to participants are 100 percent federally funded; however, the administration of the program requires a 50 percent state match. Approximately one in five Oregonians receive food assistance through SNAP. SNAP is an important and constantly growing anti-poverty program. Recent research has shown that SNAP benefits reduce the depth and severity of poverty, and have a particularly strong effect on reducing child poverty. SNAP benefits add about \$1.1 billion dollars per year to the Oregon Economy including rural Oregon. Self-Sufficiency offices across the state serve the majority of the SNAP population. Elderly persons (60 and older) plus persons with disabilities who require services are assisted by Aging and People with Disabilities (APD) Program offices and their contracted: Area Agencies on Aging, Disability Services Offices and Councils of Government.	Food stamp utilization, Food stamp accuracy	12	0	0	0	1,847,011,827	\$ 1,847,011,827	0	0.00	N	N	FM	SNAP is guided by federal legislation found in the "Farm Bill" authorized by the Agricultural Act of 2014 (P.L. 113-79, Feb. 7, 2014). Program policy is reauthorized every five years through the Farm Bill.	All - see program unit/activity description		

**PROGRAM PRIORITIZATION FOR 2019-21**

Agency Name: Department of Human Services																			Agency Number: 10000		
2019-21 Biennium																					
Agency-Wide Priorities for 2019-21 Biennium																					
1	2	3	4a	4c	4d	5	6	7	8	10	12	13	14	15	16	17	18	19	20	21	22
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		SSP	Supplemental Nutrition Asst. Program	SNAP Cashout	SNAP offers food assistance to low-income individuals and families to help meet their nutritional needs. Benefits to participants are 100 percent federally funded; however, the administration of the program requires a 50 percent state match. Approximately one in five Oregonians receive food assistance through SNAP. SNAP is an important and constantly growing anti-poverty program. Recent research has shown that SNAP benefits reduce the depth and severity of poverty, and have a particularly strong effect on reducing child poverty. SNAP benefits add about \$1.1 billion dollars per year to the Oregon Economy including rural Oregon. Self-Sufficiency offices across the state serve the majority of the SNAP population. Elderly persons (60 and older) plus persons with disabilities who require services are assisted by Aging and People with Disabilities (APD) Program offices and their contracted Area Agencies on Aging, Disability Services Offices and Councils of Government.	Food stamp utilization, Food stamp accuracy	12	0	0	0	92,333,504	\$ 92,333,504	0	0.00	N	N	FM	SNAP is guided by federal legislation found in the "Farm Bill" authorized by the Agricultural Act of 2014 (P.L. 113-79, Feb. 7, 2014). Program policy is reauthorized every five years through the Farm Bill.	All - see program unit/activity description		
		APD	Disability Determination Services Program		People with disabilities may be able to qualify for one of two federal disability programs: Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI). These programs are governed by the federal Social Security Administration (SSA). Oregon performs this work on behalf of the Social Security Administration under contract. DDS employs over 200 employees and has a budget of over \$60M.			0	0	19,813,867	0	\$ 19,813,867	0	0.00	N	N	FM	N/A			
		SSP	Supplemental Nutrition Asst. Program	SNAP Employment and Training	Oregon is federally required to offer a limited companion employment and training program. SNAP participants may be enrolled in one of the following programs: Oregon Food Stamp Employment Transition (OFSET) program and the Able-Bodied Adults Without Dependents (ABAWD) program. More comprehensive services are provided through the 50/50 employment and training program, referred to in Oregon as SNAP Training and Employment Program (STEP).	Food stamp utilization, Food stamp accuracy	12	755,556	0	11,241,573	0	\$ 11,997,129	0	0.00	N	N	FM	This program is mandated by federal legislation found in the Food and Nutrition Act of 2008, authorized by the 2008 Farm Bill.	All - see program unit/activity description		
		SSP	Supplemental Nutrition Asst. Program	SNAP Ed	SNAP Ed provides direct education services to SNAP participants in every county in Oregon. Through its Hub model, Oregon reached 371,220 participants (combination of direct education, social marketing and PSE interventions). SNAP-Ed's social marketing initiative "Food Hero" has an evidence-based website, recipes and PSE interventions that support low-income audiences in making healthy choices on a limited budget. SNAP-Ed is 100% Federal Funds.			0	0	7,923,257	0	\$ 7,923,257	0	0.00	N	N	FM	This program is mandated by federal legislation found in the Food and Nutrition Act of 2008, authorized by the 2008 Farm Bill.	All - see program unit/activity description		
		SSP	Supplemental Nutrition Asst. Program	SNAP Outreach 50%	SNAP Outreach to potentially eligible household who are not currently accessing SNAP benefits is part of Oregon's plan. priorities include messaging the need to complete and return necessary paperwork and retention of their Oregon Trail Cards (Oregon's EBT card). The education component of the plan also includes stretching food budgets, utilizing locally available resources and assist by educating people about reporting changes. Currently there are 15 Outreach contracted partners that work closely with local DHS offices. This State Plan has a 50% Federal reimbursement for contractors.			0	0	739,712	0	\$ 739,712	0	0.00	N	N	FM	This program is mandated by federal legislation found in the Food and Nutrition Act of 2008, authorized by the 2008 Farm Bill.	All - see program unit/activity description		
		SSP	Food Assistance	TEFAP, CSFP, OHRF, OHTF	The Emergency Food Assistance Program (TEFAP) is a federally funded program that helps supplement the diets of low-income Americans, including elderly people, by providing them with emergency food assistance at no cost. The Oregon Food Bank is primary grantee in Oregon and works with the Oregon Food Bank network to deliver services across Oregon. The Commodity Supplemental Food Program (CSFP) provides nutritious commodities to help meet the nutritional needs of low-income elderly persons (aged 60 or older) in Oregon. Through local agencies, each participant receives a monthly package of commodities. There are currently 7 Regional Food Banks who contract with roughly 100 pantries that distribute the food boxes. The Oregon Hunger Response Fund is an allocation from the Legislature to the Oregon Food Bank to help build infrastructure and transport food to food pantries and other important efforts to support the Food Bank and Food Bank Networks. Oregon Housing and Community Services, with legislative approval, transferred the Oregon Hunger Response Fund (OHRF) to the Department of Human Services effective 10/1/2015. Oregon Hunger Task Force (OHTF) is a 28-seat task force that is directed to "serve as an advocate for hungry persons," studying the problem of hunger, making recommendations, and helping local communities implement changes. Working with partners throughout Oregon, the task force has since worked to promote community awareness, compile research, develop proposals for government action, and conduct outreach to expand participation in nutrition programs.	Food stamp utilization, Food stamp accuracy	12	7,063,931	0	2,381,769	0	\$ 9,445,700	0	0.00	N	N	FM	7 CFR Part 247 and 250; Emergency Food Assistance Act of 1983; FNS Instructions 716-3, 410-1, and 113-1; Oregon Revised Statutes 458.530; Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.)	All - see program unit/activity description		



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Agcy	Prgm/Div																				
		SSP	Family Support and Connections		Provides supports to prevent children in the TANF program from entering the child welfare system. Home visiting and community-based services are some of the interventions used to build on family strengths and address family functioning issues.	TANF re-entry, TANF family stability	12	286,196	0	4,222,871	0	\$ 4,509,067	0	0.00	N	N	FO	Title II of the Child Abuse Prevention and Treatment Act (CAPTA), as amended by P.L. 111-320, authorizes grant funds to be released to the states and names the program Community-Based Grants for the Prevention of Child Abuse and Neglect (CBCAP).	All - see program unit/activity description		
		SSP	Cash Assistance	TANF Basic	TANF is a collection of programs directed at improving the lives of very low-income Oregon families with children. It is a critical safety net program for families with children living in extreme poverty and helps families from a variety of diverse backgrounds to address their most basic needs. TANF provides eligible families with cash assistance, connections to support and community resources, case management, and employment and training services. Families typically use TANF funds to prevent homelessness and to help with other factors contributing to family instability. The goal of the program is to help families address barriers, gain skills and access employment opportunities to become self-sufficient.	TANF re-entry, TANF family stability	12	20,889,450	358,400	151,502,489	0	\$ 172,750,339	0	0.00	Y	Y	FO	The TANF program is authorized under Title IV-A of the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Act, as amended by the Work Opportunity Reconciliation Act of 1999 (PRWORA), and the Deficit Reduction Act of 2005. State Statute chapters are 411 and 412.	All - see program unit/activity description	Pkg 70 TANF revenue shortfall	
		SSP	Cash Assistance	TANF UN	TANF is a collection of programs directed at improving the lives of very low-income Oregon families with children. It is a critical safety net program for families with children living in extreme poverty and helps families from a variety of diverse backgrounds to address their most basic needs. TANF provides eligible families with cash assistance, connections to support and community resources, case management, and employment and training services. Families typically use TANF funds to prevent homelessness and to help with other factors contributing to family instability. The goal of the program is to help families address barriers, gain skills and access employment opportunities to become self-sufficient.	TANF re-entry, TANF family stability	12	43,629,925	640	0	0	\$ 43,630,565	0	0.00	N	Y	FO	State Statutes Chapters 411 and 412.	All - see program unit/activity description		
		SSP	Cash Assistance	State Family Pre SSI/SSDI	The State Family Pre-SSI/SSDI (SFPSS) Program is designed to assist TANF-eligible individuals with disabilities obtain Social Security disability benefits through the Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) programs. The program serves individuals who are not required to participate in the JOBS program. The program provides families with a cash grant, professional assistance with Social Security Administration (SSA) applications and appeals as well as case management services. Once a client is awarded SSI benefits, the department recovers a portion of the payments it made to the family during the application process from the client's initial SSI lump-sum payment.	TANF re-entry, TANF family stability	12	3,172,908	1,688,072	0	0	\$ 4,860,980	0	0.00	N	Y	FO	State Statutes Chapters 411 and 412.	All - see program unit/activity description		
		SSP	JOBS Contracts/Support Services Activities	TANF Programs	Most adults must meet additional requirements to receive TANF services. The JOBS program provides employment, education, skill-building and family stability services to individuals of families receiving TANF assistance. Individuals participate in JOBS to gain skills necessary to join the workforce and retain employment.	TANF re-entry, TANF family stability	12	45,889,660	451,439	57,423,404	0	\$ 103,764,503	0	0.00	Y	N	FO	State Statutes Chapters 411 and 412.	All - see program unit/activity description	POP 122 - Emergency Housing Assistance; POP 127 - ED Attainment Support for TANF & SNAP Parents	
		I/DD	I/DD Program	Other Services (Includes Housing)	The I/DD Community Housing Program assists persons with developmental disabilities to live successfully in community housing that is affordable and safe and contributes to their independence and quality of life. I/DD Community Housing supports services to persons with developmental disabilities by overseeing the property management of homes developed for the former Fairview State Training Center residents, develops and manages funds eligible for home modification for IDD individuals, coordinating the operation of the Fairview Community Housing Trust that was established with revenue from the sale of Fairview and providing technical assistance to individuals, families, brokerages, and counties regarding housing issues faced by persons with developmental disabilities and best practices to implement solutions.	People with disabilities in community settings	12	7,496,572	3,502,251	3,187	0	\$ 11,002,010	0	0.00	N	Y	FO	42 CFR 441 subg	All - see program unit/activity description	N/A	

**PROGRAM PRIORITIZATION FOR 2019-21**

Agency Name: Department of Human Services																			Agency Number: 10000			
2019-21 Biennium																						
Agency-Wide Priorities for 2019-21 Biennium																						
1	2	3	4a	4c	4d	5	6	7	8	10	12	13	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program or Activity Initials (DCR)	Sub-DCR	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request		
Agcy	Prgm/Div																					
		VR	VR - Basic Rehabilitative Services		These are basic services provided to individuals whose disabilities present a potential barrier to employment. A rehabilitation counselor conducts a comprehensive assessment to evaluate vocational potential, including diagnostic and related services necessary for the determination of eligibility for services as well as the nature and scope of services to be provided. Vocational counseling and guidance builds on this assessment and helps the client identify a vocational goal. The counselor, in partnership with the client, develops an individualized plan for employment and authorizes appropriate services in support of the plan while maintaining a counseling relationship with the client. This program has a mandated set aside for providing students with Pre-employment Transition Services as well as a set aside to serve youth with the most significant disabilities in supported employment.	Vocational rehabilitation services employment	12	17,110,877	2,004,349	38,362,989	0	\$ 57,478,215	0	0.00	Y	Y	FO	29 U.S.C. 796c and 29 U.S.C 796e-2	All - see program unit/activity description	POP 135 - VR Career Technical		
		VR	State Independent Living Council (SILC)		This funding supports the seven Centers for Independent Living throughout the state of Oregon. Centers for Independent Living are designed to help individuals who experience disabilities achieve personal goals for independence and participation in their families and communities.	Vocational rehabilitation services employment	12	1,908,516	0	534,362	0	\$ 2,442,878	0	0.00	N	Y	FO	29 U.S.C. 796d	All - see program unit/activity description			
		APD	APD Program	Other Services	The Centers for Medicare and Medicaid Services (CMS) requires DHS to coordinate with Medicare in many areas and clients need help accessing other programs for which they are eligible. The federal Medicare program is the most common program clients need assistance with. APD determines client eligibility and submits client data to CMS for two Medicare-related programs: Medicare buy-in and Medicare Part D low-income subsidy. APD served more than 130,000 clients in these two programs over one year. These programs help low-income beneficiaries with their cost-sharing requirements. Securing this coverage also ensures Medicare remains in a "first payor" status, ultimately saving the state's Medicaid program significant money.		12	49,835,036	3,821,204	45,320,158	0	\$ 98,976,398	0	0.00	Y	Y	FO	ORS 410.070	All - see program unit/activity description	POP 128 - Family Caregiver & Community Support Initiative, POP 132 Deaf and Hard of Hearing Services		
		APD	APD Program	Older Americans Act	Services and supports provided to individuals under the Older Americans Act (OAA) provide vital assistance designed to prevent or delay entry into Medicaid-funded long-term care such as In-Home or 24-hour residential services. The OAA is a Federal law that set out a national aging network structure consisting of the U.S. Administration on Aging (AoA) now part of the Administration for Community Living, State Units on Aging (DHS/Aging and People with Disabilities program), and Area Agencies on Aging (AAAs). The OAA authorizes funding and services through this network to serve older individuals in their homes and communities, through local entities. All individuals, aged 60 or older, regardless of income are eligible to receive services but the programs are targeted towards those in greatest social or economic need. A specific focus on how to better serve diverse populations of older adults across race/ethnicity, sexual orientation, gender, veteran status, and other intersecting categories are essential with the continually changing demographics of Oregon.		12	2,877,112	0	33,427,805	0	\$ 36,304,917	0	0.00	N	Y	FO	ORS 410.070	All - see program unit/activity description			
		APD	APD Program	Oregon Project Independence	This is a state-funded program offering in-home services and related supports to individuals 60 years of age and older or people who have been diagnosed with Alzheimer's or a related dementia disorder. Approximately 5,000 Oregonians are served in this program. It represents a critical element in Oregon's strategy to prevent or delay individuals from leaving their own homes to receive services in more expensive facility-based settings, or depleting their personal assets sooner than necessary and accessing more expensive Medicaid health and long-term service benefits. The program was expanded by the 2005 Oregon Legislature to include younger adults with disabilities. In 2014 and 2015 a pilot program was funded expanding the program to adults ages 19-59 with physical disabilities. Through this pilot more than 500 individuals have been served. OPI is administered statewide by local Area Agencies on Aging (AAAs). Many areas have waiting lists due to high demand and limited program funding. Client eligibility is determined by an assessment of functional ability and natural supports related to activities of daily living. Typical services include assistance with housekeeping, bathing, grooming, health care tasks, meal preparation, caregiver respite, chore services, adult day services and transportation. The OPI program has no financial asset limitations for clients. A sliding fee scale is applied to clients with net monthly income between 100 and 200 percent of the federal poverty level (FPL) to pay toward the cost of service. A small group with income above 200 percent of FPL pays the full rate for services provided. Generally, this is because they benefit from the case management, ongoing support and monitoring, in addition to the actual purchased services.		12	28,106,710	0	0	0	\$ 28,106,710	0	0.00	N	Y	S	FO	ORS 410.410			
		SSP	Employment Related Daycare		ERDC assists low-income families in obtaining child care so they can work and attend training or education needed to advance in their employment. The ability to go to work and not worry about child care assists parents in gaining economic stability. Parents receive a sliding subsidy amount based on income toward their child care allowing them more options in connecting to reliable, quality providers. Quality providers can help improve school readiness during the critical learning years of birth to five. The program has a higher rate of payment available for working families who need child care and have a child with special needs. Providers approved by DHS meet a set of health and safety standards, attend training, submit to monitoring visits and pass required background checks before they can receive payment on behalf of the family.	Enhanced child care	12	65,456,708	114,327,934	0	0	\$ 179,784,642	0	0.00	Y	N	FO	ORS 409.010(2)(c), 411.141 and 418.485	All - see program unit/activity description	POP 125 - Expand ERDC		



**PROGRAM PRIORITIZATION FOR 2019-21**

Agency Name: Department of Human Services																			Agency Number: 10000				
2019-21 Biennium																							
Agency-Wide Priorities for 2019-21 Biennium																							
1	2	3	4a	4c	4d	5	6	7	8	10	12	13	14	15	16	17	18	19	20	21	22		
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program or Activity Initials (DCR)	Sub-DCR	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request			
Agcy	Prgm/Div																						
		SSP	Refugee Program		The program serves individuals and families who fled persecution in their country of origin and were legally admitted for resettlement by the United States government. Refugees and people who have been granted asylum access the program for financial, employment-related and acculturation services. The program guides refugees toward economic stability through employment as early as possible. The program serves only those persons in immigration categories approved by the Federal Office of Refugee Resettlement (ORR).		12	2,000,000	0	13,645,633	0	\$ 15,645,633	0	0.00	N	N	FM	ORS 411.060, 409.010(2) ©, 409.010(2) (h)	All - see program unit/activity description				
		SSP	Cash Assistance	TANF Transition	Services are available to families who transition from TANF cash benefits to employment. These programs include allowing families to make more money before closing the TANF grant, a reduced copay for childcare, and three months of supportive cash benefits once the TANF has closed. These services are intended to provide a glide path for families as they transition to employment and help ease the burden of the costs related to this change.	TANF re-entry, TANF family stability	12	3,353,140	0	0	0	\$ 3,353,140	0	0.00	N	N	FO	State Statutes Chapters 411 and 412.	All - see program unit/activity description				
		SSP	Youth Services		My Future - My Choice program is an age-appropriate, medically accurate, sexual health education program. This service supports community prevention efforts to help families break the generational connection to public assistance. The program expands on the historical teen pregnancy prevention program to provide education and tools for youth to resist multiple risk-taking behaviors. DHS partners with the Oregon Department of Education and the My Future - My Choice Advisory Committee to develop and implement the program.		12	2,554,375	0	1,397,335	0	\$ 3,951,710	0	0.00	N	N	FO	The Title V Federal Abstinence Education Program Grant	All - see program unit/activity description				
		SSP	Teen Parent Child-Care		Teen parent contracted child care services are administered through the DHS Child Care Program. The program assists teen parents with income below 185% FPL in accessing child care to allow them to participate in an approved education program leading to graduation from high school or a general education diploma (GED) completion program. The goal of the teen parent program is to support teens in education to help this vulnerable population out of poverty. The contracts were transferred from the Early Learning Division to DHS beginning January 1, 2018. There are currently 32 contracts in all DHS districts except 7 and 13. The contracted child care services are paid through the Child Care Development Funds (CCDF). Due to federal funding limitations the child care program cannot pay child care services for teen parents who are eligible for TANF (teen parents must pursue TANF first).		12	0	2,708,000	0	0	\$ 2,708,000	0	0.00	N	N	FO	ORS 409.010(2)©, 411.141 and 418.485					
		SSP	SUD Childcare		The Department of Education, Early Learning Division (ELD) supported contracts with Substance Use Disorder (SUD) treatment clinics to cover child care for parents in treatment for several years. Due to changes in the funding source, 2014 Reauthorization of the Child Care Development Block Grant, ELD was no longer able to leverage these funds to support the contracts. Department of Human Services (DHS) worked closely with the SUD facilities, ELD, Child Welfare, and Oregon Health Authority to create the DHS SUD child care program to allow for continued support for the SUD facilities and the families they serve. DHS leveraged TANF Federal funding to support the contracts to cover child care needs for families in SUD treatment. The TANF funding allows DHS to cover the cost of care for up to 4 months while the families apply for a TANF grant and work with their local DHS worker to create a case plan that includes SUD treatment. Once a case plan is in place the child care is covered through the local DHS JOBS support service payment budgets.		12	0	0	900,000	0	\$ 900,000	0	0.00	N	N	FO	45 CFR 260.31 (b) & ORS 411.117 (1) (e)					
		CW	Private Adoption Services		Adoptions finalized in an Oregon court for a child who is not in the custody of the Department of Human Services. DHS provides background checks and files petitions and provides adoption assistance for eligible private adoptions.	Timely adoption, Timeliness and permanency of child reunification	12	570,310	0	683,761	0	\$ 1,254,071	0	0.00	N	Y	FO	ORS 109.309	All - see program unit/activity description				
		CW	Contracted Adoption Services		Contractors provide adoption committee presentation, placement, adoption supervision and finalization services.	Timely adoption, Timeliness and permanency of child reunification	12	2,343,551	0	2,127,602	0	\$ 4,471,153	0	0.00	N	Y	FO	ORS 419A and 419B	All - see program unit/activity description				
		CW	Independent Adoption Services		Contracted adoption agencies provide placement reports for independent adoptions as assigned by DHS. They also complete home studies when assigned by DHS.	Timely adoption, Timeliness and permanency of child reunification	12	0	256,442	0	0	\$ 256,442	0	0.00	N	N	FO	ORS 109.309	All - see program unit/activity description				
		CW	Assisted Search Services		Contractors provide assisted search services for the Adoption Search & Registry Program, search for eligible birth and adoptive persons.	Timely adoption, Timeliness and permanency of child reunification	12	0	93,318	0	0	\$ 93,318	0	0.00	N	N	FO	ORS 109.309	All - see program unit/activity description				
		CW	Youth Investment Programs		State only funding for Homeless, Runaway Youth programs and funding for the Early Learning Division for Relief Nurseries, etc.	Timely adoption, Absence of repeat maltreatment, Timeliness and permanency of child reunification	12	216,663	0	7,761,900	0	\$ 7,978,563	0	0.00	N	Y	S	ORS 418.015					
		CW	Child Care for Foster Parents		\$375 per month per child reimbursement to foster parents when all foster parents work outside of the home.		12		7,576,957	4,869,009	0	\$ 12,445,966	0	0.00	N	N	FM	ORS 418.015					
								2,411,349,806	401,267,499	4,610,861,426	1,939,345,331	9,362,844,062	0	0.00									

**DEPARTMENT OF HUMAN SERVICES  
2017-19 Legislatively Approved Budget  
Budget Structure**

**Department of Human Services**

9,075 Pos / 8,616.92 FTE

**Central Services, Shared Services,  
State Assessments & Enterprise-wide Costs**

980 Pos / 921.69 FTE

**VR Basic Rehabilitative Services**

259 Pos / 258.25 FTE

**Self Sufficiency**

2,514 Pos / 2,358.29 FTE

**Aging and People with Disabilities**

1,488 Pos / 1,407.26 FTE

**Child Welfare**

2,920 Pos / 2,761.73 FTE

**Intellectual & Developmental Disabilities**

914 Pos / 909.70 FTE

**DEPARTMENT OF HUMAN SERVICES  
2019-21 Legislatively Adopted Budget  
Budget Structure**

**Department of Human Services**

9,444 Pos / 9,324.14 FTE

**Central Services, Shared Services,  
State Assessments & Enterprise-wide Costs**

924 Pos / 913.43 FTE

**VR Basic Rehabilitative Services**

261 Pos / 260.04 FTE

**Self Sufficiency**

2,498 Pos / 2,494.60 FTE

**Aging and People with Disabilities**

1,570 Pos / 1,516.87 FTE

**Child Welfare**

3,274 Pos / 3,222.90 FTE

**Intellectual & Developmental Disabilities**

917 Pos / 916.30 FTE

# Oregon Department of Human Services

## Central and Shared Services Organizational Structure - Detailed

LAST UPDATED 08/19/2019

**FARIBORZ PAKSERESHT**  
DHS Director

**Chief of Staff**  
*Jeannine Beatrice*  
- Governor's Advocacy Office

**ERIC MOORE**  
Chief Financial Officer

**Financial Services (OFS)**  
*Shawn Jacobsen*

- Controller's Office
- Financial Mgmt & Reporting
- Cost Allocation/Interface
- Payroll and Benefits
- Grant Accounting
- Accounts Payable/Travel
- Accounts Receivable
- Receipting
- Contracts Payable
- E-commerce
- Trust Accounting
- Reconciliation/Statewide Financial Reporting/Forgery
- Revenue/Cash Management

**DHS Budget**  
*Angela Long*

- Program Support
- Personal Services

**Budget Center**  
*Sara Singer*

- Technical Budget Services
- Position Management Unit
- Shared Services Budget

**Forecasting, Research & Analysis (OFRA)**  
*Greg Tooman*

- Integrated Client Services
- Geographic Information Systems (Location Data)
- Forecasting

**DON ERICKSON**  
Chief Administrative Officer

**Internal Audit & Consulting**  
*Sarah Landis*

**Contracts & Procurement (OC&P)**  
*Kirk Rhoades*

- Goods & Purchasing
- IT Contracts
- DHS Contracts
- OHA Contracts
- Administration and Support

**Facilities Services**  
*Glen Bason*

- Central Facilities
- Field Facilities

**Imaging & Records Mgmt Services (IRMS)**  
*Jeff Akin*

- Document Imaging
- Records Archiving

**Background Check Unit**  
*Jeff Akin*

**DHS Information Support Services**  
*Sara Woodcock*

**Public Records & Legal Affairs**  
*Rachel Mortimer*

- Public Records Unit
- Legal Unit

**Publications & Creative Services (PCS)**  
*Nicholas Kern*

- Editing & Content Development
- Distribution & Storage
- Design
- Document Translation

**Payment Accuracy & Recovery (OPAR)**  
*Nicky Jeffreys*

- Estates Administration
- Client Maintenance
- Third Party Liability
- Medicaid Program Integrity
- Personal Injury Liens
- Data Match
- Overpayment Recovery
- Overpayment Writing
- Fraud Investigations

**Program Integrity (OPI)**  
*Nicky Jeffreys*

- Supplemental Nutrition Program (SNAP)
- Home and Community Based Services (Medicaid 1915 Waiver)
- Temporary Assistance (TANF)
- Child Welfare (CFSR)
- Employment Related Daycare (ERDC)
- Medicaid Eligibility (OHP)

**Business Information Services**  
*Chet Lundy*

**LIESL WENDT**  
DHS Deputy Director

**Communication**  
*Lisa Morawski*

**Equity & Multicultural Services (OEMS)**  
*Alberto Moreno*

- Diversity & Inclusion
- Language Access Services
- Service Equity

**Human Resources**  
*Belinda Teague*

- Employee Mgmt Coaching and Labor Relations
- Human Resources Shared Services
- Workforce Recruitment & Classification

**Integrated Eligibility Project**  
*Tony Black*

**Legislative Relations**  
*Rem Nivens, Interim*

**Reporting, Research, Analytics & Implementation**  
*Dr. Paul Bellatty*

- Data & Reporting
- Research & Analysis
- Enterprise Data Analytics
- Research Implementation
- Workload Modeling & Consulting

**Tribal Affairs**  
*Adam Becenti*

**Office of Training, Investigation & Safety**  
*Chuck Hibner*

- Children's Care Licensing
- Policy & Legal Affairs
- Investigation & Field Operations
- Quality Management & Prevention

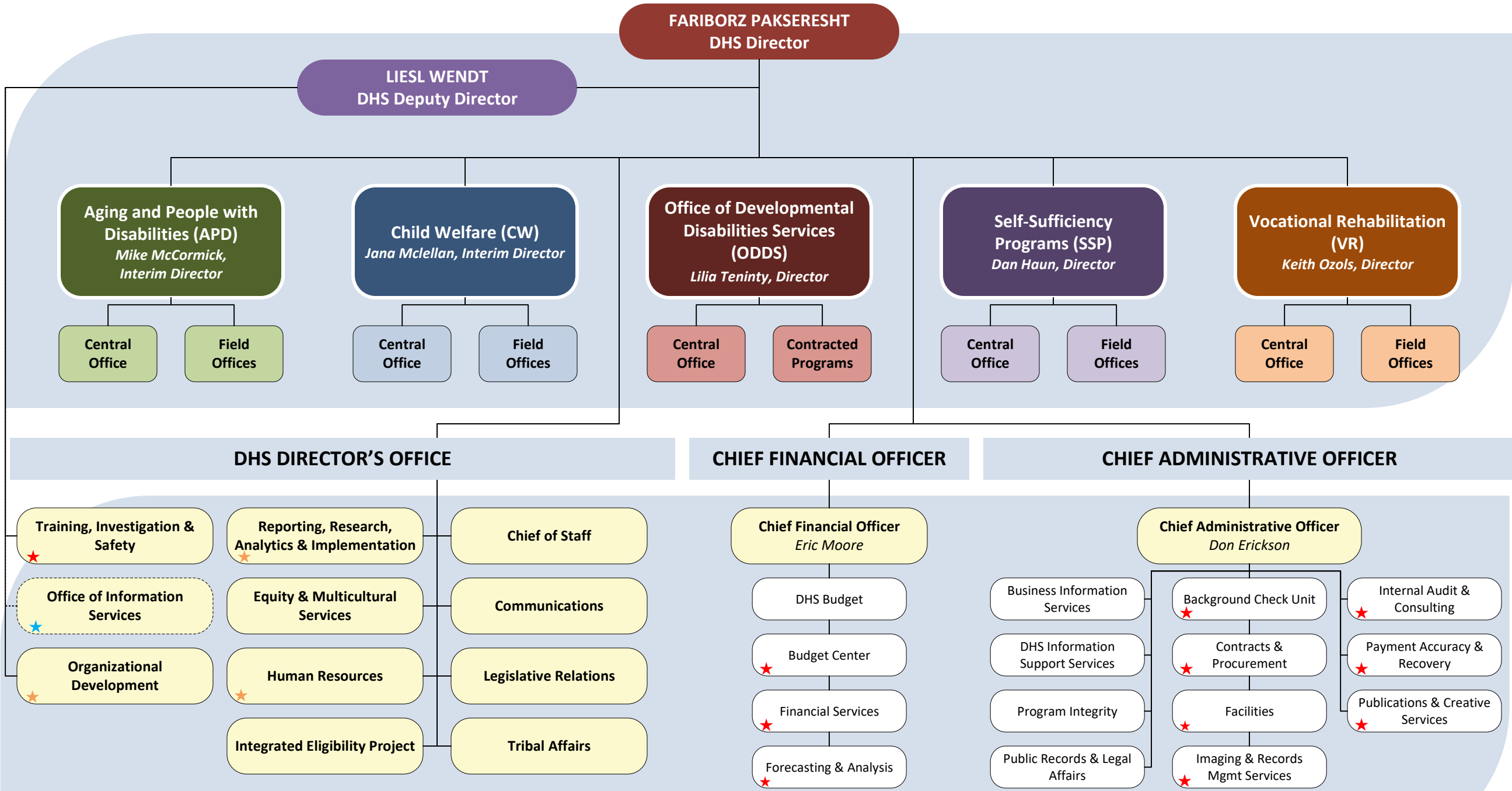
**Office of Info Services**  
*Kristen Duus*

- Organizational Development  
*Timothy Sinatra*
- Office of Continuous Improvement
- Management System
- Volunteer Program
- Executive Projects
- Organizational & Employee Development

★ Oregon Health Authority (OHA) Shared Service:  
OHA program also providing services to DHS.

★ Department of Human Services (DHS) Shared Service:  
DHS program also providing services to OHA.

★ Department of Human Services (DHS):  
Office with one or more units that are Shared Services.



★ Oregon Health Authority (OHA) Shared Service: OHA program also providing services to DHS.

★ Department of Human Services (DHS) Shared Service: DHS program also providing services to OHA.

★ Department of Human Services (DHS): Office with one or more units that are Shared Services.

**Department of Human Services  
2019-21 Legislatively Adopted Budget  
Revenue Narrative**

**Forecast methods and assumptions**

Revenues for the Department of Human Services comes from funding sources classified as the state General Fund, Other Funds and Federal Funds. Three major methodologies are used to project revenues for the department:

- The category of expenditures based on estimated Average Daily Populations (ADP) and Cost per Case (CPC) is primarily used for federal entitlement grants.
- Grant cycles and where they fall within the biennium are considered for block grants. Assumptions based on the results of prior grant averaging and the anticipated effect of the federal budget process both are used to project the amount of funds that will be received.
- The historical receipt trends method is used for Other Funds sources such as collections of overpayments and fees unless the agency has additional information, such as anticipated special projects that would increase revenue or a temporary need for additional staff that will change the projections for a specific period.
- Recent changes in state or federal statutes and regulations that affect the availability or timing of revenue receipts.

**Significant known federal revenue changes or risk factors**

Sequestration & Reauthorization

The possibility of sequestration being implemented at the federal level could cause a significant impact in federal funding for programs related to Child Welfare, Self Sufficiency, and Vocational Rehabilitation. Additionally, there are several federal programs up for reauthorization that could also impact funding.

**Major funding sources**

The following section identifies the major funding sources for DHS. All references to a grant “Title” are references to the originating statute in the federal Social Security Act.

## **Federal Revenues**

### Medicaid (Title XIX)

Medicaid provides reimbursement to states for medical care and related services to low income and other medically needy individuals, and currently funds services in all DHS programs. This includes financing for:

- Health care services provided under the Oregon Health Plan;
- Private insurance premiums;
- Long-term care in institutional and community-based care settings;
- Some client care provided in state hospitals;
- Residential treatment services to adults and youth;
- Central administration of alcohol and drug programs;
- Medical and non-medical transportation for Medicaid eligible individuals;
- Family planning services for individuals who are not enrolled in the Oregon Health Plan; and
- Uncompensated care provided by hospitals serving a high proportion of Medicaid and uninsured individuals.

State General Fund or Other Funds must be used to match federal Medicaid dollars for administration and direct service payments. The administration match rate is primarily 50 percent. A 75 percent Federal Fund match is available for skilled professional medical personnel, certification of nursing facilities, and related information systems activities, including the Medicaid Management Information System (MMIS) computer system support and Preadmission Screening and Resident Review (PASRR) activities. The current average federal Title XIX match rate for service payments to providers for the 2017-19 biennium is 61.39 percent and projected 61.36 percent for 2019-21. The cost of services and supplies for Family Planning is matched at 90 percent. The Breast and Cervical Cancer (Treatment) program, which is an optional Medicaid program, receives the enhanced CHIP Title XXI match rate of 97.33 percent in the 2017-19 biennium and a projected rate of 81.60 percent in the 2019-21 biennium.

Most services in Oregon are provided through seven Medicaid programs that require waivers of federal requirements. The Oregon Health Plan is the largest of these waiver programs. DHS must obtain approval from the federal Centers for Medicare and Medicaid Services (CMS) to make changes to its Medicaid program whether the changes are Medicaid state plan services or waiver services.

#### Supplemental Nutrition Assistance Program (SNAP)

The SNAP program provides children and low-income people access to food, a healthy diet and nutrition education. The program is 100 percent federally funded by the US Department of Agriculture (USDA) Food and Nutrition Service (FNS). SNAP benefits are distributed by DHS in the form of an Electronic Benefits Transfer (EBT) card, known as the Oregon Trail Card. The cash out program provides SNAP benefits to selected elderly clients in four counties using a direct cash payment. These benefits are also 100 percent federally funded.

The SNAP employment and training program provides some reimbursement to families and individuals who are participating in educational activities and finding employment. The program is 100 percent federally funded up to the state's specified cap. Expenditures above the cap are funded with 50 percent state funds and 50 percent federal funds.

FNS funds 50 percent of the state's administrative costs for operating the SNAP EBT program, the cash out program and the employment and training program. States may receive enhanced funding for up to 60 percent of their administrative costs if their SNAP error rate is below the national average.

This grant currently funds programs in DHS Self Sufficiency and Aging and People with Disabilities. The projection of revenue is based on estimated Average Daily Populations (ADP) and Cost per Case (CPC).

#### Temporary Assistance for Needy Families (TANF, Title IV-A)

Under the Personal Responsibility and Work Act of 1996 (PRWOA), Oregon is eligible to receive an annual Temporary Assistance for Needy Families (TANF) federal block grant. To qualify for this grant, the state must



expend a minimum of state and local revenues on TANF-related services to meet federal maintenance of effort requirements (MOE).

Some of these state and federal revenues fund Temporary Assistance to Needy Families (TANF)-eligible services. In Oregon, these services are cash assistance for single and two-parent families, domestic violence emergency assistance, and employment and training (JOBS) services. DHS and other agencies also use TANF revenue to fund related programs such as foster care, prevention services, alcohol and drug treatment services, transportation, and housing assistance for homeless persons. Administrative and direct service costs can also be reimbursed by using TANF revenues. Administrative costs are limited to no more than 15 percent of total TANF expenditures with certain limited exceptions.

The block grant concept, under which TANF operates, places restraints on service delivery. Federal funds are capped, which means no federal revenue is available for increasing program costs. This limitation on revenue requires Oregon to essentially self-fund any program increases. This grant currently funds programs in DHS Self Sufficiency and Child Welfare. The projection of revenue is based on the grant cycle.

#### Foster care, adoption and prevention services (Title IV-E)

The foster care and adoption assistance program is an entitlement program funded under the Social Security Act, Title IV-E. Children taken into custody due to imminent risk of harm because of abuse and neglect are provided foster care placement and medical care through grant funding. Title IV-E eligibility is based on many factors including the income of the child and the family. Title IV-E-eligible children are also categorically eligible for Medicaid.

Federal financial participation is available at the Medicaid FMAP rate for program costs, and at the rate of 50 percent for administrative expenditures necessary for the administration of the Title IV-E state plan. The state's cost allocation plan identifies which administrative costs are allocated and claimed under this program. Federal

financial participation also is available at the rate of 75 percent for the costs of:

- Training personnel employed or preparing for employment by the state or local agency administering the plan; and
- Providing a short-term training to current or prospective foster or adoptive parents and the members of the state licensed or approved child care institutions who are providing care to foster and adopted children receiving Title IV-E assistance.

All training activities and costs funded under Title IV-E must be included in the state agency's Child Welfare services training plan. This grant funds Child Welfare programs. The projection of revenue is based on estimated Average Daily Populations and Cost per Case.

With the passage of the Family First Prevention Services Act (FFPSA) in 2018, IV-E is now available to fund new optional prevention services under title IV-E, such as prevention services for mental health/substance abuse and in home parent skill-based programs for candidates for foster care without regard to whether the child would be eligible for title IV-E. Oregon is currently waiting for federal guidance regarding the programs that meet the criteria under the FFPSA.

#### Section 110 (Basic 110 Grant)

Basic 110 Grant, (US Department of Education) which is available to assist people with disabilities in becoming employed, is a formula grant based on the state's population and per capita income. The funds available to Oregon are divided between Vocational Rehabilitation (84.4 percent) and the Commission for the Blind (15.6 percent). These Federal Funds must be matched with state funds. Under the new Workforce Investments and Opportunities Act, 15% of this grant must be set aside to be spent on pre-employment transition services for youth.

#### Oregon Disability Determination Services (DDS)

Oregon Disability Determination Services (DDS) provides timely and accurate eligibility for Oregon citizens applying for Social Security disability benefits. Although the disability program, as part of the Social Security

Administration (SSA), is administered by the federal government, state agencies make the initial medical determination of disability. The Oregon DDS is 100 percent federally funded.

Social Services Block Grant (SSBG, Title XX)

The Social Services Block Grant (SSBG) is one of the most flexible grants provided by the U.S. Department of Health and Human Services. The objective of SSBG is to provide the social services that best meet the needs of individuals residing in the state. Oregon uses SSBG to fund varied programs, including Child Welfare Prevention and Safety programs. SSBG has no matching or maintenance of effort requirements. Congress is considering discontinuing this grant.

### Older Americans Act

Funds are allocated to Oregon annually through the Older Americans Act. The Aging and People with Disabilities (APD) program allocates program funds by a federally approved population formula to the 17 area agencies on aging. Emphasis is placed on serving the most economically and socially needy persons 60 years of age and older. There is a 15 percent match requirement of which 10 percent is met by area agencies on aging and 5 percent from state sources through local funds, in-kind and Oregon Project Independence (OPI) allocations.

- State administration funds provide for state plan administration. There is a 25 percent match requirement met with OPI funds.
- Title III funds provide for support services such as transportation, legal assistance, in-home care, and congregate and home-delivered meals programs. The act allows for provision of in-home services for frail individuals to prevent premature institutionalization and preventive health services for elderly clients in rural areas. It also provides funding for family caregiver support and training and services to prevent abuse of the elderly. The match requirement ranges from 15 to 25 percent depending on whether the funds are for administration or program expenditures.
- Title V programs subsidize part-time paid community service work for low-income persons, aged 55 and over and job training skill. There is a 10 percent match requirement, which is met by the program operators.
- Title VII funding provides support for the long-term care ombudsman and prevention of elder abuse, neglect and exploitation. No match is required for Title VII.
- The Nutrition Services Incentive Program grant (NSIP) supplements Title III-C local funds to provide nutrition services to eligible Older Americans Act participants. Funds are 100 percent federal. No match is required.

### Child welfare services (CWS) block grants (Title IV-B)

Title IV-B consists of two formula grants. The first is the basic child welfare services grant. It may be used for many services including homemaker, protective and reunification services, and on a limited basis for foster care, adoptions and day care. The amount of federal funding allotted to the state for this grant is based on the state's

population of children and state per capita income. IV-B sub-part one requires a 26 percent state match. The second part of Title IV-B is the Promoting Safe and Stable Families grant. The focus of the grant is on family preservation, family support services, reunification, and adoption promotion and support. The amount of federal funding allotted to the state is based on the number of children in the state receiving Supplemental Nutrition Assistance Program (SNAP, formerly food stamps). Match for IV-B sub-part two is a 25 percent state match.

#### Medicaid XIX Local Match

The Intellectual & Developmental Disabilities (I/DD) program matches Medicaid Title XIX funds with funds or services from transit districts, community developmental disability programs and others for providing enhanced non-medical transportation and administrative costs.

#### Refugee resettlement

The refugee resettlement program provides time-limited cash and medical assistance as well as social services to refugees entering the country. The refugee resettlement program and administration expenditures are 100 percent Federal Funds, as defined by the Immigration and Nationality Act of 1980.

#### Chafee Foster Care Independence grants (Title IV-E)

The Chafee Foster Care Independent Living program was established to assist youth likely to remain in foster care until 18 years of age and children who “age out” of foster care but have not yet turned 21. The program is designed to help eligible youth make the transition from foster care to independent living. This program also includes the Education and Training Vouchers program.

The Chafee Foster Care Independent Living program is funded with a formula grant based on the number of children in the state in foster care. These grants currently fund DHS Well Being programs. The projection of revenue is based on grant cycle and require a 20 percent state match.

### Children's Health Insurance Program (Title XXI)

The Children's Health Insurance Program (CHIP) provides federal matching funds for medical care of children through age 18 who do not have insurance but whose parents earn too much for traditional Medicaid. These services are covered through the Oregon Health Plan (OHP). This grant currently funds the Self Sufficiency OHP Processing Center.

### Family Violence Prevention grant

The Family Violence grant is a discretionary grant that supports states in the establishment, maintenance and expansion of programs and projects to prevent incidents of family violence as well as programs that provide immediate shelter and related assistance for victims of family violence and their dependents. This grant currently funds DHS Child Welfare programs. The projection of revenue is based on grant cycle.

### Developmentally Disabled Service Act (DDSA)

Congress sets a national allocation by determining the amount of annual funding for this grant, which is administered by the Developmental Disabilities (DD) Council in partnership with DHS. Program expenditures are limited to programs for clients with developmental disabilities and are guided by a state plan submitted to the federal government. There is a 5 percent limit on administrative expenditures except for expenditures by the DD Council.

This grant currently funds DHS Intellectual & Developmental Disabilities programs. The projection of revenue is expenditures-based using estimated Average Daily Populations and Cost per Case. Federal law requires a state or local match, most of which can be in-kind.

### Assistive technology

The Assistive Technology Act of 1998 supports state efforts to improve the provision of assistive technology (AT). Grant funds allow implementation of programs designed to meet the AT needs of individuals with disabilities, including plans that improve access to and acquisition of AT devices and services for individuals with disabilities.

This grant is in the VR – Basic Rehabilitative Services program.

#### Child Abuse Prevention and Treatment Act grant

The Child Abuse Prevention and Treatment Act grant (CAPTA) provides funding to help states improve their child protective service system within the Child Welfare programs. The funding is administered by the US Department of Health and Human Services, Administration for Children, Youth and Families. Federal legislation authorizes an annual award of funds to states that submit plans designed to improve their child welfare service system every five years and meet certain other eligibility requirements. The amount of CAPTA funding varies from year to year and has no matching requirement. Funding is provided to the state for use on a statewide basis.

#### Section 633 (Title VI-C grant for supported employment)

This grant assists the state in developing programs with public and private agencies for training and services leading to support employment for individuals with severe disabilities. This grant under the new Workforce Investments and Opportunities Act must set aside 50 percent for services to the most severely disabled youth. The 50 percent set aside must be matched with 10 percent non-federal fund expenditures. The remaining 50 percent of the grant is 100 percent Federal Funds and does not require state match.

#### Section 711 (Independent living rehabilitation, Part B)

Independent living rehabilitation funds support the state Independent Living Council and Independent Living Centers. This grant has a required 10 percent match.

#### K-Plan and Plan of Care

APD and I/DD implemented the K Plan and the Plan of Care in the 2013-15 Biennium. The K Plan is a Medicaid state plan option that allows Oregon to provide home and community-based services and supports while receiving a six percent increase in federal medical assistance funds for those services. Plan of Care in the I/DD program will replace the need for General Fund allocations to County Developmental Disability Programs and Brokerages, allowing all providers to bill on a fee for service basis.

Rehabilitation Act grants (US Department of Education)

The Rehabilitation Act grants are the major funding source for programs provided through Vocational Rehabilitation Services (VR). The projection of revenue is based on grant cycle.

**Other Funds**

Long-term care facilities tax

The current tax rate is set to collect up to 6 percent of resident service revenues of non-exempt long-term care facilities. Revenue projections are based on previous years' cost reports, current year tax reports, and a growth factor. Provider tax dollars are used to offset General Fund expenditures for nursing facility services. The provider tax will sunset in June 2021.

Client account collections estate recoveries

Funds are collected from the estates of clients to reimburse previous cost of care. Collections are used to reimburse cost and offset both the Title XIX program cost and General Fund costs.

Collection of overpayment

Overpayment recoveries are recovered program dollars incorrectly paid to or for clients through client error or fraud. Recovery may be made in any of several program areas including food stamps, child care, public assistance cash and public assistance grant reductions. The projection for these revenues are developed using past performance, inflation and changes in caseloads and regulations as indicators of future trends. Public assistance recoveries are applied against program expenditures during the month of the recovery. Food stamp and child care overpayment recoveries are budgeted as Other Funds.

The projection of revenue is based on historic receipt trends.

Care of state wards

Trust recoveries are Other Funds collected from Social Security Administration (SSA), Social Security Insurance



(SSI) and child support payments and used to reimburse the state for the maintenance cost of children in care. Trust recoveries come from collection of SSI disability payments, child support payments and SSA death and survivor benefits. Trust recoveries are used in place of General Fund to match Title XIX Federal Funds for the long-term care program. Trust recoveries currently fund Child Welfare (CW) and Intellectual & Developmental Disabilities (I/DD) programs. The projection of revenue is based on caseload trends and historical receipt trends.

#### Quality of Care Fund

During the 2009 Legislative Session, HB 2442 required the establishment of the Quality of Care Fund and increases in fee schedules for adult foster homes, residential care and assisted living facilities, as well as increases in state civil penalties. Revenue which is collected from APD and I/DD for licensing fees and civil penalties are dedicated to promoting quality of care and life in long-term care settings, including enhancement and maintenance of long-term care facility licensing and regulatory activities and additional training and technical assistance for facilities.

#### Fees and premiums

The CW programs collect fees for adoption home study and registry, sexual abuse therapy fees, and fees for fingerprinting under ORS 409.015.

#### Domestic violence receipts

Enacted in 1981, marriage license fees are dedicated to fund the domestic violence program. Legislation directed that the unitary tax and the criminal fines and assessments account provide additional funding for this program. Expenditures are limited to the amount of revenue received. Domestic violence receipts currently fund programs in the Self Sufficiency (SS) and Child Welfare programs. The projection of revenue is based on historical receipt trends for marriage license fees and Department of Revenue projections for criminal fines and assessments accounts. Criminal Fines are also collected and used to fund Child Welfare domestic violence and sexual assault prevention programs.

### Local school funding for rehabilitation services

Other Funds from local schools are used as the 21.3 percent state match needed for the Basic 110 Grant for rehabilitation services which is funded with 78.7 percent federal funds. The Youth Transition Project (YTP) is a collaborative program with school districts that assists youth with disabilities in their transition from school to the community work force. The projection of revenue is capped based on agreements with schools.

### Child Care and Development Fund

CCDF is authorized by the Child Care and Development Block Grant Act (CCDBG) and Section 418 of the Social Security Act. CCDF assists low-income families in obtaining child care so they can work or attend training and education. The program also improves the quality of child care and promotes coordination among early childhood development and afterschool programs.

On February 9, 2018, Congress passed, and the President signed a two-year federal budget, which included an additional \$5.8 billion in discretionary funding for the CCDBG. This represents the single largest increase in federal child care funding since the enactment of CCDBG, increasing discretionary funding from \$2.9 billion in Federal Fiscal Year (FFY) 2017 to \$5.8 billion in FFY 2018.

Oregon's share of these new federal funds is \$25,600,808 for FFY 2018 and is estimated to equal this increase for FFY 2019.

### Adoption Savings for Applicable Child

Since federal fiscal year (FFY) 2010, title IV-E agencies have been required to enter into an adoption assistance agreement with the prospective adoptive parents of any child who meets the criteria for an "applicable child" as defined in section 473(e) of the Act, as well as other revised eligibility criteria. With these changes, children whose adoption assistance would have otherwise been funded by a state's general fund became eligible for IV-E federal funds. The law requires a title IV-E agency to spend an amount equal to any savings in state general fund expenditures because of applying the differing program eligibility criteria to applicable children for services

permitted under title IV-B or IV-E. Post-adoption and post-guardianship program areas must have 30% of the spending, with other services having 70% of the spending. Oregon uses the General Fund savings in Adoption Assistance under the applicable child provisions to fund the Other Fund Applicable Child Savings Fund for use in post-adoption support services and child care for foster parents.

# **Department of Human Services Central and Shared Services, and State Assessments and Enterprise-wide Costs**

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## ***Mission***

To help Oregonians in their own communities achieve safety, well-being and independence through opportunities that protect, empower, respect choice and preserve dignity.

## ***Goals***

- Every Oregon child and youth in our care deserves to grow up safely - with support for success in school.
- Every Oregon adult deserves to live in safety – free from abuse, neglect and financial exploitation.
- Every Oregonian has the right to live as independently as possible - with dignity, choice and self-determination.
- Every Oregonian can work to the best of their abilities and contribute to their family and their community.
- All Oregonians deserve efficient and effective services from DHS.

## ***Overview***

DHS Central and Shared Services provide critical leadership and business supports necessary to achieve the agency’s mission: helping Oregonians achieve well-being and independence through opportunities that protect, empower, respect choice and preserve dignity.

DHS and OHA govern their shared services through a board composed of operational leaders of the two agencies, ensuring that shared services are prioritized and managed to support program needs. The board and its subgroups have established service level agreements and performance measures for each service, implemented recent budget cuts selectively, moved staff in and out of shared services to rationalize service delivery, and begun implementing more integrated systems to support the performance of all our employees.

### ***DHS Central Services***

DHS Central Services provide essential supports to programs in achieving the department and programs mission, vision and outcomes.

### ***Office of the Director***

The DHS Director's Office is responsible for agency leadership, policy development, resource allocation, and administrative oversight for all programs, staff and offices in DHS in a manner that supports equitable outcomes for Oregon's diverse population. These functions are led by the Director and Deputy Director, and coordinated by the Director Cabinet members, with the Governor's Office, the Legislature, other state and federal agencies, Tribes, partners and stakeholders, communities of color, LGBTQIA+ communities, local governments, advocacy and client groups, and the private sector. The Director and Deputy Director oversee Internal Audits and the Office of Training, Investigations and Safety, which provide shared services for both DHS and OHA.

### ***Chief of Staff***

The Chief of Staff oversees projects and initiatives with DHS-wide or cross-agency enterprise-wide impact on behalf of the Director. The Chief of Staff also oversees the Governor's Advocacy Office (GAO), which helps affected parties work through questions, concerns, or complaints related to DHS services or departmental action. The office includes the DHS ombudsman program, the office of the Children's Advocate, the Foster Care Ombudsman, and civil rights and discrimination investigations, which also governs the agency's formal complaint process. The GAO works cooperatively with field and central office staff, program staff, legislators, DHS leadership and other key stakeholders to successfully, equitably and respectfully reach issue resolution.

### ***Tribal Affairs***

The DHS Director's Office is also home to Tribal Affairs. We are committed to positive working relationships with the nine tribes in Oregon. Staff regularly engages with tribal governments through tribal liaisons and continually strives to ensure these communities receive equitable, sufficient and appropriate services.

### ***Office of the Chief Financial Officer***

Office of the Chief Financial Officer (OCFO) provides optimal business services to ensure accountability, data driven decisions, and stewardship of resources in support of the mission of DHS. This is done by working closely with DHS and OHA programs and the OHA Chief Financial Officer, to ensure accurate, timely and

efficient recording and management of financial resources; culturally competent and equitable services; authorizing the redistribution of available resources to meet changing needs; and establishing administrative controls. This office also oversees budget, planning and analysis functions for DHS based programs and leadership of the DHS budget with the Governor's Office, Legislature, Department of Administrative Services (DAS), Legislative Fiscal Office (LFO) and DHS partners.

#### Office of the Chief Administrative Officer

Office of the Chief Administrative Officer (CAO) provides leadership and direction for the DHS Shared Services and selected Central Services. The CAO oversees the service level agreements (SLA) between Shared Services and OHA. Through SLAs, the CAO provides leadership to ensure that the services provided by each unit utilize the most current best practices from their respective fields to optimize services in the most fiscally responsible and equitable manner possible. The CAO insures that all services and business practices are conducted in a culturally responsive and equitable manner. This oversight includes that of the Office of Program Integrity, which provide operational and case reviews, often mandated by law, to determine how accurately the agency is making eligibility determination; the office provides training where needed. The CAO also oversees Information Support Services and the Office of Business Information, again to ensure policy integrity through data and IT solutions.

#### Office of Human Resources

The Office of Human Resources serves as a strategic partner to staff by providing proactive and comprehensive human resources services, in alignment with agency and program mission and goals. HR works closely with internal customers on Workforce Strategies that support agency and program needs and strategies and builds a healthy and inclusive workplace culture of ongoing development and feedback to ensure the agency has a diverse workforce with the right people with the right skills, training, and support to do their work, now and in the future. The Office of Human Resources ensures compliance with all federal, state, and local laws pertaining to personnel matters, including affirmative action and equal employment opportunity.

#### Office of Communications

This office supports the mission by providing accurate information to a diversity of employees, clients, legislators, stakeholders and interest groups, providers and partners, local governments, other state and federal agencies, policymakers, tribes, the news media, targeted audiences, as well as the public. The unit prides itself on

culturally relevant and linguistically competent communication practices. Effective communication is the primary vehicle to demonstrate public transparency, accountability and trust. The office also provides support to the department's priority projects as defined by the DHS Director and executive team.

#### Office of Government Relations

This unit is essential to the agency's core functions through ensuring that any statutory, policy and budget implications positively impact the Oregonians that we serve. This team coordinates all DHS legislative matters, key stakeholders, federal partners and the Governor's Office. The government relations unit also supports both field and central office staff providing consultation and support in legislative and policy changes, primarily working with central office staff on policy development for program services. Staff in this unit support the director of DHS, the directors of all program and operations in DHS and the district managers in field offices. Legislative work is conducted with the intent of eliminating existing inequities and to promote equitable outcomes, using a comprehensive equity lens.

#### Office of Legal Relations

This unit manages all lawsuits, tort claims, and subpoenas related to DHS program and operations. Staff in this unit provide expert consultation to DHS field and central office staff, Department of Justice (DOJ) and Department of Administrative Services (DAS) Risk Management in policy related to legal matters. This team ensures timely completion of the required judicial documents to move smoothly through a complex legal matter.

#### Office of Equity and Multicultural Services

Office of Equity and Multicultural Services (OEMS) provides leadership and direction in supporting the integration of equity, diversity and inclusion policies and initiatives throughout the agency. As an office that assists all DHS program areas, OEMS has two main charges. The first is to guide the agency to ensure a diverse workforce that has the cultural agility and language skills to serve the needs of all Oregonians; and second is to help the agency work toward equitable outcomes for all populations using DHS services. OEMS accomplishes this mission through policy-making, strategic planning, quality improvement consulting, technical assistance, research, Employee Resource Groups (ERGs), Diversity Committees, community engagement, advocacy, ally-ship, partnerships, and continuous learning.

#### Office of Reporting, Research, Analytics, and Implementation

The Office of Reporting, Research, Analytics, and Implementation (ORRAI)

compiles reports, conducts research, analyzes data, implements research, and provides inter-agency program as well as enterprise wide data. ORRAI provides mission critical information to directors, legislators, partner agencies, and the public. The office utilizes predictive analytics, workload modeling, and DHS and inter-agency program data to improve outcomes for children and families. The office translates data into information and develops practitioner tools to ensure decisions are data informed.

#### *Integrated Eligibility Project Office*

Integrated Eligibility Project Office was established to carry out the project's requirements, as described in the Budget Narrative of this document, including promoting and protecting civil rights of Medicaid clients.

#### *Office of Organizational Development*

The Office of Organizational Development oversees organizational capacity for continuous advancement toward the DHS mission critical goals. This includes building enterprise partnerships within the community; managing a portfolio of projects impacting organizational development; supporting employee development towards change; employing Lean principles through continuous improvement activities; implementing the DHS performance management system; and supporting volunteerism centrally in DHS and throughout field operations.

#### ***Shared Services***

DHS Shared Services supports both DHS and OHA by providing optimal business services to ensure accountability, data informed decisions, and stewardship of resources. DHS Shared Services contains the following key offices and programs that serve both DHS and OHA.

#### *Budget Center*

This area provides program and administrative budget planning, financial analysis and technical budget support for DHS and OHA. These services are provided for department leadership, program, policy and field managers, staff and external policymakers.

#### *Office of Forecasting and Research and Analysis*

Office of Forecasting and Research and Analysis (OFRA) supports DHS and OHA by providing accurate, timely, unbiased caseload forecasts, and related research and analysis to support budgeting, policy development, identification and elimination of inequitable outcomes, and operational planning. This unit reports to



the DHS OCFO.

*The Office of Enterprise Data Analytics (OEDA)*

This office conducts inter-agency research and advanced statistical modeling to answer cross agency and/or cross programmatic operational questions.

*Office of Financial Services*

This area provides accounting services, administers employee benefits and payroll, prepares financial reports, and collects funds for DHS and OHA. This area provides accurate, accountable and responsive financial management and business services to clients, providers, vendors, stakeholders and employees to ensure compliance with state laws and federal policies, rules and regulations. This unit reports to the DHS OCFO.

*Human Resources Center (HR)*

This office provides essential HR administrative functions and services for DHS and OHA, and supports organizational development and an improved common culture of leadership, diversity, inclusion, and engagement across both agencies, through; personnel records management; leave administration; ADA reasonable accommodations, centralized position administration; safety and risk response and management; staff and management training; facilitation service; HR data analysis and reporting; HR policy administration; and internal communication strategies and resources for managers and staff.

*Background Check Unit*

The Background Check Unit (BCU) provides a comprehensive background screening process to determine if an individual should be allowed to have access to vulnerable people, IT systems or client information. BCU also provides centralized support for FBI Criminal Justice Information Services (CJIS) clearance and training for DHS and OHA staff. BCU is also Oregon's point of contact for processing out-of-state child protective service check requests in support of federal legislation.

*Office of Facilities Management*

This office provides the management and oversight of all facility and leasing related matters for DHS and OHA administrative offices, branch offices, and other facilities statewide. Its staff and operations support the departments' mission by ensuring that buildings are safe and universally accessible, and by maintaining and operating buildings, telecommunications, and their physical infrastructure in a cost-effective, sustainable, and environmentally responsible manner. This office

collaborates with both DHS and OHA leadership to develop long term strategic plans for the facilities needs of both organizations.

#### Office of Imaging and Records Management

This office provides services tailored to the business and program operational needs related to: agencies delegated authority regarding imaging, electronic and physical document and records management; data entry of documents to send data to mainframe applications to generate payment to medical and childcare providers; image and data capture of source documents into a central repository; image and data capture of documents into electronic workflow eliminating the need for the customer(s) to process physical documents; archive storage of physical records; tracking of archived records; shipping of archived records; and destruction of physical documents/records per agreement and Secretary of State's Office retention schedule.

#### Office of Contracts and Procurement

The Office of Contracts and Procurement (OC&P) supports all offices of the DHS, the OHA, and the Home Care Commission by procuring supplies and services in the most cost-effective manner through innovative and responsible solutions. OC&P assists agencies with their supplier diversity programs that seek to include women, minority, and emerging small businesses.

#### Office of Training Investigations and Safety (OTIS)

This office is responsible for conducting and coordinating abuse investigations and providing protective services statewide in response to reports of abuse and neglect to people they serve, including:

- Adults over the age of 65
- Adults with physical disabilities
- Adults with intellectual or developmental disabilities
- Adults with mental illness, and
- Children receiving residential treatment services

#### Office of Internal Audit and Consulting

This unit provides independent and objective information and consulting services for DHS/OHA. The internal audit team reviews all areas of DHS/OHA including centralized operations and programs, field offices, and institutions. The unit provides other services such as consultation on internal controls and process improvement efforts, facilitation of risk assessment activities, coordination of

external audits, and tracking and follow-up on both internal and external audit findings.

*Office of Payment Accuracy and Recovery*

This office provides recovery services by identifying and recovering funds paid in error to clients or providers; investigates allegations of fraudulent activities; investigates and recovers state funds expended for services when a third party should have covered the service; and recovers funds from the estates of Medicaid recipients for the cost of cash and medical benefits provided.

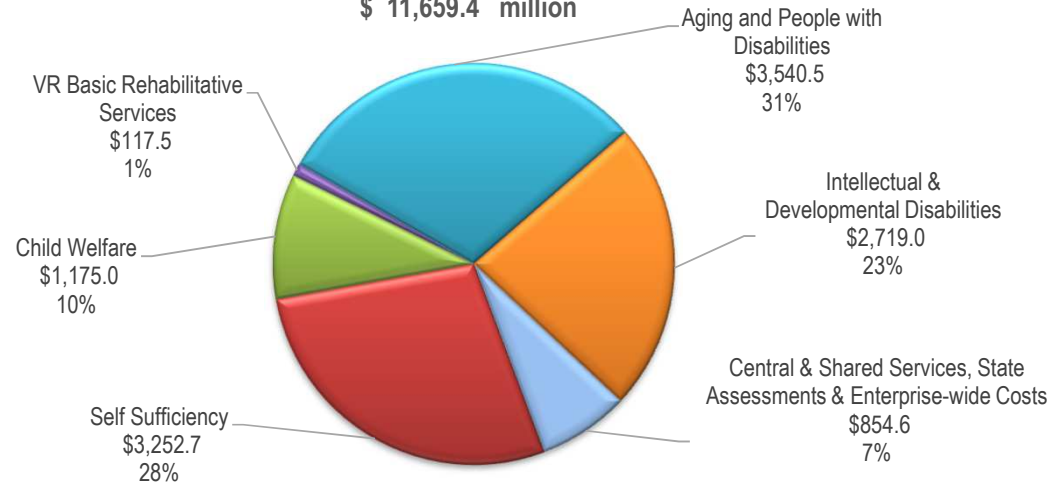
*Publications and Creative Design Services*

Publications and Design manages the writing, design, development, printing and distribution of DHS and OHA publications for internal and external audiences, which includes accessible formats and multiple languages. P&D provides consulting to plan professional quality publications that reflect DHS and OHA style guidelines; edit and proof materials created by staff experts and partners in their individual fields; provide graphic design, layout, original and digital illustration, forms creation, graphic artwork and Web and electronic materials.

***State Assessments and Enterprise-wide Costs***

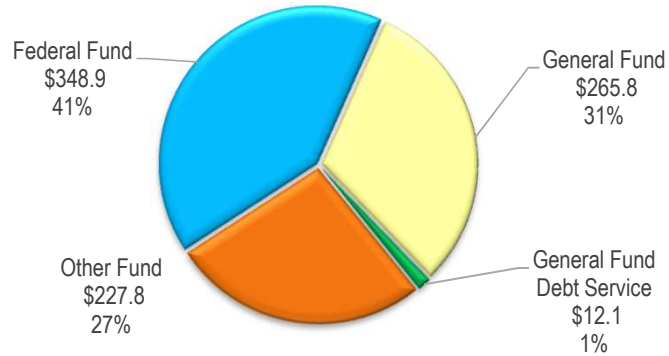
DHS also has statewide assessments that include DAS charges such as the State Government Service Charge, Risk Assessment and State Data Center Charges. Rent for all of DHS is in the Facilities budget, IT Direct is for all computer replacement needs. The Shared Services funding is the revenue for the DHS portion of DHS and OHA shared services and Debt services is to pay off Certificates of Participation or Q-Bond loans taken for major DHS projects. Each service, both shared and assessed, are important for DHS to attain its programmatic outcomes. It is critical to continue to look for efficiencies in our systems, processes or staffing.

**Department of Human Services  
2017-19 Legislatively Approved Budget  
Total Fund by Program Area  
\$ 11,659.4 million**



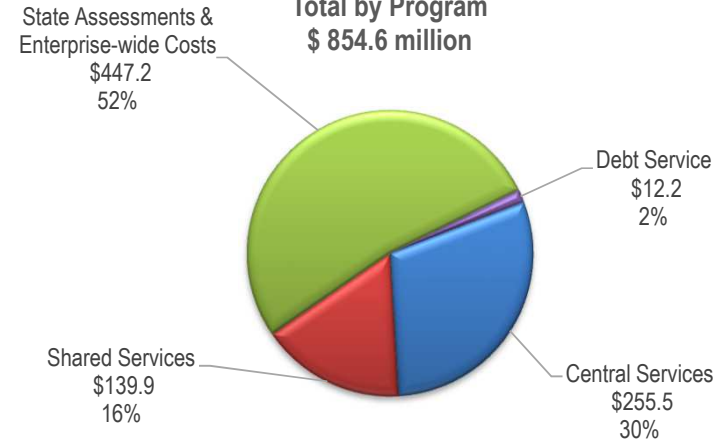
**Central & Shared Services, State Assessments & Enterprise-wide Costs**

**Total by Fund Type  
\$ 854.6 million**

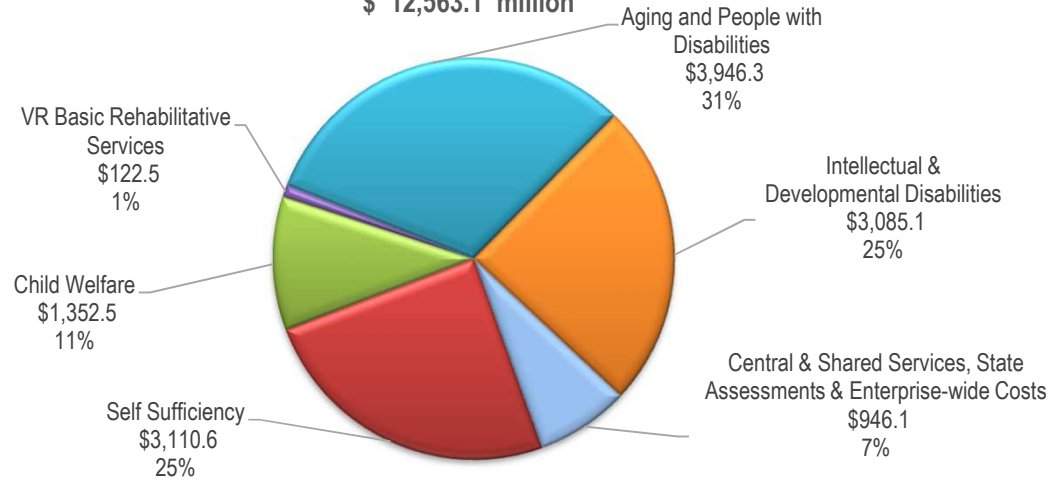


**Central Services, Shared Services, State Assessments & Enterprise-wide Costs**

**Total by Program  
\$ 854.6 million**

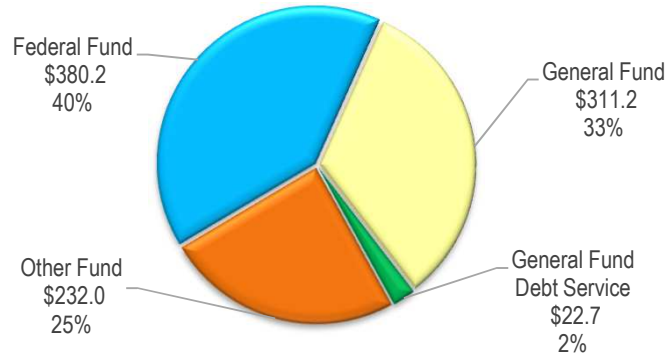


**Department of Human Services  
2019-21 Legislatively Adopted Budget  
Total Fund by Program Area  
\$ 12,563.1 million**



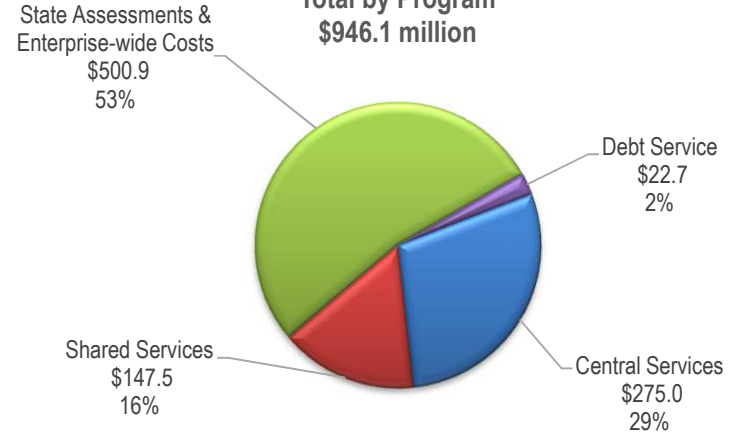
**Central & Shared Services, State  
Assessments & Enterprise-wide Costs**

**Total by Fund Type  
\$ 946.1 million**



**Central Services, Shared Services, State  
Assessments & Enterprise-wide Costs**

**Total by Program  
\$946.1 million**



## **Department of Human Services**

### **Self-Sufficiency Program**

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#### ***Mission***

To provide a safety net, family stability and a connection to careers that guide Oregonians out of poverty

#### ***Program***

The Self-Sufficiency Program (SSP) provides low-income Oregonians with services to support participants' movement towards stability and prepare individuals for employment. Recognition of existing disparities provide a background from which to plan increased service equity within the programs. The programs emphasize the safety and healthy development of children, the strength of the individual and family and often serve to prevent abuse or neglect that may lead to out-of-home placement in the more expensive foster care program.

Oregonians access SSP services when they are in need and have limited alternatives. Program participants access services through a network of local offices in every county.

SSP works to achieve its mission by focusing its efforts on five foundational operating principles:

- Family engagement;
- Economic stability;
- Collective impact;
- Integrity and stewardship; and
- Professional Development

The services offered through SSP are:

- Employment Related Day Care (ERDC)
- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)
- TANF-related programs such as the Job Opportunity and Basic Skills (JOBS) program and Family Support and Connections (FS&C)
- Temporary Assistance for Domestic Violence Survivors (TA-DVS)
- Refugee Program

- Youth Services Program
- Oregon Health Plan

The current housing crisis, available and affordable child care and attainable living-wage jobs all affect SSP caseloads. Many participants are working but have lower wages or fewer hours and don't earn enough to make ends meet on their own. Poverty and disparity factors such as geography (rural/urban), education, English language proficiency, race/ethnicity, and age continue to affect the ability for families to achieve economic stability.

### **Services**

#### **Employment Related Day Care program (ERDC)**

ERDC assists low-income families in obtaining child care so they can work and attend training or education needed to advance in their employment. The ability to go to work and not worry about child care assists parents in gaining economic stability. Parents receive a sliding subsidy amount based on income toward their child care allowing them more options in connecting to reliable, quality providers. Quality providers can help improve school readiness during the critical learning years of birth to five. By working to improve the quality of providers within disparate populations, the entire community benefits. The program has a higher rate of payment available for working families who need child care and have a child with special needs.

Providers approved by DHS meet a set of health and safety standards, attend training, submit to monitoring visits and pass required background checks before they can receive payment on behalf of the family.

#### **Supplemental Nutrition Assistance Program (SNAP)**

SNAP offers food assistance to low-income individuals and families to help meet their nutritional needs. Benefits to participants are 100 percent federally funded; however, the administration of the program requires a 50 percent state match. Approximately one in five Oregonians receive food assistance through SNAP.

SNAP is an important and constantly growing anti-poverty program. Recent research has shown that SNAP benefits reduce the depth and severity of poverty, and have a particularly strong effect on reducing child poverty. SNAP benefits add about \$1.1 billion dollars per year to the Oregon economy including rural Oregon.

Self-Sufficiency offices across the state serve the majority of the SNAP population. Elderly persons (60 and older) plus persons with disabilities who require services are assisted by Aging and People with Disabilities (APD) Program offices and their contracted partners: Area Agencies on Aging, Disability Services Offices and Councils of Government.

Oregon is federally required to offer a limited companion employment and training program. SNAP participants may be enrolled in one of the following programs: Oregon Food Stamp Employment Transition (OFSET) program and the Able-Bodied Adults Without Dependents (ABAWD) program. More comprehensive services are provided through the 50/50 employment and training program, referred to in Oregon as SNAP Training and Employment Program (STEP).

### **Commodities Supplemental Food Program (CSFP)**

This program provides a monthly prescribed nutritious commodity package to help meet the needs of low-income elderly persons (aged 60 or older). Food packages are distributed through local agencies and include canned fruits and vegetables, canned meat, poultry and other protein items, grain products such as pasta, as well as other foods. While CSFP food packages do not provide a complete diet, they are good sources of the nutrients typically lacking in the diets of the target population. Participants are also offered the opportunity to receive nutrition education instruction and information, often in their preferred language and with culturally appropriate recipes.

### **The Emergency Food Assistance Program (TEFAP)**

This federal program helps supplement the diets of low-income Oregonians by providing emergency food and nutrition assistance at no cost. The amount of food Oregon receives is based on the number of unemployed persons and the number of people with incomes below the federal poverty level. The State of Oregon provides USDA commodities, as well as administrative funds, to the Oregon Food Bank (OFB) who is the State Distributing Agency. The OFB works with a cooperative network of regional food banks, partner agencies, and programs to distribute emergency food to hungry families.

### **Temporary Assistance for Needy Families (TANF)**

TANF is a collection of programs directed at improving the lives of very low-income Oregon families with children. It is a critical safety net program for families with children living in extreme poverty and helps families from a variety of diverse backgrounds to address their most basic needs. TANF provides eligible



families with cash assistance, cultural and language specific connections to support and community resources, case management, and employment and training services.

Families typically use TANF funds to prevent homelessness and to help with other factors contributing to family instability. The goal of the program is to help families address barriers, recognize their own strengths, gain skills and access employment opportunities to become self-sufficient.

### **TANF-Related Programs**

- **Job Opportunity and Basic Skills (JOBS) program:** Most adults must meet additional requirements to receive TANF services. The JOBS program provides employment, education, skill-building and family stability services to individuals of families receiving TANF assistance. Individuals participate in JOBS to gain skills necessary to join the workforce and retain employment.
- **Family Support and Connections:** Provides supports to prevent children in the TANF program from entering the child welfare system. Home visiting and community-based services are some of the interventions used to build on family strengths and address family functioning issues.

### **Temporary Assistance to Domestic Violence Survivors (TA-DVS)**

Provides temporary financial assistance and support services to families with children affected by domestic violence when other resources are not available. TA-DVS is used to help vulnerable children and their parents address safety concerns and stabilize their living situation. This reduces the likelihood of the survivor returning to the abuser and can prevent life-threatening situations. Services help prevent child abuse and the need for child welfare intervention.

### **Refugee Program**

The program serves individuals and families who fled persecution in their country of origin and were legally admitted for resettlement by the United States government. Refugees and people who have been granted asylum access the program for financial, employment-related and life skills resources to provide a sense of community for the newly arrived. The program guides refugees toward economic stability through employment as early as possible. The program serves only those persons in immigration categories approved by the Federal Office of Refugee Resettlement (ORR).

## **Youth Services Programs**

My Future - My Choice program is an age-appropriate, medically accurate, sexual health education program. This service supports community prevention efforts to help families break the generational connection to public assistance. The program expands on the historical teen pregnancy prevention program to provide education and tools for youth to resist multiple risk-taking behaviors. DHS partners with the Oregon Department of Education and the My Future - My Choice Advisory Committee to develop and implement the program.

The Runaway and Homeless Youth (RHY) program provides services and supports to young people under age 18 to 21 without shelter. The program currently administers funding to local non-profit providers across the state to provide shelter services, drop-in & outreach services, and job development & mentoring services. DH partners with a cross-system advisory group to coordinate statewide policy and planning for addressing the needs of runaway and homeless youth.

## **Oregon Health Plan**

The Oregon Health Plan (OHP) is the state's medical assistance program, serving approximately 1.1 million Oregonians. Funded by Medicaid, Children's Health Insurance Program and state resources, OHP offers free health care for people who meet income and other requirements, including age and disability status. OHP covers physical, dental, and behavioral health care. The majority of members receive their care through regional networks called coordinated care organizations (CCOs).

SSP staff assist with linguistically appropriate services for OHP eligibility, including customer service and application processing.

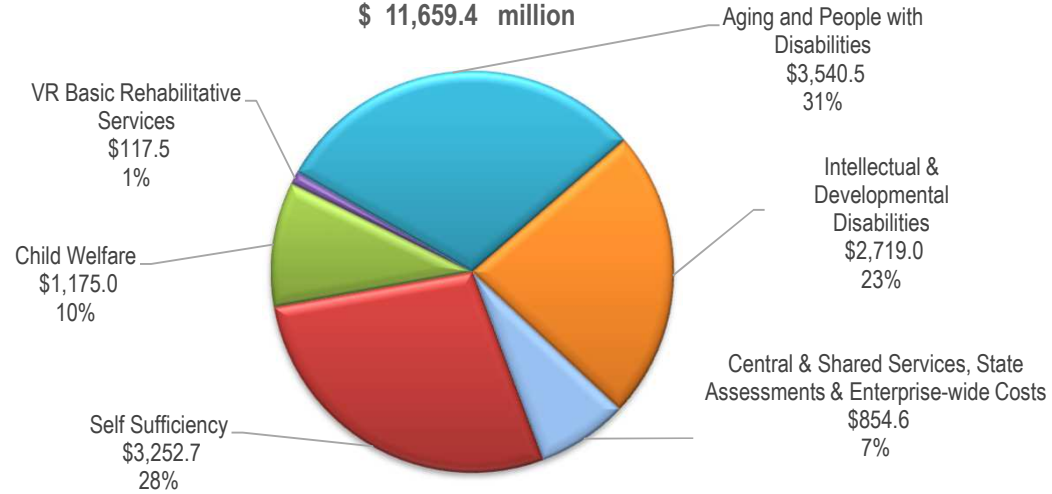
## **Program Design and Delivery**

Provides program direction, planning, reporting, implementation, training, eligibility and benefit issuance for SSP. Staff at state and local levels also coordinate closely with other DHS programs, including Child Welfare, with the goal of increasing individual and family stability.

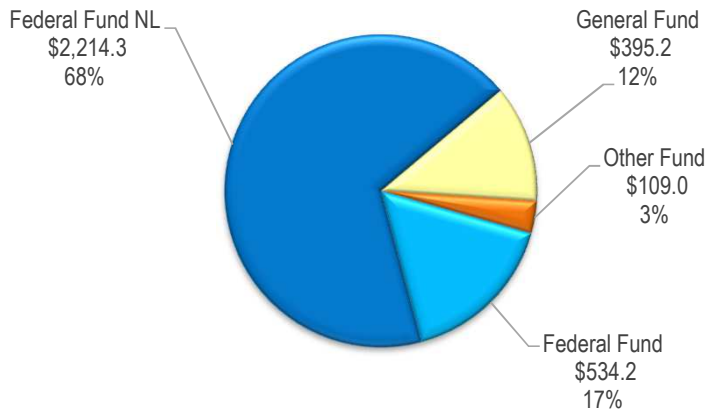
SSP collaborates with other agencies and statewide initiatives, including the alignment and improvement of the state's workforce system. This effort is to ensure that service delivery and outcomes are improved for both employer and job seeker. Other collaborations have been built around domestic violence, housing, addictions and mental health treatment, vocational rehabilitation, health care and

education. Throughout SSP, collaboration efforts include taking into consideration the community, culture and language needs of those served by the program. SSP has a strong commitment to have bilingual staff that can provide assistance directly to the families & individuals served. Additionally, work is being moved forward to better understand the communities served through enhanced Race, Ethnicity, Language & Disability data collection and analysis.

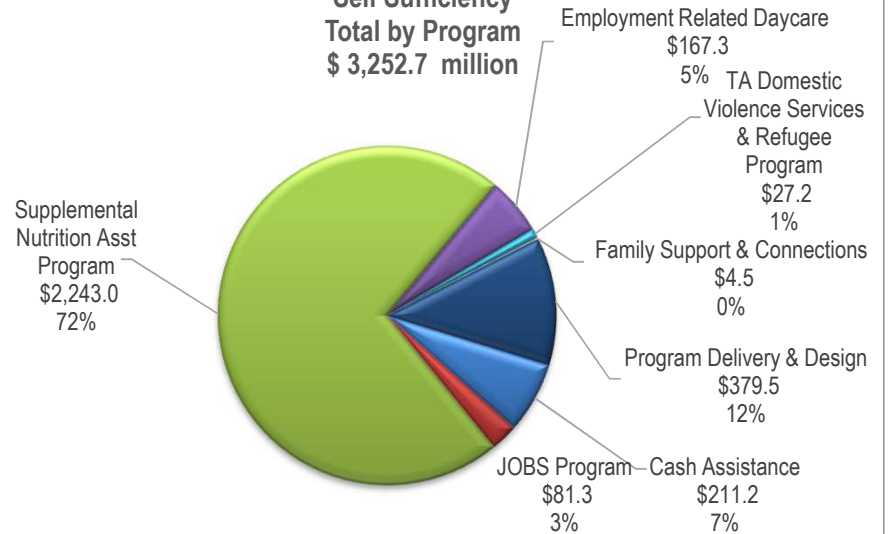
**Department of Human Services  
2017-19 Legislatively Approved Budget  
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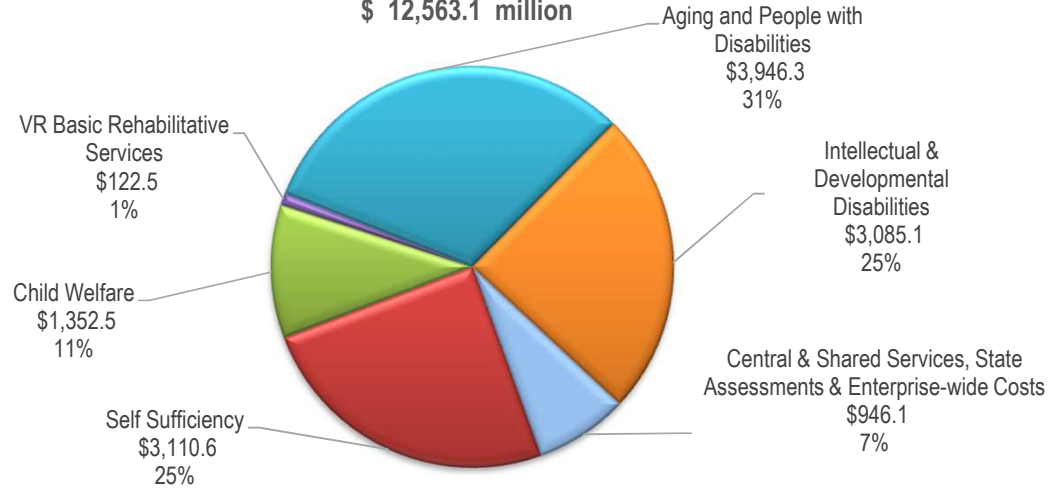
**Self Sufficiency  
Total by Fund Type  
\$ 3,252.7 million**



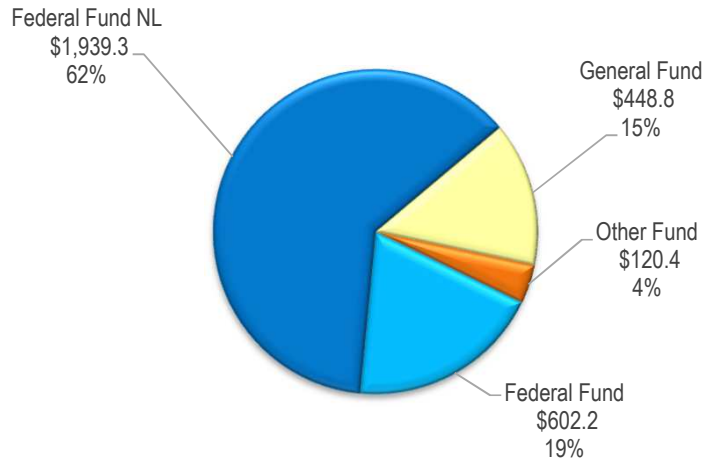
**Self Sufficiency  
Total by Program  
\$ 3,252.7 million**



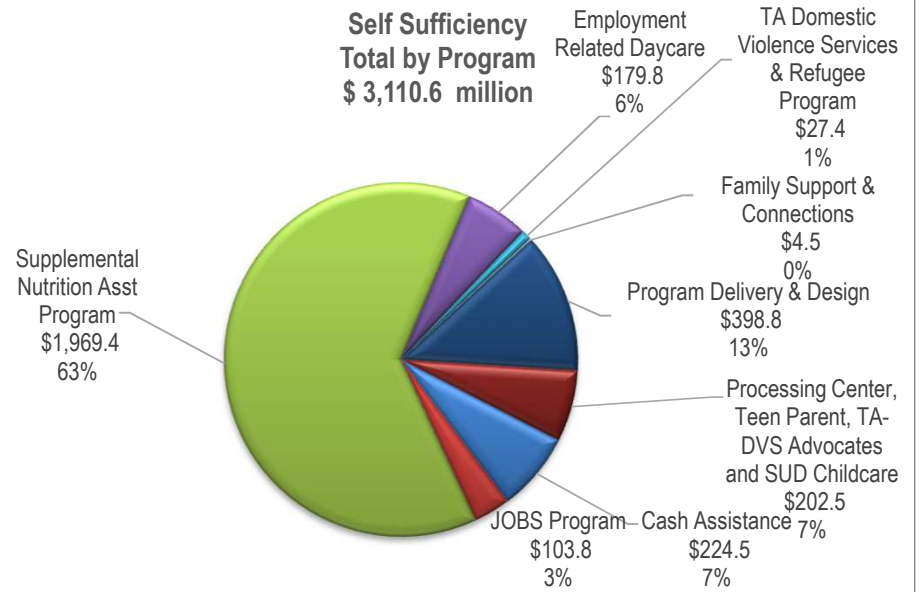
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**Self Sufficiency  
Total by Fund Type  
\$ 3,110.6 million**



**Self Sufficiency  
Total by Program  
\$ 3,110.6 million**



## Department of Human Services Child Welfare Program

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### *Mission*

Every child and family are empowered to live independent, safe and healthy lives.

### *Vision*

Every child and family have a safe, culturally/linguistically, appropriate and positive environment in which to live and develop.

### *Action*

Promote exceptional, culturally and linguistically appropriate and equitable service by embracing opportunity for growth and providing innovation, resources and support to our staff.

### *Goals*

Safe and equitable reduction in the number of children experiencing foster care.

- **Safety:** Protect children from abuse and neglect, keeping them safely at home whenever possible and appropriate
- **Permanency:** Find safe, permanent and culturally stable homes for children in care
- **Well-Being:** Ensure children in foster care are well cared for, remain connected to family, siblings, community and support networks, and receive appropriate and equitable services
- **Service Equity:** Provide culturally appropriate, equal access and equitable treatment for all children served by the Department. This meets the cultural and linguistic needs of children in care including being served by staff with those capacities as well.
- **Quality Assurance/Continuous Quality Improvement:** Continue an integrated practice of quality assurance and continuous quality improvement for defining, measuring, and improving equitable outcomes for Oregon's children and families

### *Program*

Child Welfare Programs serve children and families when children are subject to abuse and neglect. Trained and diverse child welfare staff respond to reports of child abuse and neglect, and if a child cannot be safe at home, a foster care placement is made. The primary goal is to keep children safe, while providing

equitable services to support timely and safe return to their families. Whenever possible, services are provided to prevent out-of-home placements.

The program areas within Child Welfare are:

- Safety
- Well-Being
- Permanency
- Program Design & Delivery
- Federal Policy, Planning & Resources

### ***Individuals We Serve***

Children served in Federal Fiscal Year (FFY) 2017:

- 11,645 children spent at least one day in foster care
- 80,683 reports of abuse and neglect were received
- 43,976 reports were referred for investigation
- 7,063 reports were founded for abuse or neglect involving 11,077 victims
- 45.1 percent of the victims were younger than 6 years old
- Of the total children served in foster care, 69.3% were White, 13.2% were Hispanic, 7.1% were American Indian or Alaska Native, 6.9% were Black or African American, 1.9% did not have race recorded, and 1.6% were Asian or Pacific Islander

### **Child Safety**

The Child Safety program provides protective and social services to children and families when allegations of child abuse or neglect are reported. Specially trained workers conduct comprehensive safety assessments and make determinations about child safety, the presence of abuse, if services would benefit a family or whether safety intervention is required due to the presence of safety threats. With very few exceptions, a child abuse report begins with a call to a child abuse hotline. Trained Social Service Specialists screen reports and collect key information. If the report meets criteria to be assigned for an in-person investigation, the family's information is given to a trained Child Protective Services (CPS) worker who will conduct a comprehensive safety assessment.

The Child Safety program also provides coordination for the following areas:

#### ***CIRT (Critical Incident Response Team) Coordination***

The CIRT coordination team provides culturally and linguistically appropriate

multi- disciplinary services used to study child fatality cases by gathering a group of individuals representing child welfare and other agencies to review child fatalities and seek to identify internal and external systemic issues and generate recommendations for what can be learned, changed or corrected that might reduce future tragic outcomes.

*CSEC (Commercial Sexual Exploitation of Children)- Coordination Out of home care investigations*

The CSEC coordination provides culturally and linguistically appropriate multi-disciplinary services by connecting child welfare staff to resources including National Center for Missing & Exploited Children, LEA, FBI and other community agencies to partner in helping youth that are being sexual exploited get off the street, have safe shelter and offer intensive wrap services to help with their physical and emotional needs.

*Addiction Recovery Teams (ART Teams)*

These teams provide coordinated, culturally and linguistically appropriate multi-disciplinary services to substance-abusing family members whose issues are identified through a comprehensive safety assessment.

*Domestic Violence/Sexual Assault*

DHS makes grants available to domestic violence and sexual assault service providers throughout Oregon. These providers offer crisis lines, crisis response, emergency shelter and other related services to survivors of sexual assault, survivors of domestic violence, and their children, in a culturally and linguistically appropriate manner.

*Strengthening, Preserving and Reunifying Families (SPRF)*

The Strengthening Preserving and Reunifying Families law (ORS 418.575-418.598) allows funding for an array of services for families through collaboration between DHS and local community partners. The Department has developed outcome-based contracts for services to specifically address the needs of children and families who come to the attention of child welfare through a screened in report of abuse or neglect. These outcome-based contracts are foundational for an overall ability to report on results associated with SPRF services and funding.

*In-Home Safety and Reunification Services (ISRS)*

This program provides culturally appropriate intensive, short term services to families with children who can remain safely in their homes, and to children and families who are safely reunited. ISRS provides a combination of safety and



strengths-based services that lead to lasting safety changes within the family. These services are time limited and are complemented by SPRF services for families in need of longer term or more intensive services.

### *System of Care (SOC)*

System of Care funds support Oregon's most vulnerable children by providing local child welfare offices with the flexibility to purchase specific services to meet a family's needs to assure the safety, permanency and well-being of their child(ren) in culturally and linguistically appropriate ways. Services are identified and planned for through family engagement and involvement in case planning. Whenever possible, shared funding of custom-designed services is achieved through collaboration with community partners.

### **Well-Being**

#### *Foster Care*

Foster Care services include Relative Care, Family Foster Care and professional level of care such as Shelter Care and Behavioral Rehabilitation Services provided in therapeutic home or residential settings, through contracted Child Caring Agencies (CCAs). The foster care system operates 24 hours per day, seven days per week to accept and care for children who cannot remain safely at home. Oregon's goal aligns with the federal requirement of placing a child in the least restrictive, most appropriate setting that meets the child's individual needs when the child cannot safely be cared for by his or her parent(s).

This program focuses on the well-being of children while they are in foster care and is responsible for recruitment, certification, training, and providing support to retain foster care families (both general applicants and relative caregivers). Families are trained by agency staff and through contracted experts. They participate in, and must pass, a Structured Analysis Family Evaluation (SAFE) home study, designed to evaluate a family's suitability and readiness to meet the needs of children that enter the child welfare system. They must also pass a criminal background check, reference checks, and a review of Oregon's abuse registry which includes all prior abuse reports received on children and adults. In addition to the above, this program provides recruiting, contracting, training, support and monitoring of all contracted child caring agencies.

DHS partners with community members, Tribes, local and national foster care organizations, provider organizations, youth led organizations and organizations representing diverse cultural perspectives to deliver services throughout the state.

DHS works in collaboration with multiple state and local government agencies such as the Oregon Health Authority, Oregon Department of Education, local law enforcement, Tribes, community programs, schools, the faith community and volunteer programs to identify and develop a local array of culturally and linguistically appropriate services. The Well-Being program is responsible for the overall well-being of children in DHS care by addressing behavioral, emotional and social functioning, meeting core educational needs, assuring appropriate physical, dental and mental health care, and maintaining safe family and community connections.

#### *Youth Transition Services*

The Independent Living Program (ILP) serves current and former foster youth up to age 21. Services include assistance with developing life skills - including money management and budgeting - communication, and social skills, establishing community connections and healthy supportive relationships, assistance with informed decision-making, parenting, health, education support, housing, and job readiness. A primary focus is to develop transition plans to ensure high school completion and a successful transition to post-secondary education or employment at a level that allows self-sufficiency. Housing support options are available to eligible youth through the federal Chafee housing and independent living subsidy programs.

Youth Transition Services also include services for Homeless and Runaway Youth. The Department has a dedicated Homeless Runaway Youth program coordinator responsible for leading a quarterly advisory committee, contracting with and otherwise supporting statewide services those youth.

#### *Health and Wellness Services*

DHS puts a high priority on assuring that children in out-of-home care receive appropriate medical, dental and mental health care. In addition to appointments and screenings required when a child enters foster care, children are assessed by a contracted nurse shortly after entering care to address any immediate health needs and provide support to the child and foster parents for any health related or medication issues the child may have. Our field nurses provide medication management services, case consultation, medical care coordination, nursing delegation, foster parent teaching and training and other nursing services. The Health and Wellness team provides resources, support and case consultation to staff and provides resources for foster parents who care for medically fragile children. In addition, annual psychotropic medication reviews are completed by a Nurse Consultant for all children in care currently prescribed psychotropic

medications. Medical Assistance Resource Coordinators (MARC)s provide assistance with access to care issues and help coordinate services with Coordinated Care Organizations (CCO) throughout the state to ensure the health, mental health and dental needs of children in foster care are being met.

### **Permanency**

DHS' first goal always is to safely and successfully reunify children with their parent(s). Unfortunately, this is not always possible and when it is ultimately determined that a child is unable to safely reunify with his or her parent(s), DHS helps find a permanent family through adoption or guardianship. Once children are placed with a permanent adoptive or guardian family, the Permanency program continues to provide services and supports up to age 18 to help meet the special needs and challenges children who have been abused and neglected can experience. These efforts include taking into consideration the cultural and linguistical needs of the minor.

DHS is also responsible for the coordinating the Voluntary Adoption Search and Registry Program for Oregon's public and private adoptions. This registry may also include adoptions for children with relatives living in other countries pursuant to The Hague Convention and the Intercountry Adoption Act.

#### *Title IV-E Waiver Demonstration Project*

Oregon's Title IV-E Waiver project is titled *Leveraging Intensive Family Engagement (LIFE)*. LIFE is a locally developed, values-based intervention focused on addressing gaps and challenges to reduce the time to permanency for high risk children. LIFE has four key features:

- Family Finding: identify and engage a broad network of family support and placement resources
- Case Planning Meetings (CPMs): case planning and monitoring support informed by child and family voice
- Peer Parent Mentors: help parents engage in CPMs and services to assist them in navigating the child welfare/service systems
- Collaborative team planning between service providers, DHS, and the family involved with the case

The goal of the LIFE project is to safely and equitably reduce the number of children who might otherwise remain in care for three years or longer. Eligible children and their siblings are identified shortly after removal based on key indicators. Then the Family Engagement Facilitator begins intensive work with the caseworker, child, parents, and family to develop a plan of reunification, adoption,

or guardianship in a timely manner.

### **Program Design & Delivery**

Oregon has a state-run, county-administered child welfare program. Staff in the central office support field staff through policy and rule development, assuring compliance with federal and state regulations, quality monitoring, technical assistance, evaluation and program analysis, developing consistent business processes and standards, and identifying best practices. Other services provided include consulting, coaching, training and continuous quality improvement aimed at improving outcomes for Oregon's children and families.

Managers and supervisors in local child welfare offices provide clinical supervision of direct service staff. Whenever possible, Child Welfare staff coordinate service delivery with staff from our Self-Sufficiency offices to support family stability and prevent entry/re-entry into the child welfare system. In addition, child welfare staff coordinate with other child and family serving systems including Housing, Oregon Health Authority, Oregon Department of Education, county-based health and support services, and others.

Child Welfare employees provide direct services in local offices. For a list, see: <http://www.oregon.gov/DHS/children/child-abuse/Pages/Reporting-Numbers.aspx>

#### *Indian Child Welfare Act (ICWA)*

Native American children are currently over-represented in Oregon's child welfare system. Compliance with the Indian Child Welfare Act is a Federal mandate. DHS has Tribal Liaisons in the child welfare field offices to enhance relationships with Tribal governments and to work with Tribal children and families to reduce disparities, improve compliance with the Act, and improve outcomes for Tribal families.

#### *Interstate Compact on the Placement of Children (ICPC)*

The ICPC is statute which governs the movement of children across state lines. All fifty states plus the District of Columbia and the U.S. Virgin Islands are member of the ICPC. The ICPC covers Oregon DHS children being placed in other states, and children in the custody of other state public child welfare agencies being placed into Oregon, as well as private adoption and residential treatment placements that cross state lines. The ICPC applies to approximately five percent of all child welfare cases nationwide.

The Oregon ICPC program includes a team of Central Office staff who provide training and case consultation to DHS field staff, attorneys and members of the public. The program also includes a team of regionally-based workers who complete home studies on Oregon residents for possible placement of children from other states.

### *OR-Kids*

OR-Kids is the statewide automated child welfare information system with more than 3,600 system users across the state and across agencies. OR-Kids is also a Criminal Justice Information System. This system provides reports to internal and external partners, including Child Welfare Case workers, DHS' Office of Financial Services, the Administration of Children and Families, and Human Resources.

OR-Kids contains case records on all children and families served by Child Welfare, and issues payments to service providers. Required federal reports are submitted via the OR-Kids system to draw down federal reimbursement for eligible services. The OR-Kids program staff monitor access for all system users across the state and partner agencies to assure privacy and access policies are being followed.

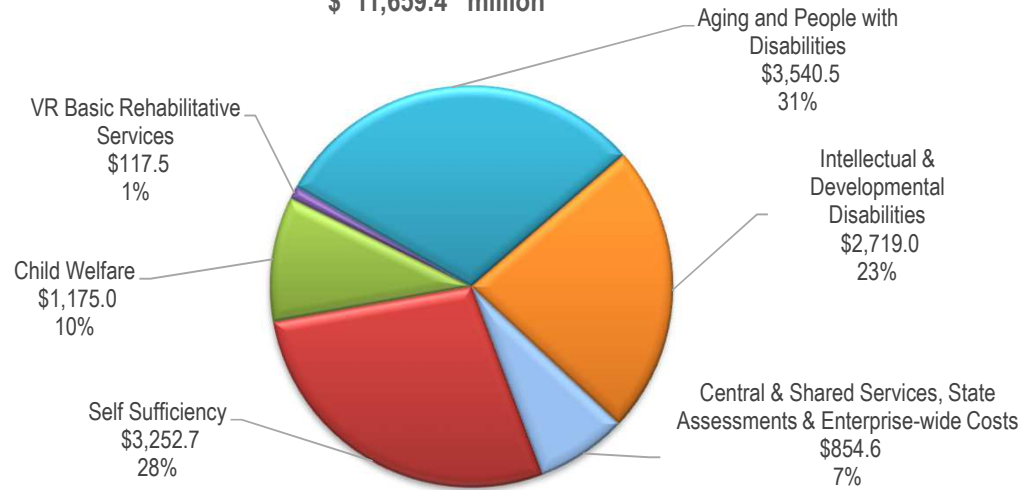
Ad-hoc queries are run to ensure data quality and to operate a data-informed organization. The program also runs queries to identify system issues and resolve system end user problems as case work is completed. The program supports every area of Child Welfare and is the system of record for Child Welfare work.

### **Federal Policy, Planning & Resources (FPPR)**

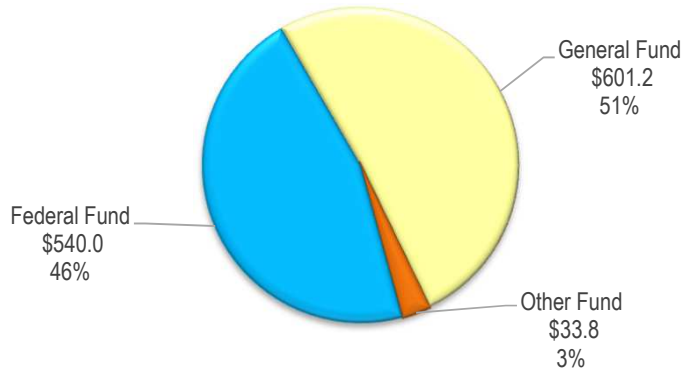
This program is responsible for ensuring Child Welfare remains in compliance with federal program standards to maximize continued federal financial support for the Child Welfare programs and services described above. In addition, FPPR is responsible for submitting all required federal reporting and responding to related inquiries. The primary goal of FPPR is to maximize the use of federal funds while assuring all funds are used solely for allowable purposes.

- Title IV-B – Subpart 1 & 2
- Title IV-D – Child Support
- Title IV-E – Foster Care, Adoption Assistance and Guardianship Assistance
- Title XIX – Medicaid
- Title XX – Social Services Block Grant
- TANF EA – Emergency Assistance

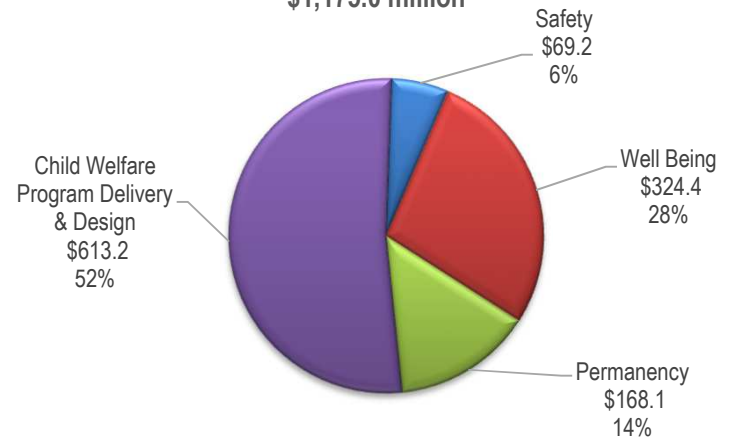
**Department of Human Services  
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**Child Welfare  
Total by Fund Type  
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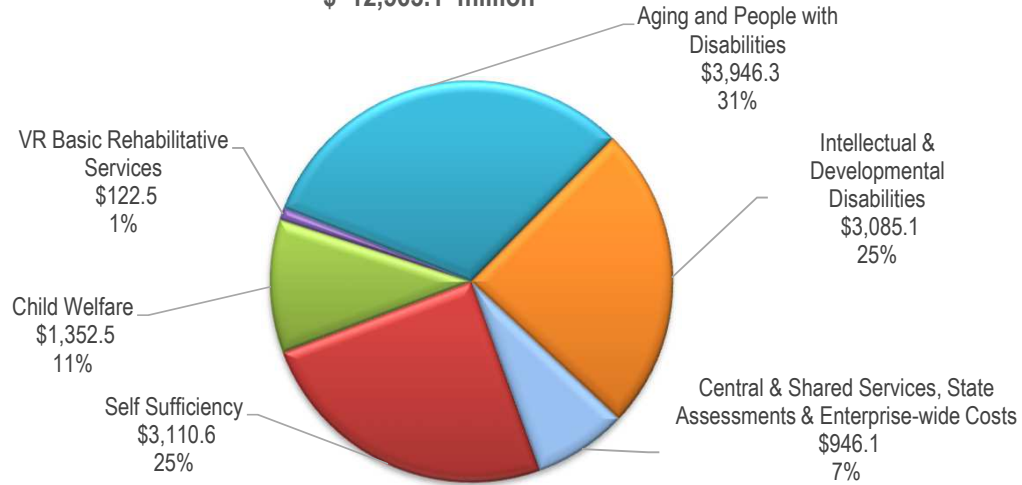


**Child Welfare  
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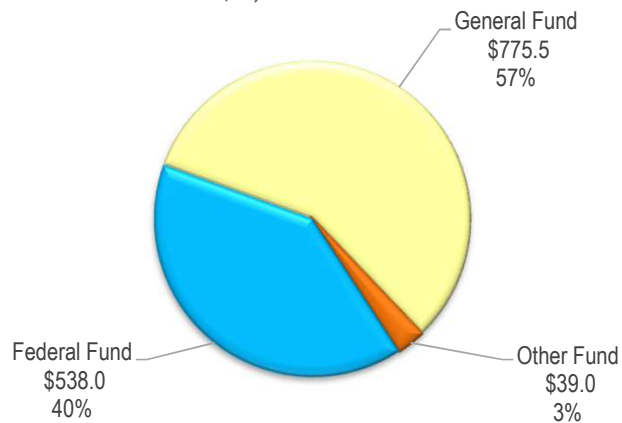




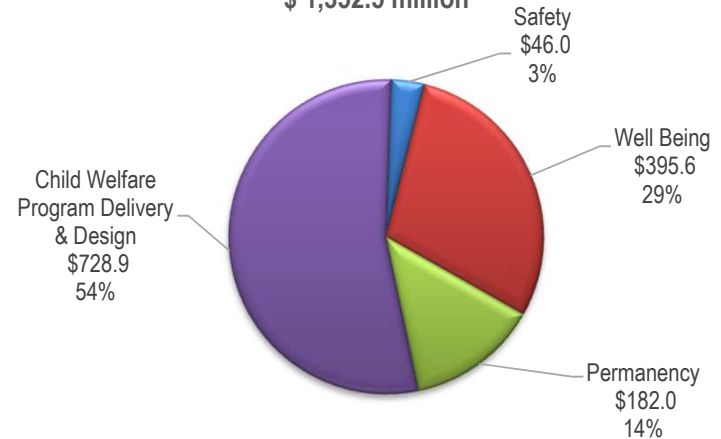
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**Child Welfare  
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**Child Welfare  
Total by Program  
\$ 1,352.5 million**



## **Department of Human Services Vocational Rehabilitation Program**

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### ***Vision***

Every Oregonian with a disability, who desires to work, is given the opportunity and means.

### ***Mission***

Vocational Rehabilitation's (VR) mission is to assist Oregonians with disabilities to achieve, maintain and advance in employment and independence. VR partners with Oregonians with disabilities to gain employment through a variety of services designed to assist in identifying and mitigating the functional impediments created by disability.

### ***Program***

This is a state and federal program authorized by state law and the federal Rehabilitation Act of 1973, amended in 1998 and in 2014 by the Workforce Innovation and Opportunity Act (WIOA).

VR helps Oregonians with disabilities gain employment through a variety of services. This includes helping youth with disabilities transition to jobs as they become adults; providing individualized counseling and supports to job seekers with disabilities to overcome barriers to employment; helping employers realize the benefit of employing diverse people with disabilities; and partnering with other state and local organizations that coordinate and provide equitable employment and workforce programs. Over 350,000 working-age Oregonians experience a disability, but approximately 35 percent are employed. Employment helps people with disabilities progress towards self-sufficiency, become involved in their communities, and live more engaged and satisfying lives.

All working-age Oregonians who experience a disability and are legally entitled to work are potentially eligible for VR services. Individuals who experience a medical, cognitive or psychiatric diagnosis that results in a functional impediment to employment are typically eligible. Recipients of Social Security disability benefits are presumed eligible for services.



Approximately 99 percent of all eligible clients currently served by VR are people with significant disabilities. These individuals experience multiple functional impediments requiring several services provided over an extended period.

VR has a diverse staff of counselors with expertise in the areas of intellectual and developmental disabilities (I/DD), deafness and hearing impairments, mental health, motivational interviewing, spinal injury, and traumatic brain injury. Additionally, the participant's cultural and linguistic needs are considered.

### ***Individuals we serve***

Vocational Rehabilitation employees provide direct services through a network of local offices across Oregon. For a list, see:

<http://www.oregon.gov/dhs/vr/Pages/officelocation.aspx>

Services are provided by rehabilitation counselors and support staff who deliver direct client services through 34 field offices and multiple single employee outstations in Work Source Oregon Centers and other human services agencies across the state. As the demographics in Oregon are changing, VR is adapting accordingly to provide culturally and linguistic services to Oregonians and to help diversify the State workforce.

### **VR Data:**

- Helped 17,204 individuals and obtained 2,688 employment outcomes in fiscal year 2018.
- Contract with 120 school districts and consortia on behalf of 150 high schools to provide serves for approximately 1,300 students each year.
- Assisted 692 individuals with intellectual and developmental disabilities (I/DD) and 378 individuals with psychiatric disabilities obtain jobs in federal fiscal year 2018. Of those 692 individuals with I/DD who obtained jobs, 408 are maintaining their job through supported employment services.
- The number of clients rehabilitated in VR by Race/Ethnicity for the state fiscal year 2018 breaks down to 37 American Indian or Alaskan Native, 266 Hispanic or Latino, 2143 White, 117 Multi-race, 72 African American, 8 Native Hawaiian or other Pacific Islander, and 45 Asian.
- VR staff in the field served 1255 Oregonians who reported some level of hearing loss as their primary disability. Of those, 499 labeled themselves “Deaf” and 710 labeled themselves “hard of hearing.” Consumers with

hearing loss represented 7.4% of the total population served by VR during state fiscal year 2018

### ***Services Provided***

VR is designed under five primary areas: basic services, youth programs, supported employment, career counseling information and referral and independent living. In addition, VR is also engaged in Oregon's Employment First program in partnership with the Office of Developmental Disability Services and is actively engaged in improving workforce partnerships core partner in the state workforce programs.

**Basic Services:** These are basic services provided to individuals whose disabilities present a potential barrier to employment. A rehabilitation counselor conducts a comprehensive assessment to evaluate vocational potential, including diagnostic and related services necessary for the determination of eligibility for services as well as the nature and scope of services to be provided. Vocational counseling and guidance builds on this assessment and helps the client identify a vocational goal. The counselor, in partnership with the client, develops an individualized plan for employment and authorizes appropriate services in support of the plan while maintaining a counseling relationship with the client.

**Youth Transition Program (YTP):** YTP operates as a partnership between VR, the Oregon Department of Education (ODE), the University of Oregon's College of Education, and local Oregon school districts. At least 70 percent of students with disabilities in YTP complete high school and transition to a job or postsecondary education at a rate exceeding the national average. This internationally and nationally-recognized school-to-work transition approach is a best practice for young people with disabilities. YTP bridges the gap between school and work by providing coordinated vocational rehabilitation services while the student is in school and ensuring a smooth transition to adult services and employment after completion of school. YTP currently serves over 2,000 students in over 120 school districts through comprehensive VR services and pre-employment transition services.

**Supported Employment Services:** These services target individuals with the most significant disabilities for whom employment was not possible through traditional means, but who can obtain and maintain competitive employment in the community with the provision of job coaching and ongoing supports. Basic vocational rehabilitation services are provided on a time-limited basis for each

client. Oregon Health Authority (OHA), the Office of Developmental Disability Services (ODDS), other community programs, families and private employers are responsible for the follow-along services once VR has completed placement and training services. Supported Employment Services combine traditional VR services and support services provided by job coaches, typically at job sites.

**Career Counseling, Information and Referral (CCIR):** The WIOA created these services in the 2014 update to the Rehabilitation Act. States began the sub-minimum wage projects in 2017. These services provide career counseling, information and referral to individuals (any age) known by VR to be employed at subminimum wage. Employers with 14C certificates from Department of Labor are allowed to employ individuals at less than minimum wage. These employers are required to provide information about training opportunities (self-advocacy, self-determination, and peer support); however, the employers are prohibited from providing the CCIR as this is a required function by VR. In 2018, the VR program provided CCIR to 997 individuals and 59% of these individuals indicated they are interested in competitive integrated employment opportunities.

**Independent Living:** Services are available through seven Centers for Independent Living (CILs). The CILs are nonprofit organizations that provide information and referral, independent living skills training, peer counseling, both systems and individual advocacy and transition services for youth. CILs also provide a range of services based on local needs, many of which compliment services provided through other state and federally funded programs. Services are provided through a peer-mentoring model, with an emphasis on self-help, self-advocacy, and consumer responsibility.

CILs are a federal program established in the Rehabilitation Act of 1973. Oregon's State Independent Living Council was established by Governor's Executive Order 94-12 in 1994. VR has the responsibility to:

- Receive, account for, and disburse funds received by the state;
- Provide administrative support services to the CILs;
- Keep records and provide access to such records as required by the Administration on Community Living (the Federal authority for the Independent Living program); and
- Fund and support the State Independent Living Council's resource plan

VR and the Work Incentive Network (WIN) provide benefits planning through a contract with the CILs. WIN was developed as a pilot project through a Medicaid Infrastructure Grant and provides benefits and work incentives planning to individuals with significant disabilities who want to obtain, maintain, or increase their employment, but should not lose other benefits and medical coverage. This allows people on disability benefits to become employed, gain more levels of self-sufficiency, become engaged in their communities, and live a higher quality of life. They also begin paying taxes and reduce reliance on publicly-funded services.

**Employment First:** Youth and adults with intellectual and developmental disabilities (I/DD) are significantly underrepresented in Oregon’s workforce. With appropriate services and assistance, most people with I/DD can work successfully in the community. The state is seeking to increase employment of people with I/DD in integrated workplaces through increased efforts around the Employment First policy and the Settlement Agreement (Lane v Brown) with targeted outcomes

The Governor’s Executive Order 13-04 and subsequent EO 15-01 directs state agencies and programs, including VR, DHS’ Office of Developmental Disability Services (ODDS) and the Oregon Department of Education (ODE), to increase community-based employment services for people with I/DD and to reduce state support of sheltered work. VR has specialized counselors around the state committed to working with people with I/DD to find employment in the community.

**Tribal Partnerships:** The General VR program continues to partner with and support the Tribal VR programs in the Confederated Tribes of the Umatilla, Confederated Tribes of Warm Springs, Confederated Tribes of Siletz, Confederated Tribes of Grand Ronde and the Klamath Tribes. Each tribe shares an individualized vision for its program and identifies how state VR can support delivering services to all Native Americans.

This collaboration includes:

- Sharing consumers with complex disability-based barriers to employment requiring specialized rehabilitation services
- Cross-training new VR counselors on the cultural customs specific to the tribal organization

- Joint rehabilitation trainings for state and Tribal VR counselors. Facilitation of Tribal VR directors and tribal leaders to meet with the Department of Human Services Director
- Sharing space within the WorkSource buildings

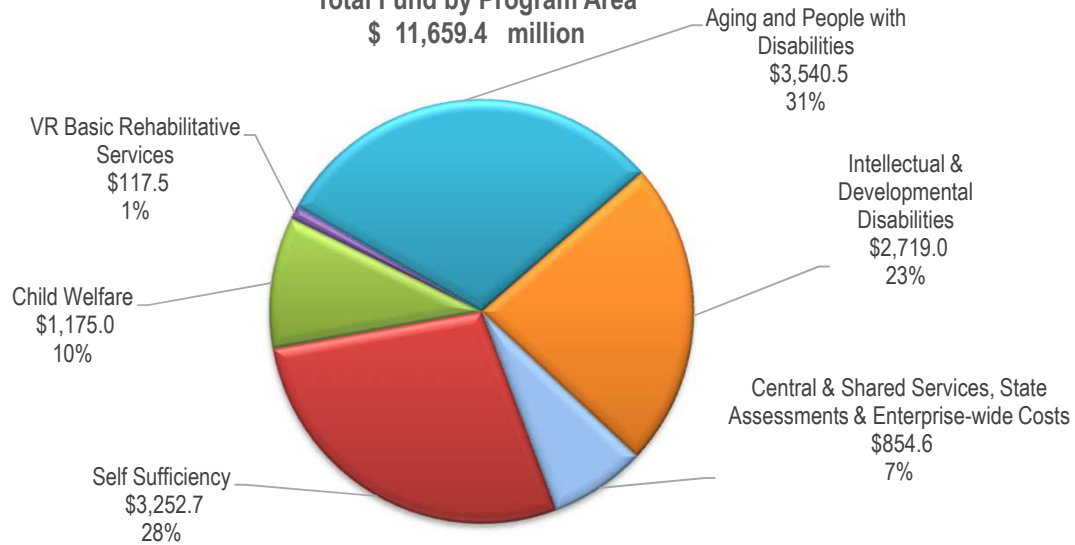
**Workforce Partnerships:** With the passage and implementation of the Workforce Opportunity and Innovation Act (WIOA) of 2014, VR has been identified as a core partner in the workforce system. VR has been working closely with the core workforce partners to create a system that is less siloed, more efficient, inclusive, equitable and diverse.

VR, DHS- Self Sufficiency Program (SSP), the Oregon Employment Department, local workforce development boards, and Adult Basic education programs around the state have been meeting to ensure all our services are aligned minimizing duplication and creating opportunities to expand services that meet the needs of our joint client. Moving towards this shared purpose has increased awareness of the needs of individuals with disabilities seeking employment while creating more opportunities for our clients in local economies.

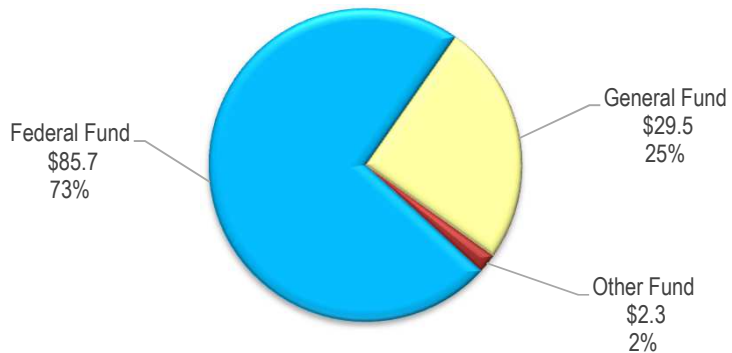
VR continues to create opportunities for diverse individuals with disabilities to gain equitable access and benefit from various workforce strategies. Moving forward, VR will enhance employer outreach strategies to engage employers and conduct outreach and education to show that our diverse clients are reliable, dependable, and skilled workers who also happen to have disabilities. VR will also engage employers to provide work-based learning opportunities for all clients, including youth transitioning into post-secondary careers and apprenticeships.

As part of our integration into the workforce system as a core partner, VR has representation on the nine local workforce development boards in the state. We also have a larger role with in the statewide Workforce and Talent Development Board. As a core member of the workforce system, VR and our workforce partners have developed and updated the unified state plan that guides our collaborative efforts to build an effective and strong workforce system.

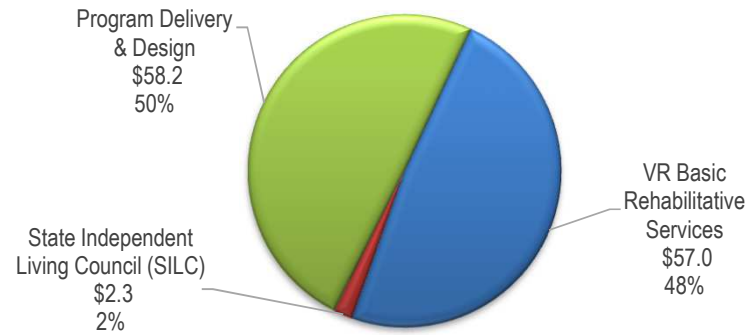
**Department of Human Services  
2017-19 Legislatively Approved Budget  
Total Fund by Program Area  
\$ 11,659.4 million**



**VR Basic Rehabilitative Services  
Total by Fund Type  
\$ 117.5 million**

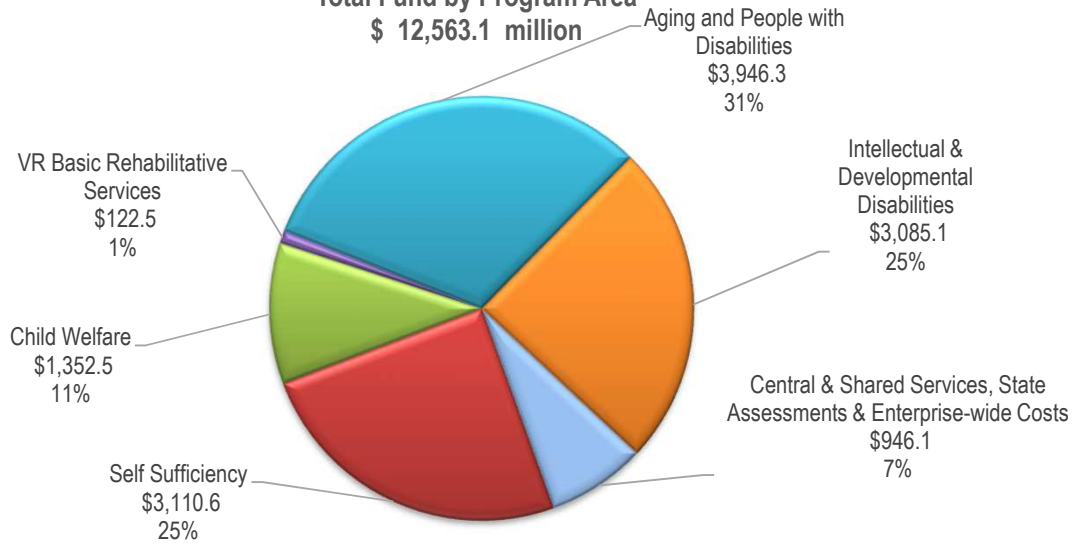


**VR Basic Rehabilitative Services  
Total by Program  
\$ 117.5 million**

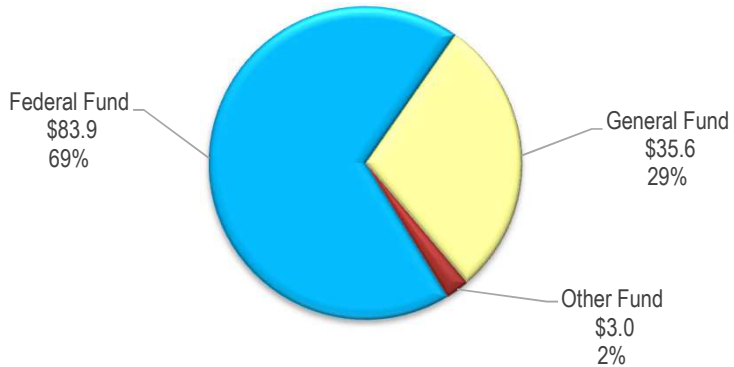




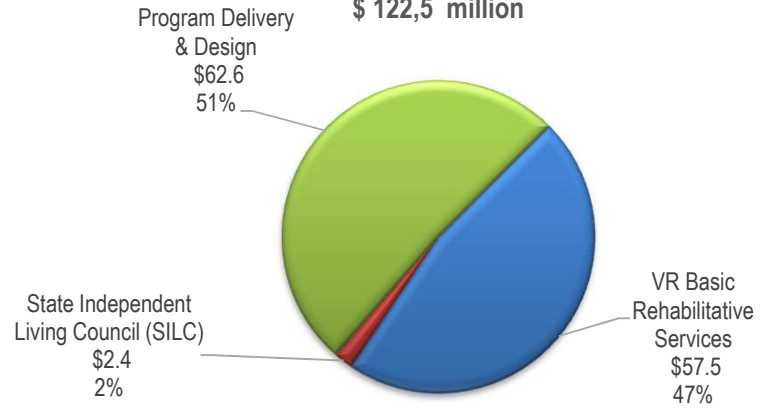
**Department of Human Services  
2019-21 Legislatively Adopted Budget  
Total Fund by Program Area  
\$ 12,563.1 million**



**VR Basic Rehabilitative Services  
Total by Fund Type  
\$ 122.5 million**



**VR Basic Rehabilitative Services  
Total by Program  
\$ 122.5 million**



# Department of Human Services

## Aging and People with Disabilities Program

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### *Mission*

To help Oregonians in their own communities achieve wellbeing and independence through opportunities that protect, empower, respect choice and preserve dignity.

### *Vision*

Oregon's older adults, people with disabilities and their families experience person-centered services, supports and early interventions that are innovative and help maintain independence, promote safety, wellbeing, honor choice, respect cultural preferences and uphold dignity.

### *Goals*

- **Well-being:** Older adults and people with disabilities feel safe and experience their best quality of life.
- **Accessibility:** Oregonians can readily and consistently access services and supports to meet their needs.
- **Quality outcomes:** Oregonians engage in services and supports that are preventive, evidence-informed, and lead to quality outcomes.
- **Service equity:** Oregonians experience programs, services and supports that are designed, improved and responsive to historical inequities, current disparities, and individual experiences.
- **Engagement:** Consumers are empowered by information, communication and advocacy through strong, collaborative partnerships with stakeholders and rich community dialogue.



## *Individuals we serve*

During the 2019-2021 biennium, we expect to serve:

- More than 5,000 people age 60 and older through Oregon Project Independence
- More than 35,000 older adults and people with physical disabilities with long-term care services paid through Medicaid. Of these, 4 percent are Oregonians who identify as African American, 5 percent identify as Asian, 5 percent identify as Hispanic (all races) and 2 percent identify as Native American, Alaskan Native or Pacific Islander.
- About 250,000 older individuals through Older Americans Act services.
- Approximately 180,000 Oregonians by determining their financial and nonfinancial eligibility for Oregon Health Plan benefits and Medicare premium assistance.
- More than 125,000 Oregonians through the Supplemental Nutritional Assistance Program (SNAP).
- Approximately 44,500 Oregonians who live in APD-licensed, long-term care facilities.

### **Aging and Disability Resource Connection**

Oregonians needing information and referral services about any APD programs or services can contact the Aging and Disability Resource Connection (ADRC) of Oregon. This collaborative, public-private partnership streamlines consumer access to a complicated and confusing aging and disability service delivery system. ADRC provides culturally and linguistically appropriate services which are free to Oregonians and raise visibility and awareness of the full range of options available. The ADRC provides trusted information and assistance and empowers people to make informed decisions.

Through trained options counselors, Oregonians can develop action plans to address long-term services and supports needs that align with consumer preferences, their financial situation, strengths, values and needs. If a person is likely to be eligible for Medicaid long-term care services, they will be referred to APD local offices or Area Agencies on Aging (AAAs) for a full assessment.

Employees from both APD local offices and AAAs throughout Oregon provide direct client services. Employees also determine eligibility around the aging and people with disabilities population for medical programs provided through the single state Medicaid agency, Oregon Health Authority (OHA). During the last biennium, the ADRC received more than 131,000 calls and 160,000 web hits.

APD is impacted by demographic growth in the older adult population and is increasingly serving a more diverse population. APD strives to identify disparities in outcomes for diverse populations and identify effective strategies to serve all individuals in a culturally and linguistically appropriate manner.

### **Adult Protective Services**

APD and Type B AAA offices are responsible for investigating instances of abuse against older adults and persons with physical disabilities across the state. Elder abuse, and other adult abuse, is costly both from a human and financial perspective. A person who has experienced abuse is likely to have increased health and long-term care costs. In Oregon, there are an estimated 540,000 adults potentially at risk and in need of adult protective services from APD. In 2018, there were more than 21,000 allegations of abuse and self-neglect investigated, resulting in 4,727 substantiations. Financial exploitation and neglect remain the most common forms of abuse for people served by APD.

### **Licensing**

The APD Safety, Oversight and Quality Unit (SOQ) licenses many providers of long-term care for people who are aging and physically disabled. These providers range across the continuum of care. Through diligent oversight, investigation of complaints and reports of potential abuse, and corrective action, SOQ reduces future instances of unsafe conditions and improves the quality of care. These services are most effective when they are provided in a quality model aimed at preventing harm in the first place to protect the safety and health of vulnerable Oregonians.

The providers licensed by SOQ include adult foster homes, assisted living facilities, residential care facilities, nursing homes, conversion facilities, intensive intervention care facilities and facilities with memory care endorsements. SOQ ensures service equity and delivery of culturally and linguistically appropriate services.

### **Medicaid Services**

In Oregon, more than 35,000 older adults and people with physical disabilities use Medicaid long-term services provided through APD each month, with about 38,200 forecasted for the 2019-2021 biennium. By federal law, each state must develop criteria for access to nursing facility care paid by Medicaid. Criteria must include financial and asset tests as well as service eligibility criteria. The federal government, through Centers for Medicare and Medicaid Services (CMS), must approve any state criteria.

Older adults and many individuals with disabilities need assistance from other people to perform daily activities. To accurately identify those who need assistance, DHS created service priority levels (SPLs) to establish eligibility for Medicaid long-term services and supports. SPLs prioritize services for older adults and people with physical disabilities whose well-being and survival would be in jeopardy without services. Level 1 reflects the most impaired while Level 17 reflects the least impaired; levels are based on the ability of the person to perform activities of daily living (ADLs). ADLs are personal activities required for continued well-being. These include mobility, eating, toileting, cognition and personal hygiene. Prior to 2003, DHS served individuals through SPL 17. Since then, because of budget constraints, only levels 1-13 are funded.

APD assists thousands of Oregonians — who require ADL services and instrumental activities of daily living (IADL) services, which include housekeeping and meal preparation — in selecting competent providers and establishing effective working relationships. Due to the increasingly diverse population served, the program requires supports that are equally diverse, and linguistically and culturally appropriate.

## ***Programs***

APD's budget is sectioned into three key areas; program services, program design and program delivery.

### **Program Services**

Program services focus on supporting fundamental ADLs such as bathing, dressing, mobility, cognition, eating and personal hygiene. Long-term services ensure that the person is living in a safe and healthy environment. All services promote choice, independence and dignity. Services can be provided in nursing facilities, or community settings such as residential care, assisted living, memory care, foster homes or in the person's own home.

Services are provided through six programs:

- Older Americans Act
- Oregon Project Independence
- Special circumstances support
- In-home services
- Community-based care facilities including adult foster homes
- Nursing facilities

**Older Americans Act:** This is a federal program and is administered through APD. It provides federal funding for locally developed support programs for individuals 60 and older. APD distributes funds to local Area Agencies on Aging (AAAs) for service delivery through subcontractors. About 250,000 Oregonians currently access these services. The AAAs develop services that meet the needs and preferences unique to individuals in their local area. Program mandates require services target those with the most significant economic and social need, to minorities and those residing in rural areas. There is no income or asset requirements to receive services except those related to the Senior Community Service Employment Program (SCSEP).

APD distributes federal funds to the AAAs using a federally approved intra-state funding formula based on each area's demographics and square mileage. APD encourages and incentivizes culturally-specific and linguistically competent supports within all programs. Programs might include; family caregiver supports, medication management, nutrition via congregate and home-delivered meal programs, senior employment, legal services or elder abuse prevention services. They may also provide assistance to senior centers and sponsor and promote evidence-based wellness and chronic health condition management activities.

**Oregon Project Independence (OPI):** This is a state-funded program offering culturally-specific and linguistically competent in-home services and related supports to individuals 60 years of age and older or people who have been diagnosed with Alzheimer's or a related dementia disorder. Approximately 5,000 Oregonians are expected to receive services through the program. This represents a critical element in Oregon's strategy to prevent or delay individuals from leaving their own homes to receive services in more expensive facility-based settings, or depleting their personal assets sooner than necessary and accessing more expensive Medicaid health and long-term service benefits. The program was expanded by the 2005 Oregon Legislature to include younger adults with disabilities but funding

was not provided. In 2014 and 2015 a pilot program was funded expanding the program to adults ages 19-59 with physical disabilities. Through this pilot more than 500 individuals have been served.

OPI is administered statewide by local Area Agencies on Aging (AAAs). Many areas have waiting lists due to high demand and limited program funding. Client eligibility is determined by an assessment of functional ability and natural supports related to activities of daily living. Typical services include assistance with housekeeping, bathing, grooming, health care tasks, meal preparation, caregiver respite, chore services, adult day services and transportation.

The OPI program has no financial asset limitations. A sliding fee scale is applied to clients with net monthly income between 100 and 200 percent of the federal poverty level (FPL) to pay toward the cost of service. A small group with income above 200 percent of FPL pays the full rate for services provided. Generally, this is because they benefit from the case management; ongoing support and monitoring, in addition to the actual purchased services.

**Special circumstances support:** APD has programs designed to meet a variety of special circumstances for certain low-income populations.

- *General assistance (GA) program:* With this program, APD serves individuals with severe disabilities who are experiencing homelessness or who are at risk of homelessness. To be eligible for the GA program, individuals must meet all of the following criteria:
  - Be homeless or at risk of homelessness;
  - Be an adult, age 18-64, with no minor children living with them;
  - Have a severe disability that meets Social Security disability criteria;
  - Be receiving Presumptive Medicaid medical assistance;
  - Meet all eligibility criteria for Supplemental Security Income (SSI);
  - Apply for SSI and appeal any denials received; and
  - Sign an Interim Assistance Agreement (IAR), allowing DHS to recover GA funds paid to them once awarded SSA benefits

General assistance program benefits include up to \$545 per month in housing assistance, \$90 in utility assistance per month, \$60 in cash assistance per month, and free assistance with the Social Security application and appeals process.

- *Cash payments – special needs:* APD is required to meet maintenance of effort (MOE) payment for low-income aged and disabled Oregonians who receive federal Supplemental Security Income (SSI) benefits. These benefits are focused on payments that allow clients to retain independence and mobility in a safe environment. Examples of special needs payments include help for non-medical transportation, repairs of broken appliances such as a furnace, or for such things as adapting home stairs into a ramp.
- *Employed Persons with Disabilities Program (EPD):* This program allows people with a disability to work to their full extent and not lose Medicaid coverage. To be eligible, a person must be deemed to have a disability by Social Security Administration criteria, be employed and have adjusted income of less than 250 percent of FPL. Eligible individuals pay a monthly participation fee and are eligible for the full range of Medicaid benefits and services. APD currently serves 2,034 individuals in the EPD program.
- *Other benefits:* The Centers for Medicare and Medicaid Services (CMS) requires DHS to coordinate with Medicare in many areas and clients need help accessing other programs for which they are eligible. The federal Medicare program is the most common program clients need assistance with. APD determines client eligibility and submits client data to CMS for two Medicare-related programs: Medicare buy-in and Medicare Part D low-income subsidy. APD served more than 130,000 clients in these two programs over one year. These programs help low-income beneficiaries with their cost-sharing requirements. Securing this coverage also ensures Medicare remains in a “first payor” status, ultimately saving the state’s Medicaid program significant money.

**In-home services:** In-home services are the cornerstone of Oregon's community-based care system. For older adults or people with physical disabilities, supporting regular activities of daily living gives them the ability to live in their own homes. For more than 25 years, Oregon has created options to meet people’s needs in their own homes. All options are funded Medicaid program support through home- and community-based waivers or state plan options. Oregon has been able to create cost-effective programs that meet people’s needs in their homes and other community settings and sparing Oregonians from the unnecessary use of much higher cost services, primarily offered in nursing facilities.

Services to older adults and people with physical disabilities are designed to support assistance with fundamental activities of daily living (ADLs), such as mobility, cognition, eating, personal hygiene, dressing, toileting and bathing. To receive in-home services, an individual must be financially eligible for Medicaid. A case manager works with the client and together they identify needs and develop a plan for the in-home services.

- *Medicaid client-employed Home Care Workers:* Home Care Workers (HCW) are hired directly by the client and provide many of the services Medicaid clients need to remain in their own homes. The client, or his or her selected representative, is responsible for performing the duties of an employer. These duties include selecting, hiring and providing on-site direction in the performance of the care provider duties authorized by a case manager to meet the client's individual needs and circumstances. The HCW must pass a criminal background check. In conjunction with the client, APD develops and authorizes a service plan, makes payment to the HCW on behalf of the client and provides ongoing contact with the client to ensure his or her service needs are met. More than 19,000 clients are expected to receive services supplied by HCWs each month in 2019-21.

The Oregon Home Care Commission (HCC) was established in 2000 by an amendment to the Oregon Constitution. It is a public commission dedicated to ensuring high-quality home care services to APD clients using client-employed providers. Service Employees International Union Local 503, Oregon Public Employees Union, represents approximately 17,000 HCWs. For purposes of collective bargaining, HCC serves as the HCW employer of record. The Commission maintains a statewide, computerized registry of workers and provides an extensive training curriculum. The HCC also makes training available to clients to better understand their employer responsibilities and increase their skill in managing the use of HCWs.

- *In-home agency services:* Many clients prefer to receive their in-home services through a home care agency. In-home agencies are licensed by the Oregon Health Authority. These agencies employ, assign and schedule caregivers to perform the tasks authorized by the client's case manager. APD contracts with licensed in-home care agencies throughout the state. Agencies work closely with DHS case managers and clients to ensure services are provided as authorized and to ensure the quality of the work performed.

- *Medicaid Independent Choices:* This program offers a choice to clients in the way they receive in-home services and increases clients' self-direction and independence. Clients receive a cash benefit based on their assessed need. They purchase and directly pay for services. Clients are responsible for locating providers, paying their employees, and withholding and paying necessary taxes. Depending upon how they are able to manage their service benefit, many are able to purchase a few additional services or items otherwise not covered by Medicaid to increase their independence or well-being.
- *Medicaid adult day services:* These services provide supervision and care for clients with functional or cognitive impairments. Service may be provided for half or full days in stand-alone centers, hospitals, senior centers and licensed care facilities.
- *Medicaid home-delivered meals:* Home-delivered meals are provided for to those who are homebound and unable to go to sites, such as senior centers, for meals. These programs generally provide a hot midday meal and, often, frozen meals for days beyond the provider's delivery schedule.
- *Medicaid (state plan) personal care services:* Individuals who do not meet service priority levels (SPLs), but have some personal care needs, may qualify for Medicaid Personal Care Services. Services are limited to no more than 20 hours a month. Personal care can be used only for tasks related to the performance of activities of daily living, such as mobility, bathing, grooming, eating and personal health assistance.
- *Medicaid specialized living services:* Services are provided to a specialized client base, such as those with traumatic brain injuries or other specific disabilities that require a live-in attendant or other 24-hour care. The services are provided through a contract with APD and targeted to a specific group of clients living in their own apartments, and assisted by a specialized program offering direct service and structured supports.

**Community-based facilities:** These include a variety of 24-hour care settings and services to provide an alternative to nursing facilities. Services include assistance with activities of daily living, medication oversight and social activities. Services can include nursing and behavioral supports to meet complex needs. State and federal guidelines related to health and safety of these facilities have to be met.



- *Adult foster homes:* Services are provided in home-like settings licensed for five or fewer individuals who are not related to the foster home provider. Homes may specialize in certain services, such as serving ventilator-dependent residents.
- *Assisted living and residential care facilities:* Licensed 24-hour service settings serve six or more residents and facilities range in size from six to more than 100 beds. The difference between residential care and assisted living is generally in the structural set up of the facility and the fact that generally in residential care, individuals have shared rooms. Either type of facility can seek a Memory Care endorsement on top of the underlying licensure. There are additional requirements for Memory Care Facilities. Registered nurse consultation services are required.
- *Conversion facilities:* A conversion facility is a nursing facility that has decided to “convert” its license to that of a residential care facility. The facility must go through the federal process of “closing” the nursing facility before going through a state process for “converting” the building to a residential care facility.
- *Intensive intervention care facilities:* Intensive Intervention Care (IIC) facilities are small residential care facilities designed to serve individuals with high behavioral and mental health needs. Five or fewer people can live in a single IIC home.
- *Enhanced care services:* Specialized 24-hour programs in licensed care settings that provide intensive behavioral supports for seniors and people with physical disabilities who have needs that cannot be met in any other setting. These programs support clients with combined funding from APD and the Addictions and Mental Health division of the Oregon Health Authority.
- *Memory Care Community Endorsement:* These facilities are licensed as an Assisted Living Facility or Residential Care Facility or Nursing Facility and serve individuals with Alzheimer’s disease, other forms of dementia and other cognitive diseases. They are required to have enhanced training and a more secure setting for their residents. The endorsement is in addition to the underlying licensure.

- *Providence Elder Place:* This is a capped Medicare/Medicaid Program of All-inclusive Care for the Elderly (PACE) providing an integrated program for medical and long-term services. Nearly 1,400 Oregonians age 55 and older are served in this program that generally allows them to attend adult day services and live in a variety of settings. The Elder Place program is responsible for providing and coordinating their clients' full health and long-term service needs in all of these settings.
- *LGBTQ Welcoming Designation:* This equity-related initiative allows providers to be trained in the specific needs of LGBTQ older adults and to become designated as LGBTQ Welcoming. Providers must agree to maintain a code of conduct and have all providers agree to it. There are yearly continuing education requirements, and participants receive a Welcome sticker for the front of their home. This initiative helps to promote the availability of safe, supportive, and respectful living environments for LGBTQ older adults.

**Nursing facilities:** Institutional services for older adults and people with physical disabilities are provided in nursing facilities licensed and regulated by DHS. Nursing facilities provide individuals with skilled nursing services, housing, related services and ongoing assistance with activities of daily living.

Oregon has led the nation since 1981 in the development of lower cost alternatives to institutional (i.e., nursing facility) care. Home- and community-based alternatives to nursing facility services emphasize independence, dignity and choice and offer needed services and supports equitably, at lower costs than medical models.

### **Program Design**

Staff and services support the administration of APD programs, including:

- Central leadership and administration
- Medicaid eligibility and federal waiver administration
- Development and maintenance of policy and administrative rules
- Formation and staffing of the APD Service Equity Committee
- Support and leadership for various advisory councils.
- Administration of the Older Americans Act

- Home Care Commission

### **Program Delivery**

Staff and services provide direct services to Oregonians, including:

- Direct service staff located in local offices throughout the state
- Case management
- Presumptive Medicaid Disability Determination Team
- State Family/ Pre-SSI
- Disability Determination Services
- Administration of Medicare Modernization Act and Buy-in programs
- Provider payments and relations
- Adult Protective Services investigations
- Adult Foster Home, Nursing Facility and Community Based Care licensing
- Long term care referral services registry

Eligibility and case management services are delivered throughout the state by APD and Area Agency on Aging (AAA) employees. ORS Chapter 410 allows AAAs to determine which populations they wish to serve and which programs they wish to administer. Type B Transfer AAAs choose to provide Medicaid services in addition to Older Americans Act and OPI services. In areas where the AAAs (Type A - AAAs) do not provide Medicaid services, APD has local offices to serve older adults and people with disabilities.

APD and AAA case managers perform a variety of roles in serving older adults and people with disabilities. They determine financial and long-term care eligibility, assist individuals in developing person-centered service plans, and find qualified providers. They address issues and concerns regarding providers. They act as advocates and champions for consumer rights. They assist individuals in accessing supports available through APD and other programs. In short, case managers are the front line in protecting individuals from abuse and neglect.

APD case managers face ever increasingly complex work. In just the past five years, APD implemented Waivered Case Management expectations requiring monthly contact on every case. Due to changes to the Fair Labor Standards Act, APD added more responsibilities on working with homecare workers, including managing hourly caps, limiting overtime and ensuring access to adequate

services. Based on federal expectations, APD has also increased expectations on person-centered planning and ensuring individuals safety. Legal requirements have made notices more complex and detailed, requiring more case management time to issue each notice.

## *History*

During the past 30 years, there has been a profound shift in society's understanding of the importance of independence for aging and people with disabilities.

Traditionally, states had provided services to these individuals in institutional settings such as nursing facilities. Oregon's first nursing facility opened in the 1940s. With the passage of the federal statute creating Medicaid, the state began to pay for nursing facility services for eligible individuals in the 1960s.

The Older Americans Act also passed in the 1960s, which over time, has expanded additional protections and services to vulnerable older adults, including access to home-delivered meals, senior centers, transportation, family caregiver support, legal services and the Office of the Long Term Care Ombudsman to uphold rights and resolve complaints.

Gradually, professional standards and public thinking about how to best serve people with disabilities began to change and community living became more accessible. Civil rights were strengthened and expanded by the Americans with Disabilities Act, in the areas of employment, public accommodations, transportation and housing.

Community integration, now recognized as a right, became more available as accessibility increased and society began to accept people with disabilities as a valued part of the community. This meant families had the ability to remain intact and to keep their loved ones — a child, adult or senior — at home.

Federal dollars to fund Medicaid waivers first became available in 1981 for "Home and Community-Based Services." That same year, the Oregon Legislature updated its policies around disabilities and found that significant numbers of people with disabilities lived in institutions because existing community services were inadequate. The Legislature mandated that the state work to empower people with disabilities, keep them as independent as possible, and develop alternate service settings. The 1981 Oregon Legislature also created the Senior Services Division and a strong statutory mandate to support seniors in their own homes and

community settings outside of institutions. This action forged the way for Oregon to lead the nation in the development of lower-cost alternatives to institutional care.

In response to that mandate, Oregon applied for, and received, the first home and community-based waiver that allowed Medicaid funds to provide long-term services outside an institution. Throughout the 1980s and 1990s, Oregon received waivers that allowed services for unique groups of people. For Medicaid-eligible older adults and people with disabilities in Oregon, this has meant that the provision of long-term care has, in large measure, shifted away from nursing facilities to in-home services, assisted living facilities, residential care facilities and adult foster homes.

### ***Future populations***

The aging population is growing rapidly, and the Program is planning appropriately. The number of people 65 and older in the United States is expected to increase to 55 million in 2020, to 70 million by 2030, and to 88.5 million — or 20 percent of the population — in 2050.

The aging population in Oregon will continue a dramatic increase as baby-boomers continue to enter retirement age. Beginning in 2011, the aging population growth rate will exceed 4 percent annually for nearly a decade. There will be 48 percent more older adults in 2020 than in 2010.

Women currently account for 54 percent of the 65-84 years of age population, and 63 percent of the 85 years of age and older population. Approximately 4.9% of Oregonians identify as LGBTQ.

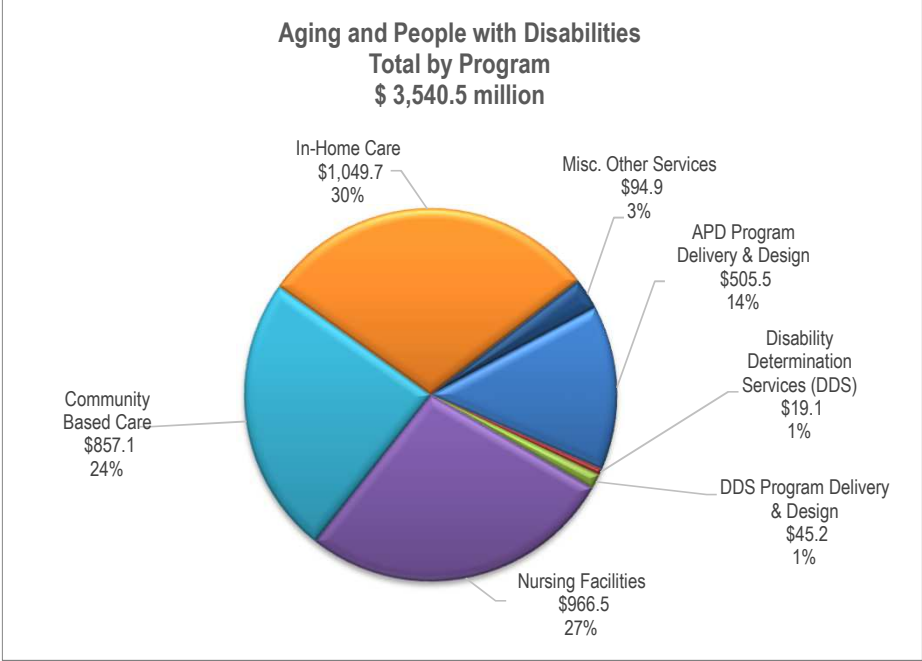
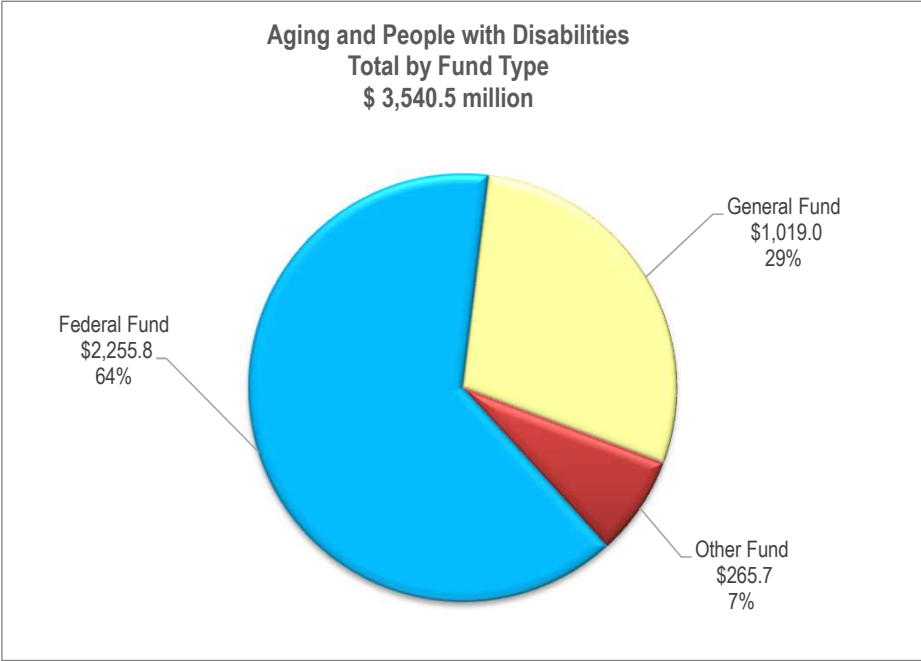
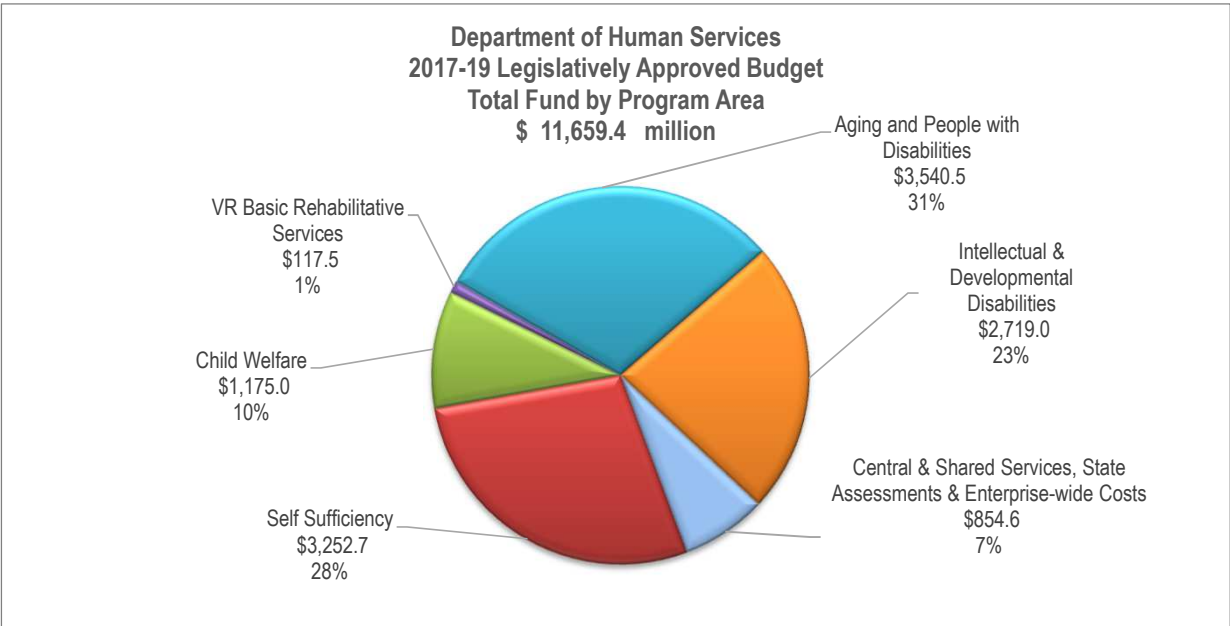
In 2016, approximately 17 percent of Oregon's population was 65 years or older. By 2030, the percentage is expected to increase to nearly 20 percent.

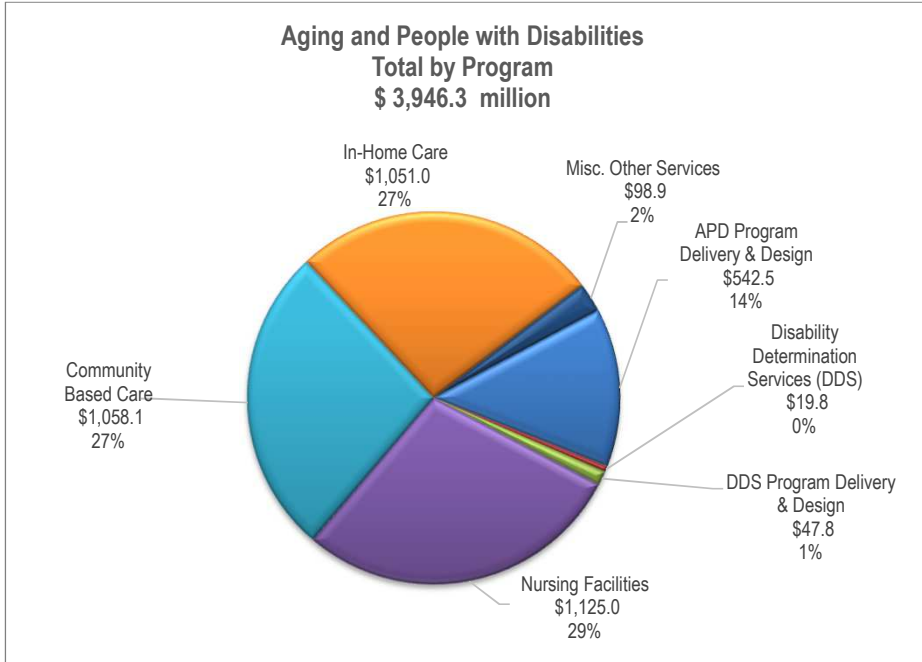
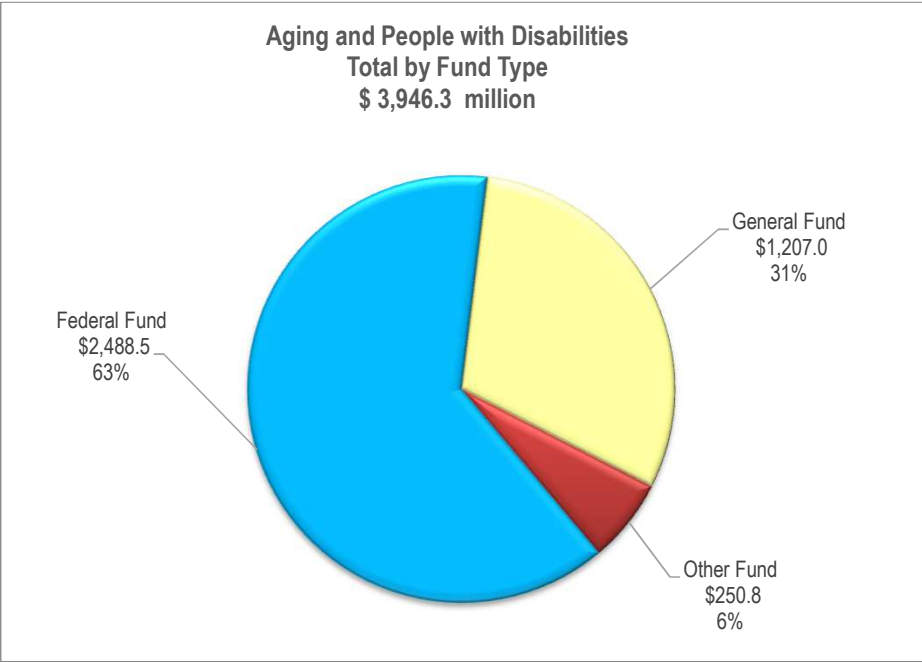
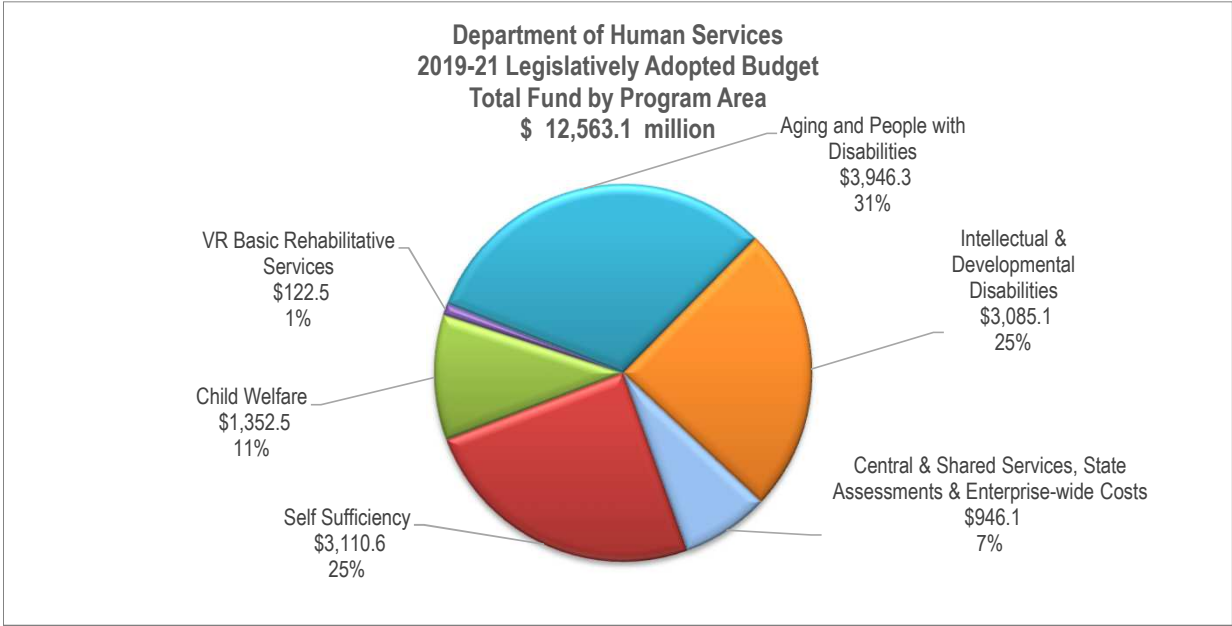
In Oregon, people 85 years or older make up a small but rapidly growing segment of the total population. By the end of 2010, approximately 76,000 Oregonians will have reached 85. By 2020, the number is expected to reach nearly 120,000, an increase of almost 64 percent.

By 2020, in the Portland Metro Area, the African American population is expected to grow to 81,348, with 14.4% of the population expected to be age 65 and over.

The Native American population is expected to grow to 33,754, with 15% of the population expected to be age 65 and over. The Asian population is expected to grow to 188,033, with 16.4% of the population expected to be age 65 and over. The Pacific Islander and Hawaiian population is expected to grow to 17,217, with 9.6% of the population expected to be age 65 and over. The Hispanic/Latino population is expected to grow to 349,822, with 6.2% of the population expected to be age 65 and over.

A focus on service equity and diversity, including individuals of different races, ethnicities, genders, sexual orientation, disability, age and other under-served populations, will create new approaches to service delivery that ensure all individuals have access to critical supports and services and achieve desired outcomes. Current initiatives include a focus on language access, district-level Service Equity plans, and Tribal outreach and partnership.







# **Department of Human Services**

## **Intellectual and Developmental Disabilities Services Program**

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### ***Mission***

The Department of Human Services Intellectual and Developmental Disabilities (I/DD) Services program provides support across the lifespan to Oregonians. ODDS, stakeholders, and the developmental disabilities community come together to provide services, supports, and advocacy to empower Oregonians with intellectual and developmental disabilities to live full lives in their communities.

### ***Vision***

People and families access quality supports that are simple to use and responsive to their strengths, needs and choices, while they live and thrive as valued members of their community.

### ***Program***

The I/DD program fulfills its mission and carries out its responsibilities while adhering to the following values:

- Choice, self-determination and person-centered practices
- Children and families together
- Health, safety and respect
- Community inclusion and community living
- Strong relationships
- Service equity and access

We have worked with a diverse group of stakeholders representing all areas of the I/DD service delivery system to develop a strategic plan that will guide our work for the next biennium and beyond. The Mission, Vision and Goals included here reflect that effort and the plan itself.

As a result of the state's adoption of the Affordable Care Act's Community First Choice Option (or K Plan), an increased number of children and adults with I/DD are able to access Medicaid-funded, community-based services to meet their needs, instead of having to meet crisis eligibility in order to access appropriate support.

We seek to achieve the following strategic goals:

- Create a system that is sustainable, easy to use, with effective communication and equitable access.
- Honor and support people to make their own choices about who they want to be and what they want to do in their life.
- Support equal opportunity for living options and meaningful employment in an integrated community setting.
- Provide families the amount and type of supports they need to raise their children at home, or when necessary, in another family home within their community.
- Support health and safety while people live rich, full lives.

### ***People We Serve***

The I/DD program serves people with intellectual disabilities (IQ 75 or below) or developmental disabilities such as autism, Down syndrome and cerebral palsy. These disabilities are lifelong and have a significant impact on the person's ability to function independently. Some people with I/DD may also have significant medical or mental health needs. Most people with I/DD meet Medicaid financial eligibility requirements.

### **Community First Choice Option Services**

Historically, the I/DD service system was comprised of three basic components. There were two separate program service areas — Support Services and Comprehensive Services. The third major component was program design and delivery. While program design and delivery remain the same, Support and Comprehensive Services are now primarily offered through the Community First Choice Option (CFCO).

Under CFCO, eligible persons must receive a functional needs assessment that informs the planning process. They also participate in a person-centered planning process that focuses on the person's strengths, community engagement, personal goals and outcomes. That planning process results in an annual plan, the Individual

Support Plan (ISP), that documents the services the person will access in order to meet their goals. Together, the functional needs assessment and ISP inform the amount and/or rate for services that are available to the person.

### **Program Services**

I/DD offers a broad array of services to optimize choice and offer an array of cost-effective services based on functional need. Importantly, implementation of CFCO expanded access to children with I/DD and eliminated the hard cap that had been in place for adults who receive in-home services. Since implementation of CFCO, Oregon has increased the number of children with I/DD who receive services and adults no longer have to be in crisis to receive 24-hour supports in an out-of-home setting.

The shift to CFCO required that most I/DD services be categorized as attendant care. This shift has been challenging for the system because people with I/DD, their families, providers and advocates were more familiar with Oregon's important history of self-directed and strengths-based support system. A new strategic plan that upholds this commitment and sets out steps to reorient the system is now underway. This strategic planning process resulted in a firm understanding that the person, their family and the goals they want to achieve remain at the core of our system. This process also commits the agency to develop a Service Equity Plan to reach out to underserved populations and to the removal of barriers to access, providing services by staff with the appropriate cultural and linguistic capacities.

ODDS has also converted its Comprehensive and Support Services Waivers into a Children's Waiver and an Adults' Waiver as part of its work to reorient the I/DD system to focus on person-centered planning. The new waivers will apply to all settings, simplify and streamline the federal authorities under which I/DD services are provided, and allow the I/DD system to tailor services to children and adults in the future.

### **Attendant Care**

Attendant care provides support for people to perform activities of daily living and instrumental activities of daily living (ADL/IADL). With CFCO, this is the primary service available to people with I/DD. Most Support and Comprehensive Services are considered attendant care services and are generally categorized based on the setting where the person lives.

Services that now fall under attendant care include:

- In-home supports for children and adults
- Children's intensive in-home services
- 24-hour services:
  - Group home for children and adults
  - Adult and child foster care
  - Supported living (adults only)
- Day supports
- Stabilization and Crisis Unit (SACU)

### *In-home supports for children and adults*

These services are designed to provide ADL/IADL supports in the home or in the community. Children that receive these supports live with family, and adults live either with family or in their own home. In-home services are provided to a majority of individuals served by the I/DD program. As a result of the expanded accessibility to these services, I/DD anticipates a continued increase in the use of this service over the 2019–21 biennium. However, based on an analysis that compared Oregon with other states that also serve everyone that meets the state's I/DD eligibility requirements, we expect the growth in the number of children coming into services to begin to slow during the 2019-21 biennium.

When families are supported to provide the core care that also meets linguistic and cultural standards of service, even people with the most significant needs have active and engaged lives in their community. Without in-home services, many individuals would require much more expensive out-of-home services such as group or foster homes.

Persons who remain in their own home or with their family and have changes in support needs can access interim or short-term services. Interim services may include increased attendant care, behavior consultation or technical assistance to determine if an intervention will assist in maintaining the current placement. Depending on the change in support needs, environmental modifications may also increase the individual's likelihood of remaining at home.

For both children and adults, in-home services are provided by Personal Support Workers (PSWs) or certified provider agency Direct Support Professionals (DSPs).

Personal Support Workers are directly hired by the person or their employer representative. Direct Support Professionals are employees of private organizations that contract with the state to provide services.

### *Children's Intensive In-Home Services (CIIS)*

These services consist of three model waiver programs which provide intensive supports in the family home. One of these programs is for children with intensive behavioral issues who, without supports, would require specialized out-of-home services. The second program is for children with medical conditions who, without supports, would require nursing home services. The third program is for children with intense medical needs. These children are dependent on life support technology such as ventilators that, without these in-home services, would require a hospital setting. With the implementation of the Community First Choice Option, children who do not have the intensive needs described above may now be able to access in-home support services through their local Community Developmental Disabilities Programs (CDDP) upon completion of a needs assessment and an Individualized Support Plan (ISP).

### *24-Hour Services*

These services are for children and adults who can no longer remain at home or adults who choose to receive services in a 24-hour setting. Under CFCO, these services are also categorized as attendant care. These services are primarily 24-hour supports, usually provided in settings outside the family home through group home, supported living or foster care providers.

These important services provide an alternative to institutional care. Community-based care, as opposed to institutional care, remains a less restrictive and more cost-effective program. In this setting diverse recruitment and the ability to provide linguistically and culturally appropriate services are fundamental to removing barriers to service access. Group home and supported living services are provided by private organizations that contract with the state. Adult foster care providers are represented by the Service Employees International Union (SEIU). Child foster care providers are private providers licensed through either Child Welfare or the local Developmental Disabilities office.

People usually receive 24-hour services when they are unable to stay at home on their own or with their family. This may be due to a person's needs or the caregiver's ability to continue providing services.

Children with disabilities enter 24-hour comprehensive services as a voluntary placement because the intensive needs of the child cannot be met in the family home or may be involuntary through child welfare action. Child Welfare programs maintain responsibility for the court relationship, but I/DD provides the specific disability-related care.

### *Day Services*

Day services are available for people who are over 18 and out of school. Many adults receiving 24-hour services also receive ancillary day services. These services are available for about 20–25 hours a week for out-of-home activities, including employment-related activities. Adults receiving in-home supports are also able to receive day services as part of their attendant care. Day support activities that fall under the category of attendant care are provided through CFCO and provide supports promoting integration, independence, and participation in the person’s community.

### *Transportation*

Non-medical transportation is also provided to help persons with I/DD in in-home and 24-hour services when public transportation is not available, or not feasible, to help them participate in employment or other services.

### *Stabilization and Crisis Unit (SACU)*

SACU is a 24-hour service provided under the CFCO. SACU provides a safety net for Oregon’s most vulnerable, intensive, medically and behaviorally challenged people with I/DD. SACU provides services when no other community-based option is available for a person. This includes persons with I/DD coming out of the Oregon State Hospital, corrections systems, and from crisis situations where counties and private providers cannot meet the needs of the person to ensure health and safety. SACU focuses on supporting people in community-based settings and enabling them to return to less intensive service levels as quickly as possible.

SACU provides 24-hour residential and day supports to people with I/DD from across the state who have significant medical or behavioral needs. The services are provided in licensed five-bed group homes.

SACU started in 1987 when Oregon began moving all persons with developmental disabilities living at the state institution (Fairview Training Center and Eastern Oregon Training Center) to private providers. There were a small number of people with complex medical or behavioral needs who could not yet be supported by private providers.

From the first homes that were opened by SACU to today, the profile of the people served has changed. As private agencies increase their skills to meet challenging needs and agree to provide services, the person who needs a safety net has changed. In the past, the numbers of people with intensive behaviors often had a diagnosis of autism. Today, intensive behaviors are more related to co-occurring mental health diagnosis and/or personality disorders.

### *Ancillary Services*

In addition, people with I/DD served through I/DD are able to access vital ancillary services. Examples of these services include:

- Behavioral consultation
- Assistive devices
- Assistive technology
- Long-term care community nursing
- Environmental modifications
- Specialized nursing

### **Case Management**

These services are provided through certified entities called Support Service Brokerages or through Community Developmental Disabilities Programs (CDDPs). CDDPs support children and adults while Brokerages support adults in in-home settings.

CDDPs are responsible for eligibility determination and redeterminations, protective service investigations and foster care licensing and reviews. After eligibility is established through the CDDP, adults who live in in-home settings can choose to be served by the CDDP or a Brokerage.

A functional needs assessment is administered to determine the person's level of need and the amount or rate of services that will be available. The Services

Coordinator (SC) or Personal Agent (PA) then works with the person, family and others important in the person's life to complete an individual support plan (ISP) and a career development plan (CDP). They then work with the person to identify necessary supports required to meet the needs identified through the assessment and the goals identified in the ISP/CDP.

### **Employment First Policy**

This policy states that employment in fully integrated work settings will be the first and priority option explored in service planning for all working-age and transition-age persons with I/DD. This policy is based on the general philosophy that persons with developmental disabilities have the ability, with the right supports, to be productive and contributing members of their communities through work. This philosophy also recognizes intrinsic and financial benefits of paid work to the persons with disabilities and their families. To support the policy and philosophy of fully integrated work settings, since July 1, 2015 the department no longer funds services for new people to enter sheltered workshops. Employment services are also provided consistent with the provisions and expectations of Executive Order 15-01, "Providing Employment Services to Individuals with Intellectual and Developmental Disabilities," reissued in January 2015.

### *Employment Services*

These services have been strengthened and improved as part of the important Employment First initiative. I/DD has restructured employment services to encourage integrated, competitively paid employment for people with I/DD. Employment services are no longer bundled with attendant care services, they have been broken out into discrete services to support people as they learn about, find and maintain employment. Employment services are not offered through the CFCO, they remain available through the Medicaid waiver.

Employment services include:

- Employment path
- Job discovery
- Job development
- Job coaching
- Small-group supported employment



## **Family Support Services**

These services are available to any family with a child with I/DD and under the age of 18 that is not eligible for Medicaid. The program offers minimal support services with the most common request being for respite care.

All children in this program have case managers through their county CDDP and state-funded services are allocated based on need. Most children are also in school programs and the case manager coordinates between school and home. Family support services can be more cost effective by allowing the family to support the child with a small amount of funding, without accessing Medicaid.

### *Family-to-Family Networks*

These family-driven networks provide training, information, referral and general support with families providing support among one another. Just having another family to connect with or problem solve with is often what it takes to be supported in the family home.

## **Program Design and Delivery**

Staff and services support the administration of I/DD programs through a central office providing strategic planning, program funding, policy development, general oversight, and technical support to community services and support and leadership for various advisory councils.

The structure for service delivery and design includes a central program administration office within DHS and contracted services with Community Developmental Disabilities Programs (CDDP) and Brokerages. Contracted CDDPs, usually operated by county government, are responsible for service eligibility determination, program enrollment, case management, and abuse investigations. Brokerages provide case management services, including assessment and service planning for adults in-home.

## **Quality Improvement**

In 2017 the I/DD program created a Quality Improvement unit. This unit is responsible for coordinating quality assurance and quality improvement activities for I/DD services. This includes performing regular quality reviews of Brokerages and Community Developmental Disabilities Programs, overseeing Licensing

activities, coordinating with Abuse Investigator Specialists (AIS) and Office of Training, Investigations and Safety (OTIS), establishing quality metrics for I/DD, collecting and analyzing data to measure overall system performance and to inform policy decisions.

#### *Brokerages and Community Developmental Disabilities Programs (CDDP) field reviews*

The I/DD Quality Assurance unit conducts field reviews on a two-year cycle in each CDDP and Brokerage. The reviews are focused on ensuring Centers for Medicare and Medicaid Services (CMS) Assurances are met through performance measures approved by CMS. The reviews assist I/DD in identifying program specific strengths and areas requiring improvement allowing for focused training and technical assistance. The reviews assist with identifying individual issues needing to be corrected as well as allow for analyzing common trends across the state that may suggest a need for system changes, improvements, best practices and training.

#### *I/DD Licensing Unit*

The Intellectual/Developmental Disabilities (I/DD) Licensing Unit oversees a statewide program responsible for licensing and the quality of care in programs serving persons with I/DD, including the licensing of adult foster homes and 24-hour residential facilities. It oversees, and is responsible for, the Medicaid-agency certification of agencies and the endorsement of 24-hour residential programs, supported living programs, and employment programs. It also certifies Support Service Brokerages and Child Foster Homes throughout the state. Through licensing and certification the DD licensing team ensures that providers of services comply with requirements for federal and state reimbursement. The I/DD Licensing team conducts complaint investigations and determines necessary corrective action up to and including civil penalties or revocation of a license or certificate.

### **History — Future Trends**

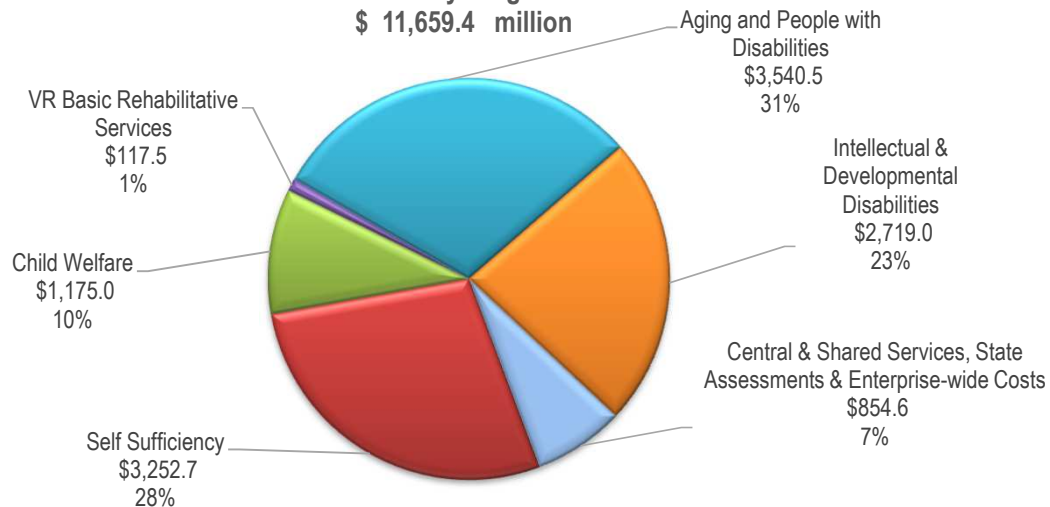
Oregon is recognized nationally as an innovative leader in developing community-based services for persons with I/DD. Oregon is one of the few states that have no state or privately operated institutional level services specifically for people with developmental disabilities. In fact, the majority of persons with

developmental disabilities in Oregon are served in their own home or their family's home.

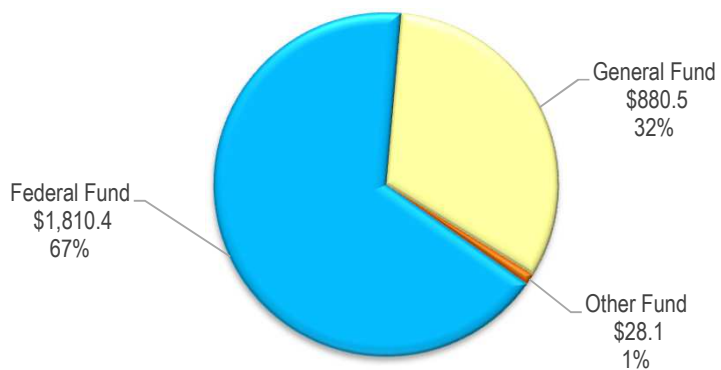
This results from two decades of work to aggressively “re-balance” the developmental disabilities system by moving from an institutional model with expensive, one-size-fits-all approach to a self-directed, family involved, individually focused, culturally appropriate, and less expensive approach to service. People with I/DD and their families report a high level of satisfaction through increased control over services, the ability to more fully integrate in their home communities and the benefits of home community life.

Nationally, and in Oregon, the number of people with developmental disability-related needs is growing. There also is an increase in the number of people who need services that have co-occurring mental health needs or are coming to us from the corrections system. To reach underserved or underrepresented communities, more consistent and deliberate efforts are needed to build a diverse work force capable of delivering linguistic and culturally targeted services. However, to further advance the inclusion of people with I/DD in their communities of choice, and to serve the increasing number of people with I/DD accessing services, efforts to ensure the long-term sustainability of the system must continue.

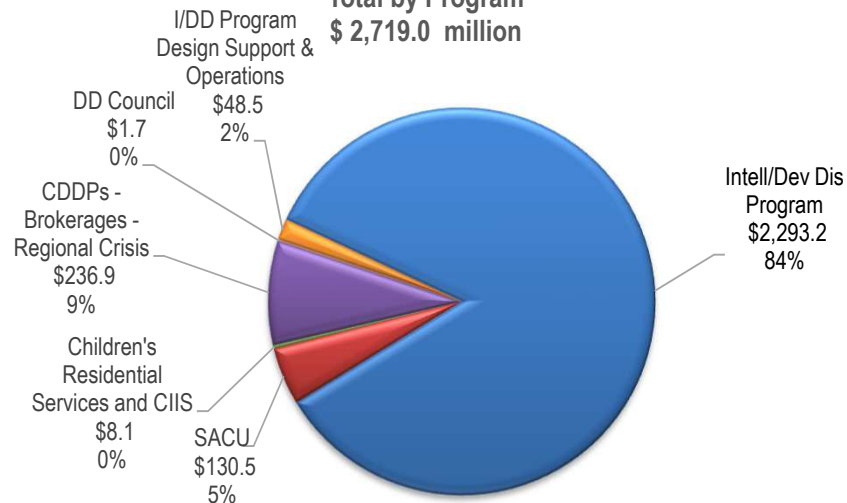
**Department of Human Services  
2017-19 Legislatively Approved Budget  
Total Fund by Program Area  
\$ 11,659.4 million**



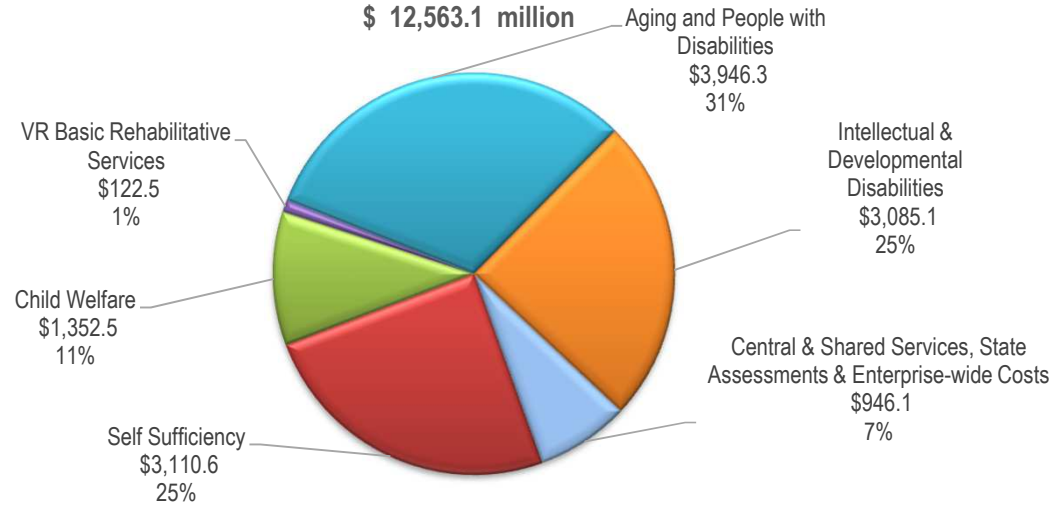
**Intellectual & Developmental Disabilities  
Total by Fund Type  
\$ 2,719.0 million**



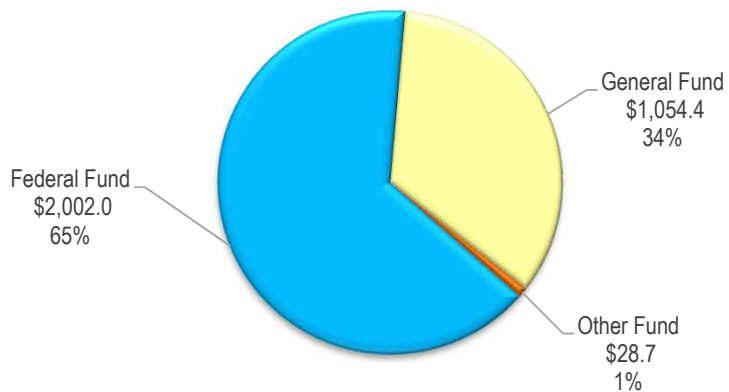
**Intellectual & Developmental Disabilities  
Total by Program  
\$ 2,719.0 million**



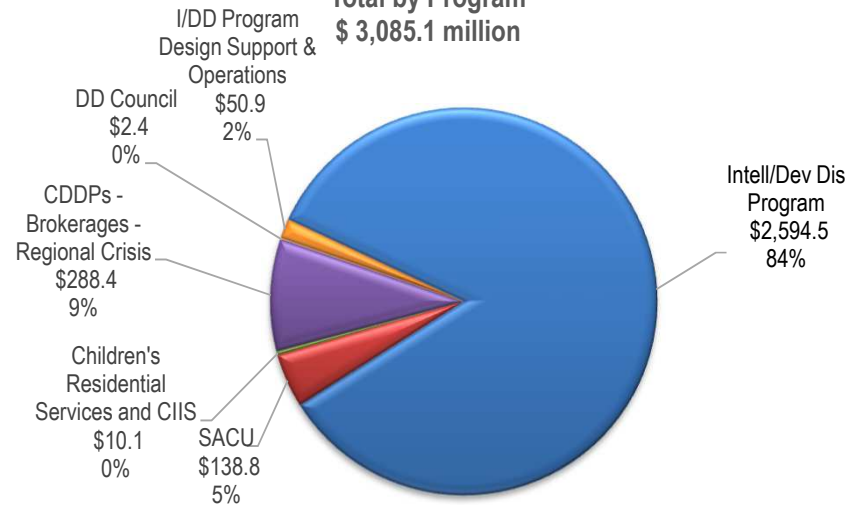
**Department of Human Services  
2019-21 Legislatively Adopted Budget  
Total Fund by Program Area  
\$ 12,563.1 million**



**Intellectual & Developmental Disabilities  
Total by Fund Type  
\$ 3,085.1 million**



**Intellectual & Developmental Disabilities  
Total by Program  
\$ 3,085.1 million**



Program Area	POP Number	Official Title (45 Character Limit)	Detailed description of ask	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
CW-Safety	070	IVE Waiver Ending				(17,588,998)	(17,588,998)		
CW-Well Being	070	IVE Waiver Ending				(3,851,520)	(3,851,520)		
SSP	070	TANF				(5,828,689)	(5,828,689)		
VR	070	Basic 110				(3,435,378)	(3,435,378)		
CW Program, Design, Delivery	070/107	REVENUE SHORTFALL TANF/BACKFILL TANF IN CW STAFF	At some point in the past TANF funding was used to fund a significant number of child welfare staff. The history of why this was done has been lost. This was not inappropriate at the time. However, as TANF caseloads have dropped and CW (and Self Sufficiency) staffing costs have increased, a technical restriction in the TANF rules have caused revenue shortages in Child Welfare Staffing. The TANF grant is a block grant that has not changed since the mid 90's. However, there is a 15% administrative cap on program expenditures. Over time as the TANF caseload has dropped and the investment in JOBS has been reduced the 15% Cap has also been reduced. At this point the 15% admin cap is spent in total by Self Sufficiency. This means that TANF can no longer be used for CW staffing. This impacts many positions, causing hundreds of positions to be eliminated unless remedied. In a companion POP DHS requests backfill of General Funds for this mandated program that was denied at CSL. This proposed POP would remove all TANF Federal Funds from CW staffing causing many positions to become part time funded. This will free up TANF for future use in case of a recession or for other program uses determined appropriate by the legislature. TANF partially funds over 2,400 CW positions. Due to system limitations all positions with TANF need to be abolished (in package 070), and then if funded reinstated at full time positions through the companion POP that would establish the same number of positions and FTE, effectively causing a fund shift of GF for TANF in each position.	40,000,000	-	(40,000,000)	-	-	-
SSP	111	GRANT-FUNDED LIMITED DURATION POSITIONS	SSP is requesting position authority and federal fund limitation for up to 7 grant-funded limited duration positions. These grants are attached to work that has been expanding over the past 5 years. The SNAP Employment and Training Program continues to pull in more federal dollars through partnerships created across the state, but lack the infrastructure to support and provide technical assistance along with federal oversight. The Nutrition Education Program through SNAP also provides 100% federal funding opportunity to support the program which also spans across the state and requires much technical support. The final program is the My Future My Choice Program which has been supported by federal Title V dollars for over 10 years. This will not include a <del>General Fund cost</del> .	-		1,657,278	1,657,278	7	7.00
VR	116	VR PRE-ETS	The Workforce Innovation and Opportunity Act (WIOA), calls for Oregon Vocational Rehabilitation to collaborate with school districts to provide, or arrange for the provision of, pre-employment transition services (Pre-ETS) for all students with disabilities who are eligible or potentially eligible for VR services. Further, WIOA states that there must be local coordination with districts for Pre-ETS at all 16 VR branch offices. The Oregon Department of Education and VR estimate that the target population for Pre-ETS to be roughly 27,000 students with disabilities.  Currently Oregon VR has two Pre-Employment Transition Service Coordinators that provide direct services to students with disabilities in the state. One is based in the Portland Metro area and the other is based in Bend with the responsibility of covering the eastern part of the state. Neither of these positions have enough capacity to cover the entire state and deliver the mandated services by WIOA. Therefore, we are requesting the position authority to hire two more Pre-Employment Transition Service Coordinators (PA1) to meet this need and one OPA1 to handle the data entry elements of this mandate.  This POP would utilize funds already within VRs budget so this will be a zero cost or,		576,906		576,906	3	3.00

Program Area	POP Number	Official Title (45 Character Limit)	Detailed description of ask	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
CW Delivery	119	CENTRALIZED SCREENING	<p><b>SAFETY:</b> Centralized Screening currently exists in half of all child welfare programs in the U.S. Research has proven its effectiveness in improving consistency in screening decisions and increased training opportunities for screeners to build a specialized expertise. Screening is the first point of contact for all mandated and non-mandated reporters of child abuse in Oregon. It is imperative that screeners apply Oregon Revised Statute 419B.005 accurately to each allegation of abuse and determine when the department is required to investigate. Oregon Child Welfare currently operates under a district-wide child abuse reporting system in most areas of the state. 7,000 reports of child abuse or neglect are being processed through 15 child welfare offices each month, and at least that many phone numbers. Screening decisions can vary based on where the call is received and a multitude of other reasons such as, workload, inexperience, misinterpretation, bias, etc. This POP would support the ongoing operation of a single, stand-alone, 24 hours a day, 7 days a week child abuse hotline. Enhanced training, decision-making and data-informed tools, a single leadership structure and continuous quality assurance processes all support increased accuracy and reduced bias in screening decisions. In addition, it affords opportunities for quality assurance measures which increase the ability of the Department to provide consistent practice and customer service. Overall, this will increase the level of safety for children exposed to abuse or neglect.</p>	8,947,301	-	-	8,947,301	46	38.51
CW Design	131	FOSTER FAMILY RECRUIT TEAM	<p><b>SAFETY:</b> Oregon does not currently have a structure in place to target statewide foster family recruitment and the services and supports necessary to retain good foster family homes. This has resulted in a lack of appropriate placement resources for many children experiencing foster care and was a finding of shortcoming in the most recent federal Child and Family Services Review and the Secretary of State Audit, titled 'Chronic Management Failures and High Caseloads Jeopardize the Safety of Some of the State's Most Vulnerable Children.' The State must address this issue of foster care recruitment and retention as a part of its federally required Program Improvement Plan and in its federal Child and Family Services Plan.</p> <p>This Policy Option Package requests the positions necessary to develop, implement and sustain a data informed targeted Statewide Foster Care Recruitment and Retention practice model. This model is intended to recruit and retain an abundance of foster families reflecting the cultural, linguistic and other characteristics, including LGBTQ status, of children experiencing foster care to allow for enhanced placement matching</p>	3,008,924	-	749,993	3,758,917	17	17.00
OIS/OBIS	202	MEDICAID MODULARITY	<p>This POP requests additional positions and funding to support continuation of planning and begin implementation activities for modularization of the systems supporting Oregon Medicaid. The outcome will be a solution set that meets CMS modularity criteria, with the ability to make updates as needed to meet federal and state demands over time. Funding is for OHA division leadership and subject matter expertise and for professional consulting services supporting planning and road-mapping efforts. This POP requests 3 permanent positions for OHA HSD to work in partnership with OIS and \$1,415,000 TF for consulting services. DHS companion POP to request 3 complimentary positions to represent DHS related Medicaid. Due to delays in 2017-19 planning efforts less than \$1,000,000 approved TF (under \$100,000 GF) from the 2017-19 POP will be expended by the start of 2019-21. CMS will fund 90% of positions and consulting during planning/implementation and 75% for on-going maintenance.</p>	277,922		276,444	554,366	2	2.00
OBIS	208	CAM MAINTENANCE AND OPERATIONS	<p>Summary Statement: House Bill 4151 requires the state of Oregon and DHS as its agent, to standardize its processes and technology related to abuse of vulnerable adults. Oregon's current environment for tracking, reporting, analyzing, and investigating incidents of adult abuse relies on accessing information from nine distinct systems or data sources. Additionally, local offices have created their own one-off mechanisms for supporting the abuse investigation processes, further complicating, and decentralizing information. Existing systems limitations include the inability to search across program populations, inhibiting the ability to track perpetrators and/or victims over time and between populations. This heightens the risk of not capturing all abuse allegations. This POP requests general funds to implement ongoing maintenance and additional enhancements that will build upon the capabilities of a base system implemented in the 2017-19 biennium, for an integrated solution, which meets HB 4151 criteria and helps protect vulnerable Oregonians. Not funding this POP will limit Oregon's ability support the system after Go-Live.</p>	1,756,474		1,756,475	3,512,949	3	2.64

Program Area	POP Number	Official Title (45 Character Limit)	Detailed description of ask	General Fund	Other Funds	Federal Funds	Total Funds	POS	FTE
OIS	201/811	INTEGRATED ELIGIBILITY MEDICAID ELIGIBILITY	<p>This POP will provide resources to support the continuation of the Department's ONE Integrated Eligibility &amp; Medicaid Eligibility (ONE IE &amp; ME) Project during FY19-21 resulting in a single eligibility determination system for Non-MAGI Medicaid, Supplemental Nutrition Assistance Program (SNAP Food Stamps), Temporary Assistance for Needy Families (TANF Cash Assistance), and Employment Related Day Care (ERDC Child Care subsidies).</p> <p>This POP would further the development, and implementation period for the Integrated ONE System –for the purposes of Eligibility Determination work. DHS plans to put the system into pilot in the Summer of 2019, followed by a six-month implementation roll-out beginning early in 2020 and being rolled out statewide by Summer of 2020. This POP takes advantage of enhanced federal funds across two separate federal agencies. Without funding, DHS will not be able to continue its project in a timely manner, resulting in increased state general fund cost, subsequent federal audits, and required modifications to our Legacy systems which would cost more than the total cost of this project.</p>	16,932,119	43,898,481	139,731,325	200,561,925	33	30.78
<b>TOTAL</b>				<b>70,922,740</b>	<b>44,475,387</b>	<b>73,466,930</b>	<b>188,865,057</b>	<b>111</b>	<b>101</b>
Rev 10/23/19 4:00 pm							-		



# Department of Human Services

## 2019-21 Policy Package

**Agency Name:** Department of Human Services  
**Program Area Name:** Child Welfare Program  
**Program Name:** Child Welfare Program  
**Policy Package Title:** Backfill TANF in CW Staff  
**Policy Package Number:** POP 107  
**Related Legislation:** N/A

**Summary**  
**Statement:**

At some point in the past TANF funding was used to fund a significant number of child welfare staff. The history of why this was done has been lost. This was not inappropriate at the time. However, as TANF caseloads have dropped and CW (and Self Sufficiency) staffing costs have increased, a technical restriction in the TANF rules have caused revenue shortages in Child Welfare Staffing. The TANF grant is a block grant that has not changed since the mid 90's. However, there is a 15% administrative cap on program expenditures. Over time as the TANF caseload has dropped and the investment in JOBS has been reduced the 15% Cap has also been reduced. At this point the 15% admin cap is spent in total by Self Sufficiency. This means that TANF can no longer be used for CW staffing. This impacts many positions, causing hundreds of positions to be eliminated unless remedied. In a companion POP DHS requests backfill of General Funds for this mandated program that was denied at CSL. This proposed POP would remove TANF Federal Funds from CW staffing causing many positions to become part time funded. This will free up TANF for future use in case of a recession or for other program uses determined appropriate by the legislature. TANF partially funds over 2,420 CW positions. Due to system limitations all positions with TANF need to be abolished (in package 070), and then if funded reinstated at full time positions through the companion POP that would establish the same number of positions and FTE, effectively causing a fund shift of GF for TANF in each position.

	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b>Policy Package Pricing:</b>	\$40,000,000	-	-	\$40,000,000

## **PURPOSE**

- 1. WHY DOES DHS PROPOSE THIS POP (WHAT ISSUE ARE YOU TRYING TO FIX/SOLVE)?**  
 TANF funding has historically been available to support Child Welfare. However, due to TANF grant restrictions TANF is no longer available for CW staffing. Currently DHS is having to use GF instead of TANF due to these restrictions. Each year this issue will grow as costs of staffing rise. This pop would remove full position authority and funding, including GF for the current budgeted CW positions that were abolished in package 070 and not backfilled in CSL. Due to system limitations DHS is not able to focus on just the net positions that would be lost but must abolish all positions impacted and then DHS proposes what is effectively a fund shift to “buy” back the current amount of TANF budgeted in CW staff. In addition, Federal legislation is currently being considered that may limit the use of TANF Federal funds for Child Welfare to 10% of the TANF grant. DHS spends about 10% of the TANF grant in the CW Program area. TANF funding is assumed to remain available for CW Program where these Federal Funds can be spent. Using GF in CW program cannot count as TANF Maintenance of effort so FF is used in program with offsetting GF in Self Sufficiency. This has a net zero sum to the state but allows the additional MOE for TANF purposes. New federal legislation has proposed to eliminate third party MOE which would be another GF issue but in the Self-Sufficiency program area.
- 2. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?**  
 This pop would abolish 2,420 positions currently authorized in the DHS CW budget. There is a companion pop that would re-establish these positions with GF instead of TANF.
- 3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?**

This POP does not support the agency mission or goals as it reduces staffing sorely needed in the CW system. Sufficient staffing is directly related to the agency's ability to provide services to assure that the safety, well-being, and permanency needs of abused/neglected children are being met.

## **QUANTIFYING RESULTS**

**4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?**

Yes, adequate funding for CW Design/Delivery can fundamentally tie to the Department of Human Services (DHS) CW performance measures.

**5. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?**

If this POP is funded without the corresponding companion pop then Child Welfare Design/Delivery will lose over 11% of its Total Funds budget. If the companion pop is not funded, this would cause the elimination of over 2,420 current positions in Child Welfare.

## **HOW ACHIEVED**

**6. DOES THIS POP REQUIRE ANY CHANGE(S) TO EXISTING STATUTE(S) OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.**

No.

**7. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?**

The funding changes are being spurred by Federal regulations. Federal law changes being proposed would have more significant impacts in the self-sufficiency program. No alternatives exist.

**8. WHAT ACTIONS HAVE OCCURRED TO RESOLVE THE ISSUE PRIOR TO REQUESTING A POLICY PACKAGE?**

DHS has worked across programs (SSP and CW) to analyze options that would assure Oregon can meet TANF Federal regulations. DHS made an exception request to backfill these federal funds in the mandated Child Welfare program but were denied because the TANF grant is a block grant.

**9. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?**

Many agencies would be negatively impacted in a multitude of ways by this POP. From a customer service standpoint, other agencies stand to lose due to this pop if Child Welfare Program cannot perform all areas of the work necessary to meet State and Federal requirements and expectations. Keeping Child Welfare staffing levels high is critical for Child Welfare's success at keeping Oregonians safe.

**10. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?**

None

**11. WHAT IS YOUR EQUITY ANALYSIS?**

Having consistent funding for CW staffing will positively impact client equity.

**12. WHAT ARE THE LONG-TERM DESIRED OUTCOMES (LONGER THAN THE UPCOMING BIENNIUM)?**

CW Design/Delivery needs long-term financial stability so that adequate staffing can be maintained to provide better outcomes for Oregon's children and families, decrease disproportionality, recruit and retain foster parents, and support a currently overburdened workforce, resulting in staff retention and satisfaction. This pop would **not** support these outcomes.

**STAFFING AND/OR FISCAL IMPACT**

**13. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?**

The funding shift will result in staffing staying at currently approved levels, but with the funding splits changing to be heavier in General Funds based on available federal revenues.

**Implementation Date(s):** 7/1/2019

**End Date (if applicable):** Ongoing

**a. Based on these answers, is there a fiscal impact?**  
Yes

**b. Will there be new responsibilities for DHS/OHA? Specify which Program Area(s) and describe their new responsibilities.**

**c. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.**  
No.

**d. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**  
No.

**e. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**

Unless the corresponding POP is funded a significant reduction in CW staffing would be required to stay within budget.

**f. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**  
None.

**g. What are the ongoing costs?**  
Personal services costs.

**h. What are the potential savings?**  
TANF Federal Funds would be freed up for use.

**TOTAL FISCAL IMPACT FOR THIS PACKAGE**

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	\$7,652,696	\$271,740	\$47,633,843	\$29,290,593	2,420	2,385.69
Services & Supplies	\$3,134,637	-	-	\$3,134,637		
Capital Outlay				-		
Special Payments	\$(39,787,333)	\$(271,740)	\$47,633,843	\$7,574,770		
Other						
<b>Total</b>	<b>\$40,000,000</b>	<b>-</b>	<b>-</b>	<b>\$40,000,000</b>	<b>2,420</b>	<b>2,385.69</b>

**DHS - Fiscal Impact Summary by Program Area:**

	<u>CW/Delivery</u>	<u>CW/Design</u>	<u>Program /Division 3</u>	<u>Program /Division 4</u>	<u>Total DHS</u>
General Fund	\$2,970,555	\$7,029,445	-	-	\$40,000,000
Other Funds	-	-	-	-	-
Federal Funds- Ltd	-	-	-	-	-
<b>Total Funds</b>	<b>\$32,970,555</b>	<b>\$7,029,445</b>	<b>-</b>	<b>-</b>	<b>\$40,000,000</b>
Positions	2,297	123	-	-	2,420
FTE	2,263.81	121.88	-	-	2,385.69

**What are the sources of funding and the funding split for each one?**

N/A

# Department of Human Services 2019-21 Policy Package

**Agency Name:** Department of Human Services  
**Program Area Name:** SSP Design  
**Program Name:** SNAP  
**Policy Package Title:** Limited Duration Positions  
**Policy Package Number:** POP 111  
**Related Legislation:**

**Summary Statement:**

SSP is requesting position authority and federal fund limitation for up to 7 grant-funded limited duration positions. These grants are attached to work that has been expanding over the past 5 years. The SNAP Employment and Training Program continues to pull in more federal dollars through partnerships created across the state, but lack the infrastructure to support and provide technical assistance along with federal oversight. The Nutrition Education Program through SNAP also provides 100% federal funding opportunity to support the program which also spans across the state and requires much technical support. The final program is the My Future My Choice Program which has been supported by federal Title V dollars for over 10 years. This will not include a General Fund ask.

	General Fund	Other Funds	Federal Funds	Total Funds
<b><u>Policy Package Pricing:</u></b>			\$1,657,278	\$1,657,278



## **PURPOSE**

- 1. WHY DOES DHS PROPOSE THIS POP (WHAT ISSUE ARE YOU TRYING TO FIX/SOLVE)?**  
The SNAP program has hired 7 LD employees who are doing work that is grant funded. They have been hired as double fills. The request is for 7 LD positions to clear the double fills.
- 2. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?**  
Once the 7 LD positions are allocated, DFs would be cleared, allowing for better tracking of the grant funds being used.
- 3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS?**  
The agency's goal is to ensure the funding is utilized as it should be.

## **QUANTIFYING RESULTS**

- 4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?**
- 5. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?**  
Grant funds for the specified body of work may not be utilized fully or correctly and could result in GF spending inadvertently.

## **HOW ACHIEVED**

- 6. DOES THIS POP REQUIRE ANY CHANGE(S) TO EXISTING STATUTE(S) OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.**  
No.

**7. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?**

Allowing double fills to continue; potentially not pulling down the grant funding that has been given to the state.

**8. WHAT ACTIONS HAVE OCCURRED TO RESOLVE THE ISSUE PRIOR TO REQUESTING A POLICY PACKAGE?**

DHS has reviewed and corrected coding that drives the use of funding as it should be. This coding would be easier to track if double fills were cleared.

**9. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?**

None.

**10. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?**

None.

**11. WHAT IS YOUR EQUITY ANALYSIS? No impact.**

**12. WHAT ARE THE LONG-TERM DESIRED OUTCOMES (LONGER THAN THE UPCOMING BIENNIUM)?**

Ensuring that DHS is effectively utilizing all the federal grant moneys that have been awarded to Oregon.

**STAFFING AND/OR FISCAL IMPACT**

**13. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?**

**Implementation Date(s):** \_\_\_\_\_

**End Date (if applicable):** \_\_\_\_\_

- a. **Based on these answers, is there a fiscal impact? No.**
- b. **Will there be new responsibilities for DHS/OHA? Specify which Program Area(s) and describe their new responsibilities. No.**

- c. **Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.**  
None.
- d. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**  
No.
- e. **Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**  
No. Providing new LD positions for the current staff who are double filled will be a simple cleanup effort and allow easier tracking of how the grant funds are being utilized.

**f. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

There would not be start-up costs.

**g. What are the ongoing costs?**

No ongoing costs to DHS; the positions are grant funded.

**h. What are the potential savings?**

No savings, no costs.

**TOTAL FISCAL IMPACT FOR THIS PACKAGE**

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	0	0	\$1,386,469	\$1,386,469	7	7.00
Services & Supplies	0	0	\$270,809 0	\$270,809 0		
Capital Outlay	0	0	0	0		
Special Payments	0	0	0	0		
Other	0	0				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>\$1,657,278</b>	<b>\$1,657,278</b>	<b>7</b>	<b>7.00</b>

**DHS - Fiscal Impact Summary by Program Area:**

	<b>Program /Division 1</b>	<b>Program /Division 2</b>	<b>Program /Division 3</b>	<b>Program /Division 4</b>	<b>Total DHS</b>
<b>General Fund</b>	\$0	\$0	\$0	\$0	\$0
<b>Other Funds</b>	\$0	\$0	\$0	\$0	\$0
<b>Federal Funds</b>	<b>\$1,657,278</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,657,278</b>
<b>Total Funds</b>	<b>\$1,657,278</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,657,278</b>
<b>Positions</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>FTE</b>	<b>7.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.00</b>

**What are the sources of funding and the funding split for each one?**

Federal funds only

# Department of Human Services 2019-21 Policy Package

**Agency Name:** Department of Human Services (DHS)  
**Program Area Name:** Vocational Rehabilitation (VR)  
**Program Name:** VR Transition Services  
**Policy Package Title:** Pre-Employment Transition Services (Pre-ETS)  
**Policy Package Number:** POP 116  
**Related Legislation:** WIOA; IDEA

**Summary  
Statement:**

The Workforce Innovation and Opportunity Act (WIOA), calls for Oregon Vocational Rehabilitation to collaborate with school districts to provide, or arrange for the provision of, pre-employment transition services (Pre-ETS) for all students with disabilities who are eligible or potentially eligible for VR services. Further, WIOA states that there must be local coordination with districts for Pre-ETS at all 16 VR branch offices. The Oregon Department of Education and VR estimate that the target population for Pre-ETS to be roughly 27,000 students with disabilities.

Currently Oregon VR has two Pre-Employment Transition Service Coordinators that provide direct services to students with disabilities in the state. One is based in the Portland Metro area and the other is based in Bend with the responsibility of covering the eastern part of the state. Neither of these positions have enough capacity to cover the entire state and deliver the mandated services by WIOA. Therefore, we are requesting the position authority to hire two more Pre-Employment Transition Service Coordinators (PA1) to meet this need and one OPA1 to handle the data entry elements of this mandate.

This POP would utilize funds already within VRs budget so this will be a zero cost or, cost neutral POP.

	General Fund	Other Funds	Federal Funds	Total Funds
<b><u>Policy Package Pricing:</u></b>		\$576,906		\$576,906

## **PURPOSE**

### **1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?**

This POP is designed to assist VR meet new transition requirements established in WIOA that mandates VR to create the provision and availability of Pre-Employment Transition Services (Pre-ETS) for roughly 27,000 students with disabilities throughout the state. These are the five required Pre-ETS:

- Job exploration counseling;
- Work-based learning experiences,
- Counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs
- Workplace readiness training to develop social skills and independent living;
- Instruction in self-advocacy, which may include peer mentoring.

Oregon VR currently has two Pre-Employment Transition Service Coordinators that provide Pre-ETS to students with disabilities in the state. One is based in the Portland Metro area and the other is based in Bend with the responsibility of covering the eastern part of the state. Neither of these positions have enough capacity to cover the entire state and deliver the mandated services by WIOA. Therefore, we are requesting the position authority to hire two more Pre-Employment Transition Service Coordinators (PA1) to meet this need and one OPA1 to handle the data entry elements of this mandate.

This POP would utilize funds already within VRs budget so this will be a zero cost or, cost neutral POP.

### **2. WHY DOES DHS PROPOSE THIS POP (WHAT ISSUE ARE YOU TRYING TO FIX/SOLVE)?**

The Workforce Innovation and Opportunity Act (WIOA), calls for Oregon Vocational Rehabilitation to collaborate with school districts to provide, or arrange for the provision of, pre-employment transition services (Pre-ETS) for all students with disabilities who are eligible or potentially eligible for VR services. Further, WIOA states that there must be local coordination with districts for Pre-ETS at all 16 VR branch offices. Currently we do not have the capacity with our existing staff to fulfill these new mandates.



**3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?**

This POP directly relates to VR’s strategic objective and goal to “implement inclusive, dynamic statewide youth programs”. Additionally, this package will support the governor’s goal to train a high quality workforce reflects the working face of Oregon.

**QUANTIFYING RESULTS**

**4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?**

Oregon VR is now required to arrange for the provision of Pre-Employment Transition Services for roughly 27,000 youth with disabilities in over 145 school districts. This performance measure is set forth in section 113 of WIOA. This POP will provide VR with the field staff to implement these new services and coordinate with the districts and other providers to ensure the provision of the Pre-ETS.

**5. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?**

Oregon Vocational Rehabilitation could be out of compliance by not fulfilling the required services in section 113 of WIOA outlining Pre-Employment Transition services and Coordination.

**HOW ACHIEVED**

**6. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.**

NO.

**7. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?**

None – this POP is consistent with implementing the Workforce Innovation and Opportunity Act as discussed above and the specific action plans adopted to implement the new mandatory services set forth in that act.

**8. WHAT ACTIONS HAVE OCCURRED TO RESOLVE THE ISSUE PRIOR TO REQUESTING A POLICY PACKAGE?**

VR has hired two Pre-Employment Transition Service Coordinators that deliver services to students with disabilities in the state. One is based in the Portland Metro area and the other is based in Bend with the responsibility of covering the eastern part of the state. Both of these positions do not have enough capacity to cover the entire state and deliver the mandated services by WIOA. Therefore, we are requesting the position authority to hire 2 more Pre-Employment Transition Service Coordinators to meet this need and one OPA1 to handle the data entry elements of this mandate.

**9. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?**

There are five tribal vocational rehabilitation programs in the state that would benefit from this POP. These programs have extremely limited funds and our POP would be able to coordinate and serve their tribal students.

**10. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?**

Oregon Department of Education, University of Oregon, CTE and CTE Hubs, STEM Hubs, Local School Districts, Workforce Innovation Technical Assistance Center, and the National Technical Assistance Center on Transition.

**11. WHAT IS YOUR EQUITY ANALYSIS?**

Working with the Oregon Department of Education we pulled 2017-18 school year data to determine the current enrolled population of students with disabilities between the ages of 14 and 21. This analysis was comprised 13 different disability types, gender, geographic location, and school of record. It has been determined that there are roughly 27,000 students with disabilities that could potentially eligible and served by this program.

**12. WHAT IS THE LONG-TERM DESIRED OUTCOMES (LONGER THAN THE UPCOMING BIENNIUM)?**

Pre-Employment Transition Services are meant to be the first step in career exploration for students. When students have the opportunity to participate in these services they are more equipped to make an informed decision about their future and will have a better understanding of their own preferences, interests, skills and needed supports. By funding this POP we are seeking improved postsecondary employment outcomes for students with disabilities in Oregon. This will result in more students employed in competitive, integrated settings. More students with disabilities will be enrolling in postsecondary training and education programs. These activities will result in fewer individuals with disabilities utilizing governmental supports and, in turn, they will be participating and contributing members in our community.

**STAFFING AND/OR FISCAL IMPACT**

**13. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?**

**Implementation Date(s):** 7/1/2019

**End Date (if applicable):** N/A

- a. **Will there be new responsibilities for DHS/OHA? Specify which Program Area(s) and describe their new responsibilities.**

<input checked="" type="checkbox"/>	Reporting to RSA	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>

- b. **Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.**

No.

- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

There will be an increase of services provided to students with disabilities. It is estimated that there are 27,000 students in the state that are potentially eligible for these services. Not all of these students with require these services but they would be served locally in collaboration with contracting school districts and the local VR office.

- d. **Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**

Yes, we are requesting position authority to hire two more Pre-Employment Transition Service Coordinators (PA1) to meet this need and one OPA1 to handle the required data entry elements for our federal funders (RSA).

- e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**  
None.
- f. **What are the ongoing costs?**  
This POP would utilize funds already within VRs budget so this will be a zero cost or, cost neutral POP.
- g. **What are the potential savings?**  
N/A.
- h. **Based on these answers, is there a fiscal impact?**

**TOTAL FOR THIS PACKAGE**

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	0	\$576,906	0	0	3	3.00
Services & Supplies	0	0	0	0		
Capital Outlay	0	0	0	0		
Special Payments	0	0	0	0		
Other	0	0	0	0		
<b>Total</b>	<b>\$0</b>	<b>\$576,906</b>	<b>\$0</b>	<b>\$0</b>	<b>3</b>	<b>3.00</b>

**DHS - Fiscal Impact Summary by Program Area:**

	<b>Program Area 1</b>	<b>Program Area 2</b>	<b>Program Area 3</b>	<b>Program Area 4</b>	<b>Total</b>
<b>General Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Federal Funds- Ltd</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**What are the sources of funding and the funding split for each one?**

100% Other funds

## Department of Human Services 2019-21 Policy Package

**Agency Name:** Department of Human Services  
**Program Area Name:** Child Welfare  
**Program Name:** CW Delivery  
**Policy Package Title:** Centralized Screening - Oregon Child Abuse Hotline  
**Policy Package Number:** POP 119  
**Related Legislation:**

**Summary**  
**Statement:**

Centralized Screening currently exists in half of all child welfare programs in the U.S. Research has proven its effectiveness in improving consistency in screening decisions and increased training opportunities for screeners to build a specialized expertise. Screening is the first point of contact for all mandated and non-mandated reporters of child abuse in Oregon. It is imperative that screeners apply Oregon Revised Statute 419B.005 accurately to each allegation of abuse and determine when the department is required to investigate. Oregon Child Welfare currently operates under a district-wide child abuse reporting system in most areas of the state. 7,000 reports of child abuse or neglect are being processed through 15 child welfare offices each month, and at least that many phone numbers. Screening decisions can vary based on where the call is received and a multitude of other reasons such as, workload, inexperience, misinterpretation, bias, etc. This POP would support the ongoing operation of a single, stand-alone, 24 hours a day, 7 days a week child abuse hotline. Enhanced training, decision-making and data-informed tools, a single leadership structure and continuous quality assurance processes all support increased accuracy and reduced bias in screening decisions. In addition, it affords opportunities for quality assurance measures which increase the ability of the Department to provide consistent practice and customer service. Overall, this will increase the level of safety for children exposed to abuse or neglect.



	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b>Policy Package Pricing:</b>	\$8,947,301	-	-	\$8,947,301

## **PURPOSE**

### **1. WHY DOES DHS PROPOSE THIS POP (WHAT ISSUE ARE YOU TRYING TO FIX/SOLVE)?**

Child Welfare generates 7000 reports of child abuse monthly. Statute requires all 7000 reports be cross reported to the appropriate Law Enforcement Agency (LEA) jurisdiction. This POP would allow for the creation of a single call facility by consolidating the 15 hotlines currently scattered around the state into a single location. It would provide for the additional Hotline staff needed to operate 24 hours a day, 7 days a week. It would also allow for the maintenance of advanced phone technology and other equipment such as desk-side scanners to support the work. The Child Abuse Hotline would be the point of receipt for all new allegations of child abuse and neglect. This POP requests funding for the facility, positions, and enhancement of technology to help bridge the communication gap with the field offices and our law enforcement partners, especially.

#### Facility:

The Hotline will be located at 6035 NE 78<sup>th</sup> Court, Suite 200 in Portland. The POP would provide the resources needed to support ongoing operations of a stand-alone facility and functionality to support screeners, supervisors, consultants, program managers, hotline managers, case aides, office specialists, office managers and an ORKids trainer. The facility will utilize a work station, rather than desk assignment model to minimize square footage requirements, and support the shift-work that will be required of Hotline staff. This will require screener workstations to be flexible to meet the ergonomic requirements of more than one person. The facility will need adequate safety features such as an electronic key system and good lighting. Customers will not be received at this building.

The Hotline will be identified as a DHS critical infrastructure. To ensure ongoing operation the facility will run 24/7, the office will include but is not limited to; backup generator, dual internet sources, increased rent and utilities increases for 24/7 operations, building showers, and storage lockers.

#### Technology:

In a 2008 study commissioned by the state of Wyoming, Casey Family Programs evaluated centralized screening efforts. Findings indicate getting the technology piece right is elemental to the success of a hotline.

“Automated call handling, and distribution systems [that] can facilitate call management and tracking of call volumes and call center performance may significantly reduce the proportion of callers who encounter busy signals. A dedicated call line or system for prioritizing referrals from law enforcement may be needed to allow those reporters to deliver referrals in a timely way.” In Oregon’s current decentralized system, units vary greatly in the types of data they capture, store and utilize. The POP would allow for the maintenance of the web-based phone system with the ability to respond to disasters or coverage needs with a plug-and-play system. This design allows supervisors to reroute phone lines anywhere and remain fully functional via the Web, including uninterrupted data capture. The phone software has the capabilities to track calls, wait times, dropped calls, worker productivity, etc. It will allow supervisors the ability to listen in and record live calls, provide dedicated lines to LEA, be able to transfer calls and forward calls without disruption or excessive prompting for the caller. Utilization by non-English callers will be accessible statewide. The phone system will provide quality sound, the capacity to predict call volume and assist with workload management. The POP would allow for ongoing licensure of the phone software and maintenance of desk-side scanners and printers for the unit. Technology will include but not be limited to; building and maintaining a Geographic Information System (GIS), hardware/infrastructure, phone systems, ORKids and other appropriate software applications as needed.

#### Training:

Screening is a discreet function that is independent of the CPS assessment and requires autonomy in making decisions. Training for screeners and supervisors, decision-making tools and CQI processes are inadequate and inconsistently applied across the state. There is little specific training available for screeners or their supervisors. A more robust, formalized training, for business staff, pre-screeners, screeners and supervisors, has emerged as a critical need. Casey Family Programs and Action for Child Protection will be partnering with child welfare to develop a screening academy training plan and curriculum. Screeners, screening supervisors, and program managers of the Hotline will receive a comprehensive training, that includes application of Oregon Safety Model at screening, screening procedure, guidelines and various tools including the adoption of an equity lens to assist with decision-making. This POP would allow for the

ongoing Continuous Quality Improvement for the application of new screening procedures, sustainability planning and periodic review.

**Staffing:**

Statewide 167 screening positions exist statewide. Most child abuse hotlines currently operate 8 a.m.-5 p.m., except for District 2 which operates 24 hours a day, 7 days a week. Calls that come in after business hours in the districts operating 8 a.m.-5 p.m. are screened and assigned by District staff. Interpretation needs will be addressed through bi-lingual staff, and the use of interpretive language line services when there are no staff available to interpret. With centralization, after-hours screening decisions and assignments will shift to one central hotline. This will result in increased CPS workload evenings, nights, and weekends.

Centralization will require additional staff statewide to meet the workload model, due to the implementation of a 24 hours a day, 7 days a week call facility, which subsequently will require 24 hours a day, 7 days a week CPS response to ensure child safety. Ultimately, the stand-alone facility will require an independent leadership structure including; a hotline manager, program managers, supervisors, SSS1s, case aides, office specialists, office managers, consultants and an ORKids trainer to support the planning, implementation and sustainability of the centralized hotline. These positions will focus on statewide change management strategies regarding policies, procedures, engagement with community partners and modeling change management post implementation.

A short implementation schedule is anticipated April 2019 through June 2019; however, in the meantime, districts are experiencing extended screening position vacancies due to the upcoming centralization. We anticipate moving some screening function to the NE Portland location in August 2018, including rerouting calls, workload and positions to the new location, begin transitioning and hiring new screeners, training to and provide structured onboarding of all districts. Full transition is expected by Summer 2019.

**2. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?**

Oregonians deserve a system that can provide efficient, effective, equitable, and consistent screening practice, as defined by statute. As custodian of Oregon's most vulnerable children, Child Welfare is requesting funding to stand up a single, stand-alone, 24 hours a day, 7 days a week screening hotline that

utilizes real-time data and quality assurance tools to improve safety outcomes for children. Nationally, about 50% of all states operate centralized screening units. A national study of Statewide [Intake] Screening (Morningside, 2014) found that states utilizing a centralized child abuse reporting hotline are safer, call volume is higher, and timeliness of response is longer. Oregon can anticipate a 10% increase in the number of calls, a 10% increase in assignments, and a 10% increase in the number of families who receive support services due to substantiated findings of abuse or neglect. This POP addresses timeliness of response through improved staffing allocation, ongoing quality assurance and reliable technology.

We know from file reviews that errors in screening processes have contributed to bad outcomes for children. Staff cite inadequate training and coverage as significant barriers to developing the specialized skill set screening requires. Unit meetings, group supervision, peer reviews, policy review, and updates are prioritized and delivered in 15 different ways right now. Typically, districts shift CPS workers to cover, often triaging the immediate assignments and deferring completion of closed reports to screeners. This is true for after-hours responses as well. It is imperative that we make systemic changes to screening. We need to do better. In 2017, the workload model was adjusted to account for the significant body of work associated with screening reports. This POP provides for the remaining screening positions to obtain 100% of the staffing level earned by the workload model, and to increase CPS staffing allocation to respond timely to the anticipated 10% increase in call volume associated with centralization of the hotline. The department will engage in targeted outreach to communities of color (with special emphasis on African American and Native American communities) and other non-dominant cultures to ensure future staffing is more reflective of the communities we serve. This will increase congruency between screeners and the individuals being reported, and will ultimately contribute to a reduction in disproportionality across the Child Welfare system.

**3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?**

Healthy. Safe. Independent. It is essential that allegations of abuse and neglect are handled accurately. A single administrative structure and quality assurance practices can occur in a single location with maximum impact, equity, benefit, and accountability. This data driven system aligns with DHS’ vision of a world-class organization.

## **QUANTIFYING RESULTS**

- 4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?**

This POP directly impacts KPM #17, in that the Child Abuse Hotline is the primary contact point of the community to the agency when they have concerns around the safety and well-being of children.

- 5. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?**

The Department would continue to operate the 15 separate and distinct Hotlines throughout the state. Substantial hours in consultation and review would be expended. Inconsistency amongst hotlines would continue. Coverage for screening absence would continue to be filled by CPS workers, by pulling them away from their critical work. Statewide quality assurance measures will be difficult to implement. Consumers will experience inconsistent responses, and inequities and disproportionalities impacting youth from non-dominant cultures and non-English speaking communities will continue. Systemic issues, identified in critical case reviews, will also continue.

## **HOW ACHIEVED**

- 6. DOES THIS POP REQUIRE ANY CHANGE(S) TO EXISTING STATUTE(S) OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.**

OAR 413-015-0305, Cross Reporting Requirements, would need to be amended to remove the requirement that a cross report be made to a law enforcement agency where the alleged abuse occurred, and, a second time in the county where the report was made. A centralized unit will eliminate the need for a second cross report. Continuing to cross report in the jurisdiction where the Hotline is situated causes one LEA to receive 7,000 assigned and closed reports of child abuse per month, regardless of their relevance.

**7. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?**

District, regional and centralized options have been vetted through the Centralized Hotline steering committee and approval to centralized by DHS executive leadership. The district and regional options diminish workload efficiencies, increase the probability of differing and inequitable practices across the regions, promote the continued use of CPS workers to cover screening work, and increase the likelihood that customers will receive inconsistent service. District and regional operations require duplicative spending on buildings, technological equipment, and the like.

**8. WHAT ACTIONS HAVE OCCURRED TO RESOLVE THE ISSUE PRIOR TO REQUESTING A POLICY PACKAGE?**

Child Welfare moved from a county based screening structure to a district format over the last couple of decades to manage resources and develop regional supports. As workload has increased, District offices have allocated additional staff to their screening units from other program areas to manage the increased call volume. Other child welfare workers and units periodically cover for screening; however, consistency in practice and decision-making can be negatively impacted.

**9. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?**

Centralization of the hotline will change how calls of child abuse are received, processed, and disseminated. This will impact all CW staff, mandatory reporters, and agencies who cross report to screening units statewide. Calls will no longer be accepted in the county of origin. Although callers will continue to be able to come to local field offices, they will be required to call the hotline and engage with screeners who may not be familiar with their local community resources. There is a risk that non-dominant and non-English speakers will not know about the child abuse reporting changes, the required information needed to make a child abuse report, or what to expect. The mechanism by which cross reports are made will change primarily to electronic communication. There will be an absence of screening leadership and expertise at the local offices; it will require community partners to collaborate with staff at the central hotline rather than their local offices.

The community will have access to the central hotline 24 hours a day, 7 days a week, 365 days a year.

**10. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?**

The efforts to centralize are overseen by the Centralized Hotline Steering committee. Other agency representation includes law enforcement, medical professionals, educators, Tribal governments, legislators, Service Employees International Union, District Attorney offices, Action for Child Protection, Casey Family Programs, and Office of Training Investigations and Safety, Office of Continuous Improvement. Office of Business Engagement Services, Office of Reporting, Research, Analytics and Implementation, Unified Child Safety provide support technical assistance and project management to the project. Screeners, screening supervisors, safety consultants, program managers and district managers are represented on the steering committee and/or subcommittees who are responsible for the project deliverables. Statewide listening tours, outreach to supervisory groups, and screening units continue throughout the project.

**11. WHAT IS YOUR EQUITY ANALYSIS?**

Through this POP the Agency seeks to make accessible skilled screening staff who can serve the diverse needs of the community, 24 hours a day, 7 days a week. In Oregon, the U.S. Census data shows that while Spanish, Vietnamese, Chinese and Russian are the most common languages spoken by people at home after English, about 172,000 people in the state speak one of 120 other languages. Currently, Child Welfare employs 105 Social Service Specialists and 11 supervisors who receive the bilingual differential, but they are thinly spread at multiple sites across the state. Having our bilingual screeners in a central location will enable the agency to more consistently staff screening and take reports in the caller's preferred language. Further, this POP will enable having effectively applied phone software that tracks language preference and informs hiring practice of needed language skills. When live bilingual staff are not available, contracted Language Services will continue to provide language support to ensure every report of child abuse and neglect is handled appropriately.

In addition, a centralized screening model will enable Child Welfare to have more consistent screening



standards that will limit bias to ensure equitable outcomes for children of color, as research demonstrates that disproportionality occurs at every step of the child welfare process nationally. For these reasons, we believe that this POP is essential for the health and safety of all children.

**12. WHAT ARE THE LONG-TERM DESIRED OUTCOMES (LONGER THAN THE UPCOMING BIENNIUM)**

- Improved child safety
- Improved customer service
- Consistent decision-making
- Improved data informed decision-making
- Continuous Quality Assurance
- Continuous Quality Improvement
- Reduced biases in screening decisions
- Congruent with DHS values
- Improved continuity of operations
- Improved service equity for non-dominant cultures and non-English speaking communities

**STAFFING AND/OR FISCAL IMPACT**

**13. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?**

**Implementation Date(s):** August 2018, stand up phase; full implementation Summer 2019

**End Date (if applicable):** n/a

**a. Based on these answers, is there a fiscal impact? Yes**

- b. Will there be new responsibilities for DHS/OHA? Specify which Program Area(s) and describe their new responsibilities. No**

- c. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.**

This POP allows for the ongoing lease of the facility and technical staff to support the hotline operations. Shared services is actively involved in evaluating phone needs, computer services, emergency readiness and other facility modifications necessary for day to day operational needs. Onsite phone supports will be essential to ensure child safety. GIS (geographic information system) technology will need maintained and updated. This technology will be used to child safety assessments. Addresses, business locations and police jurisdictions, for example, will require continuous maintenance and updates.

- d. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

Standing up a central location will not change client caseload or services provided; however, there may additional time required to gather information, staff cases with management, and complete the case assignment which is impacted by obtaining more comprehensive information. It is anticipated this increased workload will be offset by the efficiencies gained by consolidating staff into a single location.

- e. **Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**

No existing positions will be modified.

**New Positions**

- 17 SSS1 for screening at 100% workload model allocation.
  - 6 SSA-case aides for screening at 100% of workload model.
  - 15 OS2 for screening at 100% of the workload model.
  - 1 ISS5; permanent, will work 24 months in each biennium at DHS ORRAI (Office of Reporting, Reserach, Analytics & Implementation) central services department.
  - 1 ISS4; permanent, will work 24 months in each biennium at DHS OIS (Office of Information Services) shared services department.
  - 2 OPA3; screening safety consultation and ongoing continuous quality assurance and improvements; permanent, will work 24 months in each biennium
  - 1 PEMF; Hotline Manager – permanent, will work 24 months in each biennium
  - 2 PEME; Program Manager - permanent, will work 24 months in each biennium
  - 1 Training and Development Specialist 2 – permanent, will work 24 months in each biennium
- f. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**
- None. Securing a facility, curriculum development, training, relocating staff and securing call software are occurring in the 17-19 budget cycle.
- g. **What are the ongoing costs?**

Staff: 8,041,314

Phones: 605,987

Marketing campaign – Centralizing the child abuse hotline will impact all Oregonians. The change will be significant and require ongoing statewide efforts to ensure changes are effectively communicated: 300,000.

**h. What are the potential savings?**

No significant cost savings identified.

**TOTAL FISCAL IMPACT FOR THIS PACKAGE**

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	6,010,913	-	-	6,010,913	46	38.51
Services & Supplies	2,936,388	-	-	2,936,388		
Capital Outlay	-	-	-	-		
Special Payments	-	-	-	-		
Other	0	0	0	0		
<b>Total</b>	<b>8,947,301</b>	<b>-</b>	<b>-</b>	<b>8,947,301</b>	<b>46</b>	<b>38.51</b>

**DHS - Fiscal Impact Summary by Program Area:**

	<b>CW/ Delivery</b>	<b>Program/ Division 2</b>	<b>Program/ Division 3</b>	<b>Program/ Division 4</b>	<b>Total DHS</b>
<b>General Fund</b>	\$8,947,301	0	0	0	\$8,947,301
<b>Other Funds</b>	-	0	0	0	\$ -
<b>Federal Funds- Ltd</b>	-	0	0	0	\$ -
<b>Total Funds</b>	<b>\$8,947,301</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$8,947,301</b>
<b>Positions</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46</b>
<b>FTE</b>	<b>38.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.51</b>

**What are the sources of funding and the funding split for each one? 100% General Fund.**

# Department of Human Services

## 2019-21 Policy Package

**Agency Name:** Department of Human Services  
**Program Area Name:** Office of Child Welfare Programs  
**Program Name:** Foster Care  
**Policy Package Title:** Foster Family Recruit Team  
**Policy Package Number:** POP 131  
**Related Legislation:**

**Summary**  
**Statement:**

Oregon does not currently have a structure in place to target statewide foster family recruitment and the services and supports necessary to retain good foster family homes. This has resulted in a lack of appropriate placement resources for many children experiencing foster care and was a finding of shortcoming in the most recent federal Child and Family Services Review and the Secretary of State Audit, titled ‘Chronic Management Failures and High Caseloads Jeopardize the Safety of Some of the State’s Most Vulnerable Children.’ The State must address this issue of foster care recruitment and retention as a part of its federally required Program Improvement Plan and in its federal Child and Family Services Plan.

This Policy Option Package requests the positions necessary to develop, implement and sustain a data informed targeted Statewide Foster Care Recruitment and Retention practice model. This model is intended to recruit and retain an abundance of foster families reflecting the cultural, linguistic and other characteristics, including LGBTQ status, of children experiencing foster care to allow for enhanced placement matching and reduce the number of placement changes.

	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b><u>Policy Package Pricing:</u></b>	\$3,008,924	-	\$749,993	\$3,758,917

## **PURPOSE**

### **1. WHY DOES DHS PROPOSE THIS POP (WHAT ISSUE ARE YOU TRYING TO FIX/SOLVE)?**

There is a shortage of available, appropriate foster care placement options for children experiencing foster care. We need to decrease foster family burnout due to overloading homes already at capacity, increase foster family retention rates, increase linguistically and culturally congruent placements, increase the number of LGBTQ affirming foster families, and reduce the number of children being temporarily lodged in hotels.

### **2. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?**

This POP provides the positions necessary to develop and implement a targeted statewide foster family recruitment and retention practice model. A program manager (PEM-D) will be centrally located and manage a team of Social Service Specialist 2s – one stationed in each of the 16 DHS Districts throughout the State.

Child Welfare already has a strong foundation for this practice model. In 2013 DHS Child Welfare applied for and was awarded a Diligent Recruitment Cooperative Agreement (grant) from the Administration on Children and Families, Children’s Bureau for nearly \$2,000,000.00. Oregon named this Diligent Recruitment effort “Growing Resources and Alliances through Collaborative Efforts” (GRACE). The primary goal for GRACE was to develop an Oregon Diligent Recruitment Practice Model in five of the DHS Districts, driven by data with a customer service approach to recruitment and retention of resource families who reflect the culture and other characteristics of the children in foster care, develop and sustain thriving community partnerships, and build on Oregon’s infrastructure of supporting early and active permanency planning to positively impact permanency outcomes. This federal grant is coming to an end on September 30, 2018.

### **3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?**



This meets the agency’s mission and goals by meeting the cultural and linguistic needs of children experiencing foster care and having more available, appropriate foster care placement options – reducing the need for temporary placements due to a lack of capacity, and the number of moves necessary to find the ‘right fit’ – reducing trauma and enhancing children’s overall well-being. This will also increase the retention of good and culturally-agile foster families, increasing our capacity to care for children with high needs by retaining experienced foster care providers.

## **QUANTIFYING RESULTS**

**4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?**

Yes, PA.05: (Fed) Placement Stability (moves per 1,000 days). This POP is also tied to the State’s federally required Program Improvement Plan as a result of failing the Child and Family Services Review, and to the Secretary of State audit findings.

**5. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?**

Child Welfare will continue to struggle to prioritize this work over the front-end safety assessment work, resulting in a continued lack of resources for many children experiencing foster care, continued language and culture incongruency between youth and their foster care families, and continued disparities in length of stay and number of foster care placements for African American and Native American youth. If we do not improve in this area, we risk the loss of associated federal funding.

## **HOW ACHIEVED**

**6. DOES THIS POP REQUIRE ANY CHANGE(S) TO EXISTING STATUTE(S) OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.**

No.

**7. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?**

Child Welfare understands that the recruitment and retention work is critical in developing a robust and healthy child caring/serving system. However, with staffing levels below what it takes to do the work – as indicated by the workload model – we continue to divert resources to the front-end to assure the safety of children, and inadequately resource this effort.

**8. WHAT ACTIONS HAVE OCCURRED TO RESOLVE THE ISSUE PRIOR TO REQUESTING A POLICY PACKAGE?**

Child Welfare has attempted to contract out some of the retention work. This is very expensive and we have only been able to do this on a limited basis. It is critical that we have the staff available statewide to provide support to address local recruitment needs and retention needs of foster families.

**9. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?**

None, except that Tribal children will benefit from the more robust, culturally appropriate placement options when they experience foster care with the State.

**10. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?**

None.

**11. WHAT IS YOUR EQUITY ANALYSIS?**

We do not have enough cultural or linguistically appropriate placement options for children experiencing foster care. These dedicated staff will enable us to develop culturally specific recruitment, retention and training plans to increase our ability to provide equitable services and reduce existing disparities, with the aim of eliminating disproportionality within Oregon’s Child Welfare program.

**12. WHAT ARE THE LONG-TERM DESIRED OUTCOMES (LONGER THAN THE UPCOMING BIENNIUM)?**

Having an increased number of appropriate and available placement options to improve placement matching, reduce the number of placements and improve the overall well-being of children experiencing foster care. Child Welfare caseworkers would spend less time identifying appropriate placements and more time providing direct services to families.

**STAFFING AND/OR FISCAL IMPACT**

**13. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?**

Implementation Date(s): 7/1/19

End Date (if applicable): Ongoing

**a. Based on these answers, is there a fiscal impact?**

Yes.

**b. Will there be new responsibilities for DHS/OHA? Specify which Program Area(s) and describe their new responsibilities.**

<input checked="" type="checkbox"/>	DHS Office of Child Welfare Programs	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>

Responsible for developing a targeted Statewide Foster Care Recruitment and Retention practice model and implementing it statewide.

- c. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.**  
Yes, a statewide program manager (PEM-D) and 16 (SSS-2) recruitment and retention specialists are needed to achieve the desired outcomes. The program manager would be housed in the Central Office at 500 Summer St NE, Salem OR 97301, 1 SSS-2 would be housed in each of the 16 Districts. Specific office locations yet to be determined.
- d. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**  
Yes, services will be improved to children, families, foster families and relative caregivers. The specific number of families recruited and supported will vary by area and be determined through data analytics.
- e. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**  
1 PEM-D, Permanent, 24 Months  
16 SSS-2, Permanent, 24 Months
- f. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**  
Minimal
- g. What are the ongoing costs?**  
Minimal

**h. What are the potential savings?**

The savings are in human capital. Better and more appropriate/equitable services to children, reducing trauma. More time for caseworkers to spend with families, expediting case closure. Better supported foster families, reducing burnout and increasing their capacity to provide care to children. Better outcomes for children and families. Less staff burnout as they are able to provide the services and supports necessary to provide excellent customer service.

**TOTAL FISCAL IMPACT FOR THIS PACKAGE**

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	\$2,350,277	-	\$587,586	\$2,937,863	17	17.00
Services & Supplies	\$658,647	-	\$162,407	\$821,054		
Capital Outlay	-	-	-	-		
Special Payments	-	-	-	-		
Other	0	0	0	0		
<b>Total</b>	<b>\$3,008,924</b>		<b>\$749,993</b>	<b>\$3,758,917</b>	<b>17</b>	<b>17.00</b>

**DHS - Fiscal Impact Summary by Program Area:**

<b>CW/ Delivery</b>	<b>CW/ Design</b>	<b>Program/ Division 3</b>	<b>Program/ Division 4</b>	<b>Total DHS</b>
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<b>General Fund</b>	\$2,800,157	\$208,767	0	0	\$3,008,924
<b>Other Funds</b>	-	-	0	0	-
<b>Federal Funds- Ltd</b>	\$697,971	\$52,022	0	0	\$749,993
<b>Total Funds</b>	<b>\$3,498,128</b>	<b>\$260,789</b>	<b>0</b>	<b>0</b>	<b>\$3,758,917</b>
<b>Positions</b>	<b>16</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>17</b>
<b>FTE</b>	<b>16</b>	<b>1.00</b>	<b>0</b>	<b>0</b>	<b>17</b>

**What are the sources of funding and the funding split for each one?**

The funding split on positions is 80% GF and 20% FF.

# DEPARTMENT OF HUMAN SERVICES

## 2019-21 Policy Package

**Agency Name:** DHS  
**Program Area Name:** DHS Office of Business Information Services  
**Program Name:** DHS Central Services  
**Policy Package Title:** Medicaid Modularity  
**Policy Package Number:** POP 202  
**Related Legislation:** N/A

**Summary Statement:**

The Centers for Medicare and Medicaid Services (CMS) requires all states to plan for and implement modular solutions supporting Medicaid using a competitive process. CMS' is seeking to support states in shifting away from reliance on a single solution provider and establish renewable, componentized solutions for long-term support of Medicaid.

Oregon's current Medicaid Management Information System (MMIS) was implemented in 2008. The contract for the support of the MMIS with the current solution provider (DXC) ends in February 2022.

This POP, and its companion OHA POP, requests continuation of state funding to secure 90% federal financial participation funds to: define Oregon's Medicaid Service Delivery strategic plan; assess other state's modularization approaches; identify options for modular solutions; understand CMS certification requirements and begin procurement activities to secure modular solution components and services to support implementation. Not funding this POP may result in the loss of 90% federal funding for planning activities in alignment with CMS requirements.

	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b><u>DHS Policy Package Pricing:</u></b>	\$277,922		\$276,444	\$554,366
<b><u>OHA Policy Package Pricing:</u></b>	\$547,409		\$1,677,969	\$2,225,378

**PURPOSE**

**1. WHY DOES DHS/OHA PROPOSE THIS POP (WHAT ISSUE ARE YOU TRYING TO FIX/SOLVE)?**

Current Oregon MMIS is a monolithic system implemented in 2008. CMS has indicated that eligibility for continued federal funding is dependent on compliance with CMS mandates and evidence that states are committed to a thorough planning effort supporting a modular future state. The goal of the proposed program is to support DHS and OHA in crucial planning activities to achieve compliance with CMS requirements and improve interoperability and sustainability of the technology solutions supporting Medicaid service delivery. OIS will support initiation and planning activities and procure a Strategic Advisor (SA) that will be tasked with updating MITA State Self-Assessment (SS-A), development of the strategic modernization roadmap eventually leading to the creation of an architectural blueprint, Concept of Operations and procurement activities to solicit for and acquire services of IV&V, Quality Assurance (QA) and System Integrator (SI) vendors in the Modularization effort.

The role of the Strategic Advisor will cover assistance with planning efforts at three levels:

- An executive level trusted advisor helping leadership define Oregon’s Medicaid Service Delivery Strategy
- A program level guide to help define functional requirements, capture operational business needs, define and refine business processes, and optimize workflow
- An industry expert to bring industry best practices, other state’s approaches and lessons learned with recommendations and guidance to help Oregon identify the best solution acquisition strategy and approach
- Update Oregon’s Medicaid Information Technology Architecture (MITA) plan in accordance with CMS requirements
- Incorporate CMS certification requirements into Medicaid solution alternative requirements to ensure compliance with certification criteria



- Define an overall technical architecture that ensures modular components will work together to support Medicaid business operations
- An acquisition approach, roadmap and detailed plan recommending the optimal sequence for procuring and implementing components to achieve modularity for Oregon
- Develop a Request for Proposal to solicit modular solutions meeting Oregon requirements, and a Request for Proposal to solicit System Integrator services to support implementation of modular components
- Quality Assurance throughout the planning and implementation lifecycle to help manage project risk through the review of project related processes and deliverables

## **2. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?**

This POP provides the funding match necessary to secure 90% enhanced federal funding from CMS to support the essential strategic planning, creation of the roadmaps and ultimately implementation of system changes supporting Oregon’s Medicaid service delivery.

The level of rigor associated with planning is required to ensure Oregon’s roadmap meets CMS requirements, supports continued stability of the mission-critical current MMIS solution during the journey to the future state, and supports health care transformation for the State of Oregon. Subsequent implementation efforts will also require future biennia POP funding to continue eligibility for 90% enhanced CMS funding.

It is essential that OHA and DHS begin planning efforts now as the current contract with the existing MMIS solution provider will expire by 2022. Oregon needs to have a solid plan for its future Medicaid solution set to sustain CMS enhanced funding support for the on-going maintenance and operations and enhanced funding support for modular component implementation.

## **3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?**

Oregon made numerous enhancements to its MMIS since its original implementation in 2008. These changes impact 1,800 state users, 17,000 provider users, and over 1 million Oregonians receiving healthcare services. Despite various improvements, large sections of Medicaid enterprise system are from legacy technologies. In order to continue supporting its business mission, OHA needs to transform its business operations and modernize its IT ecosystem to align to rapid changes in healthcare delivery system. Based on Federal regulations, OHA completed its first MITA SS-A a few years ago to review existing capabilities and determine future needs. In the early stages of the MITA SS-A, it was determined that even the current

MMIS installed in 2008 is unlikely to meet future business needs of OHA and needs to be updated with modular functionality to eliminate redundancy, duplication of effort and waste of IT assets.

## **QUANTIFYING RESULTS**

### **4. IS THIS POP TIED TO AN OHA PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OHA MEASURE THE SUCCESS OF THIS POP?**

This Companion POP also ties to KMP #31, OHA's triple aim measure.

### **5. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?**

- Lost opportunity to develop a modern, sustainable and scalable solution environment supporting Medicaid for Oregon.
- Lost opportunity to leverage CMS enhanced 90% funding for future replacement of existing aging Medicaid supporting technology. In five more years, the current MMIS solution will be 13 years old and will be past end of life. The typical cost to replace MMIS systems is in the \$110-150 million range. Without enhanced funding, the general fund share of a replacement would be \$55 – 75 million, compared to \$11 – 15 million.
- Lost opportunity to negotiate competitive maintenance and operations vendor support as a result of increased competition. The current contract with HPE for maintenance and operations increases by 2% annually. Potential significant financial impact due to loss of CMS enhanced funding support for maintenance and operations. The current annual maintenance and operations cost is approximately \$20 million per year. CMS funds 75% or approximately \$15 million. If Oregon lost CMS enhanced funding, the federal funding level will drop from 75% to 50%. This will increase Oregon's need for GF for annual maintenance and operations from \$5 million to \$10 million per year.
- Potential significant financial impact due to loss of CMS enhanced funding support for system change requests and for major enhancement projects. System change requests average \$10 million annually. Major enhancement projects range between \$5-20 million. CMS currently pays 75% of the cost of system change requests and 90% of the cost of major enhancements. If Oregon lost CMS enhanced funding, the federal funding level will drop to 50%. This will increase Oregon's typical annual general fund change request and enhancement projects cost from under \$4 million to over \$11 million.

## **HOW ACHIEVED**

**6. DOES THIS POP REQUIRE ANY CHANGES TO EXISTING STATUTE(S) OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.**

No

**7. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?**

Oregon could consider two alternatives:

1. Do nothing – continue to extend the existing support contract with DXC.
  - The current MMIS was implemented in 2008 and existing M&O contract will expire in 2022, so Oregon needs to execute a modularization plan by that time.
  - Oregon needs to demonstrate a commitment to plan and execute a renewed Medicaid solution environment in compliance with CMS mandates to avoid significant negative financial consequences for the State, including enhanced federal funding for enhancements of the system & potential doubling of the general funds for current M&O expenditures OHA and DHS have several Medicaid sub-systems that are not currently integrated with the core MMIS<sup>1</sup>. Maintaining the current state will leave Oregon with siloed Medicaid systems and miss a unique opportunity to update and streamline Medicaid Enterprise System.
2. Develop and issue a procurement RFP without the support and planning efforts outlined above
  - Oregon could choose adopting the planning approach of another state, leveraging its planning outcomes and RFPs to procure new modular solutions. While this approach might lead to some inconsequential financial savings, choosing that approach may result in a lack of a cohesive roadmap and executable plan to meet Oregon's unique needs and increase potential program risk. In addition, solutions used by another state either may require substantial

<sup>1</sup>Includes Customer Employed Provider (CEP), Express Payment and Reporting (eXPRS), Relational Statewide Accounting & Reporting System (RStars) and Oregon Automated Computer Capture Storage System (Oregon Access).

customization to address Oregon specific requirements and may require significant business process and operational workflow reengineering.

**8. WHAT ACTIONS HAVE OCCURRED TO RESOLVE THE ISSUE PRIOR TO REQUESTING A POLICY PACKAGE?**

Unknown.

**9. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?**

This POP will have a positive impact on CCOs as modular solutions will be better suited for the support of the capitation model versus a fee-for-service model that the original system was built for. There will be system enhancements for Tribal providers who use the system to submit claims to OHA for payment.

**10. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?**

Stakeholders involved in this effort include Oregon Health Authority, Department of Human Services, Coordinated Care Organizations, Tribal Providers and Oregon State Hospital. These entities are current users of the existing MMIS and will benefit tremendously from modularization of the Medicaid solution environment. This POP requests position authority for DHS/OHA to have focused subject matter experts and business leadership with the capacity to fully engage in the essential long-term efforts around modernizing systems and services supporting the Oregon Health Authority and Department of Human Services. Specifically, it is proposed that DHS/OHA hire three additional positions *each* (one PEMF and two OPA4) for a *combined total of six* to support modularity modernization effort. PEMF positions will work with executive leaders and subject matter experts within various business areas and manage analysts. These positions will require a solid understanding of Medicaid, eligibility rules and any other business areas impacted by MMIS. OPA4 positions will provide critical subject matter expertise required for the analysis of the current processes, business requirement definition and identification of improvement opportunities to enable creation of modular systems to meet future business and systems requirements.

**Additional Staffing Need in MMIS Unit (ask to make 2 OPA2 LD permanent):**

- SOS Audit Compliancy – resources are needed for ongoing work related to Secretary of State audit findings. The solution to these findings, especially surrounding improper payment mitigation, is to have sufficient resources to carry forth the plans that will provide a solution for the issues that have arisen in the past. Development and monitoring of processes around the testing of claims edits and audits in the MMIS will require the “hands on” work for additional full

time FTE. The SOS office expects the MMIS Business Support Unit to have plans and processes in place and dedicated FTE to carry forth those plans and to report out to the SOS office.

- Current and Future Change Request/Change Order Inventory – the current change request and change order work with the MMIS continues to require full time FTE to test all changes and change orders in the MMIS. This is an inventory that will not diminish anytime soon. With the implementation of the Integrated Eligibility and ONE projects, this work will continue to grow well into 2022.
- MMIS Modularity & Modernization – the Center for Medicaid and Medicare Services (CMS) is requiring that all current Medicaid Management Information Systems move to a modularity model. This will be a massive undertaking. OIS recently hired a project manager to begin this work for Oregon. Very soon, the MMIS Business Support Unit will be involved in this work. Our current limited duration FTE will not be sufficient to carry forth that work in addition to the other projects bringing demands to the MMIS BSU.
- Integrated Eligibility Project – recently two large change requests were added to our inventory that will allow MMIS and IE to exchange data when integrated eligibility is finally fully functional. There is a lot of work to be done between now and then and additional full time FTE is required to carry this workload.
- ONE Project – currently we receive a number of change orders and change requests for MMIS that come to us from the ONE project. These are crucial changes to the MMIS in order for eligibility to properly populate the MMIS. Additional full time FTE will be required to keep this work on schedule.
- Data Analysis – we daily receive requests to provide Medicaid data to our partners and stakeholders and we do not currently have the FTE resource to help provide this data. The permanency of the current LD FTE will allow us to help provide that data going forward. With the move toward the OHA Performance System, metrics will be part of our requirement as well as providing data analysis to the HSD Leadership.

## **11. WHAT IS YOUR EQUITY ANALYSIS?**

OHA/DHS are open to engaging all interested stakeholders in planning for the modularity planning effort including the OHA Office of Equity and Inclusion and the DHS Office of Multicultural Services.

**12. WHAT ARE THE LONG-TERM DESIRED OUTCOMES (LONGER THAN THE UPCOMING BIENNIUM)?**

CMS Final rule “Federal Funding for Medicaid Eligibility Determination and Enrollment Activities” provided for a temporary enhancement to the federal financial participation (FFP) rate to support the design, development, and installation (DDI) and maintenance and operations (M&O) of Medicaid Eligibility and Enrollment (E&E) systems that are streamlined and interoperable with other systems and that provide a consumer-friendly experience. The broadened definition was also refined to support an enterprise approach where individual processes, modules, sub-systems, and systems are interoperable and work together seamlessly to support a unified Medicaid enterprise.

The Medicaid Enterprise includes: (1) An E&E system used to process Medicaid enrollment applications, as well as change in circumstance updates and renewals. The E&E system might be implemented as the core of an integrated eligibility system that also supports eligibility for other human services programs; and (2) An MMIS used to process claims for Medicaid payment from providers of medical care and services furnished to beneficiaries under the medical assistance program, including review of managed care encounter data, and to perform other functions necessary for economic and efficient operations, management, monitoring, and administration of the Medicaid program. To receive enhanced federal matching funding for development, maintenance and operations, the Medicaid E&E systems and the MMIS must meet all applicable standards and conditions, including modularity, along with associated provisions such as the role of independent verification and validation (IV&V).

Oregon is in the process of replacing its E&E system using a modern SOA technology framework. In addition, Oregon made numerous enhancements to its MMIS that was originally implemented in 2008. Despite various improvements, large portions of the Medicaid enterprise system are still based on legacy technologies. In order to continue supporting its business mission, OHA needs to transform its business operations and modernize its IT ecosystem to align to rapidly evolving changes in the healthcare delivery system. OHA completed its first MITA SS-A a few years ago to review existing capabilities and determine future needs. In the early stages of the MITA SS-A, it was determined that even the current MMIS (installed in 2008) is unlikely to meet future business needs of OHA and must be updated with modular functionality to streamline IT operations and eliminate unnecessary duplication of effort.

**13. IS THIS PP BEING REQUESTED BECAUSE OF AN INTERNAL DHS/OHA AUDIT, OREGON SECRETARY OF STATE AUDIT, OR FEDERAL AUDIT? IF SO, PLEASE PROVIDE FURTHER INFORMATION.**

Unknown.

**STAFFING AND/OR FISCAL IMPACT**

**14. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?**

Implementation Date(s): This is planning phase only and implantation is to be determined. End Date (if applicable): Unknown

- a. Based on the following answers, is there a fiscal impact? Yes
- b. Will there be new responsibilities for OHA/DHS? Specify which Program Area(s) and describe their new responsibilities.
- c. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.  
No
- d. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.  
No
- e. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.  
Yes  
This DHS POP will request 2 permanent full-time positions in DHS: 2 OPA4's.  
The OHA companion POP requests 3 permanent full-time positions in OHA, 1 PEME, and 2 OPA4s.
- f. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?
- g. What are the ongoing costs? Unknown
- h. What are the potential savings? Unknown

**DHS TOTAL FOR THIS PACKAGE**

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	\$218,465	0	\$218,427	\$436,892	2	2.00
Services & Supplies	\$59,457	0	\$58,017	\$117,474		
<b>Total</b>	<b>\$277,922</b>	<b>\$0</b>	<b>\$276,444</b>	<b>\$554,366</b>	<b>2</b>	<b>2.00</b>

**DHS/OHA - Fiscal Impact Summary by Program Area:**

	DHS	OHA-HSD	Total
General Fund	\$277,922	\$547,409	\$825,331
Other Fund	\$0	\$0	\$0
Federal Funds- Ltd	\$276,444	\$1,677,969	\$1,954,413
Total Funds	<b>\$554,366</b>	<b>\$2,225,378</b>	<b>\$2,779,744</b>
Positions	2	3	5
FTE	2.00	3.00	5.00

**i. what are the sources of funding and the funding split for each one?**

This POP requests 2 permanent positions for DHS and 3 permanent positions in OHA Health Systems Division, to work in partnership with OIS. Due to delays in 2017-19 planning efforts less than \$1,000,000 approved TF (under \$100,000 GF) from the 2017-19 POP will be expended by the start of 2019-21. CMS will fund 90% of positions and consulting during planning/implementation and 75% for on- going maintenance.



# Department of Human Services and Oregon Health Authority

## 2019-21 Policy Package

**Agency Name:** Department of Human Services (DHS), Oregon Health Authority (OHA)  
**Program Area Name:** DHS|OHA Shared Services  
**Program Name:** Office of Business Information Systems (OBIS)  
**Policy Package Title:** Maintenance & Operations of Centralized Abuse Management (CAM) System  
**Policy Package Number:** 208  
**Related Legislation:** N/A

**Summary Statement:**

House Bill 4151 requires the state of Oregon and DHS as its agent, to standardize its processes and technology related to abuse of vulnerable adults.

Oregon’s current environment for tracking, reporting, analyzing, and investigating incidents of adult abuse relies on accessing information from nine distinct systems or data sources. Additionally, local offices have created their own one-off mechanisms for supporting the abuse investigation processes, further complicating, and decentralizing information. Existing systems limitations include the inability to search across program populations, inhibiting the ability to track perpetrators and/or victims over time and between populations. This heightens the risk of not capturing all abuse allegations.

This POP requests general funds to implement ongoing maintenance and additional enhancements that will build upon the capabilities of a base system implemented in the 2017-19 biennium, for an integrated solution, which meets HB 4151 criteria and helps protect vulnerable Oregonians. Not funding this POP will limit Oregon’s ability support the system after Go-Live.

	General Fund	Other Funds	Federal Funds	Total Funds
<b><u>DHS Policy Package Pricing:</u></b>	\$1,756,474		\$1,756,475	\$3,512,949
<b><u>OHA Policy Package</u></b>		\$446,578		\$446,578

<b><u>Pricing:</u></b>				
<b><u>Total Policy Package Pricing:</u></b>	\$1,756,474	\$446,578	\$1,756,475	\$3,959,527

## **PURPOSE**

### **1. WHAT WOULD THIS POLICY PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?**

This POP supports multiple DHS programs by funding the Operations and Maintenance of an integrated solution for tracking, reporting and supporting investigations of adult abuse. Program areas include: Aging and People with Disabilities (APD), Developmental Disabilities (DD), and Mental Health (OHA/MH).

Funding will support the Operations and Maintenance of the system, which will realize efficiencies by training to CAM, maintaining a robust change management process, and providing a continuous review and revision of business process and policies.

Activities this POP will fund include:

- Operations and Maintenance costs for the CAM system including all program and support areas (DD, DDI, OHA, APD, OIS, OBIS, OTIS) for the full 2019-2021 biennium
- Software/platform/hosting licensing costs for the full 2019-2021 biennium

### **2. WHY DOES DHS/OHA PROPOSE THIS POP?**

This POP provides the funding necessary to complete Operations and Maintenance to centralized abuse management system post implementation and funds software licensing through the full 2019-21 biennium.

### **3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?**

In 2014, almost 750,000 Oregonians belonged to one of the nine Oregon populations supported by OAAPI and its program partners that receive and process reports of abuse. During that same year OAAPI and its program partners received more than 38,000<sup>1</sup> allegations of abuse of these individuals, resulting in 18,185<sup>1</sup> investigations.

According to the 2014 OAAPI Annual Report dated July 2015, "In 2014, there was a 10% overall increase in the number of investigations conducted (compared to 2013)." During the next 10 years the number of

<sup>1</sup> OAAPI Annual Report 2014 – Published July 2015.

allegations received and screened by OAAPI and its program partners is expected to increase nearly 60 percent. This assessment increases the projected 50,414 allegations in 2015 to more than 78,500 allegations in 2024, based on current and predicted growth of vulnerable populations. OAAPI is projecting 30,800 investigations by 2024, a nearly 63 percent increase from the 2015 level of 19,000 investigations. This growth in the number of abuse referrals and investigations, typical of previous years, is one of the reasons OAAPI was formed, to ensure a coordinated and consistent response to an increasing number of abuse referrals across all vulnerable populations. Abuse can't be undone. Abuse carries with it lifelong impacts to a person's life in regard to health, emotional well-being and a person's ability to benefit from available services.

The need for a stable Centralized Abuse Management System becomes ever more critical as Oregon faces an aging population, a significant annual increase in abuse referrals and an increased need for services across all demographics.

An improved system for abuse data collection, from the time of screening through investigation, case closure and referral, is essential to better protect vulnerable Oregonians and to more accurately and efficiently produce meaningful abuse data and outcomes to the Legislature, DHS leadership and the public. This system must be focused on abuse across programs, not added on to the various existing, disconnected program databases.

The full implementation of such a system would directly contribute to the DHS Policy Outcome of "Improving our Human Services Systems" by addressing a long-standing gap in data collection and analysis and leading to a more efficient and effective state response to the reported abuse of vulnerable Oregonians.

Additionally, the implementation of a Centralized Abuse Management System is in alignment with the DHS/OHA Strategic Technology Plan (STP) including progress in pursuit of automating business workflows, decision-making, and business rules while reducing manual, paper-based processes. A Centralized Management System moves the state closer to providing a comprehensive view of a client and makes progress towards the goal of a "360-degree view of a person." The project will provide workers connectivity to a real-time system to perform their work anytime and anywhere. Through the reduction of data duplications and entry into multiple systems, CAM will make advancements in providing a trusted source for abuse and investigation data. The implementation of a SaaS (software as a service) solution will allow responsiveness to quickly evolving business needs.

## **QUANTIFYING RESULTS**

**4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?**

Yes, this POP is directly tied to the following process measures and outcome measures outlined on the DHS Fundamentals Map:

“Protection and Intervention” (OP1) Process Measures:

- % of completed investigations coded “unable to determine” or “inconclusive”
- % of calls assigned for field contact that meet policy timelines
- % of investigation reports completed within policy timelines

“Safety” (O1) Outcome Measures:

- Re-abuse rate
- Abuse rate

As of the fourth quarter of 2015, DHS and OHA were not meeting most of the Adult Abuse Quarterly Business Review (QBR) – Key Performance Metrics (KPMs) for Adult Abuse.

**5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.**

No, this POP supports House Bill 4151.

## **HOW ACHIEVED**

**6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?**

Oregon considered three alternatives:

1. Maintain the status quo

Under this alternative there would be no additional investment in abuse tracking system automation. Improvements to current processes would be limited to those that arise naturally through the Department's continuous improvement program.

- The department would continue with ineffective, disconnected automated and manual systems that are difficult to oversee and analyze.
- The requirements and recommendations made by House Bill 4151, Senate Bill 1515, and various reports and audits would not be met in the foreseeable future.

2. Implement a Custom Build Solution

Under this alternative the department would design, develop, test and deploy a custom solution built from the ground up for Centralized Abuse Management needs. This alternative would allow a tailor-made solution that would meet all the functional, technical and organization requirements.

- The costs to develop a custom system are substantially higher than procuring the Salesforce CRM, with commensurate risks and a timeline that is more than a year longer to implement compared to implementing a Salesforce solution.

**7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?**

- Unpaid, licensing costs would deprive the State of its investment in CAM.
- Unstaffed, poor operations and system maintenance would curtail system benefits and increase workloads.
- DHS would be out of compliance with House Bill 4151.

**8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?**

Other agencies affected by this POP include OAAPI's Program Partners and those with a business need for abuse data or investigation reports, such as:

- Background Check Unit (BCU)
- DHS Abuse Case Management (APD & DD)
- Safety, Oversight and Quality (SOQ)

These agencies would experience a change in how they receive abuse data and reports from OAAPI and from community programs. Agencies access to abuse data would be based on business need and enforced using a role-based security protocol.

**9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?**

Oregon Adult Abuse Prevention and Investigations (OAAPI), on behalf of the Department of Human Services, Aging and People with Disabilities, Developmental Disabilities, and OHA's Mental Health program and multiple county partners including Multnomah County, champion this POP. All these entities are stakeholders in protecting vulnerable Oregonians and will benefit from full implementation of an integrated tracking and reporting solution for adult abuse.

**10. WHAT IS YOUR EQUITY ANALYSIS?**

Abuse data systems currently in use do not capture the racial and ethnicity identifiers needed to analyze service equity in the abuse investigation process. As a result, it is currently impossible to analyze the service equity in the provision of abuse response and investigation. The fully-implemented CAM system will incorporate such identifiers and allow for in-depth analysis of service equity in the delivery of abuse investigations and protective services.

**11. IS THIS POP BEING REQUESTED BECAUSE OF AN INTERNAL DHS/OHA AUDIT, OREGON SECRETARY OF STATE AUDIT, OR FEDERAL AUDIT? IF SO, PLEASE PROVIDE FURTHER INFORMATION.**

No.

**STAFFING AND/OR FISCAL IMPACT**

**12. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?**

**Implementation Date(s):** The base system, supporting APD and support agencies, began implementation in July 2018. Additional regional deployments occurred in 2018. An enhanced version of the system supporting

DD and OHA was deployed in early 2019. The system will enter maintenance and operations in the 2019-21 biennium.

**End Date (if applicable):** Not applicable.

- a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.**

DHS will add the CAM Operations and Maintenance team to their existing OBIS support organization. This policy package includes three full-time positions for OBIS.

- b. Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.**

The Office of Information Systems (OIS) will supply infrastructure support, service desk support, and Salesforce development support. This policy package includes two full-time positions for OIS.

- c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

No changes anticipated.

- d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**

<b>New Positions</b>	<b>Months in 19-21 Biennium</b>	<b>Type of Position</b>
OPA-3 (OBIS)	24	Permanent
OPA-3 (OBIS)	24	Permanent
OPA-4 (OBIS)	24	Permanent
ISS6 (OIS)	24	Permanent
ISS3 (OIS)	24	Permanent

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**



No additional start-up costs are anticipated.

**f. What are the ongoing costs?**

Ongoing costs include licensing fees estimated at approximately at \$781,538 in 2020 and \$828,430 in 2021 and vendor operation and maintenance fees estimated at \$400,000 a year.

**g. What are the potential savings?**

DHS will have the potential to sunset several systems or portions of systems. This will ultimately yield savings and enable utilization of the technical staff who support those systems to be leveraged in support of the new systems.

**h. Based on these answers, is there a fiscal impact?**

Yes.

**TOTAL DHS/OHA FISCAL IMPACT FOR THIS PACKAGE**

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	\$274,356	\$354,290	\$274,357	\$903,002	5	4.64
Services & Supplies	\$1,444,780	\$38,529	\$1,444,782	\$2,928,091		
Special Payments	\$37,338	\$53,759	\$37,336	\$128,433		
<b>Total</b>	<b>\$1,756,474</b>	<b>\$446,578</b>	<b>\$1,756,474</b>	<b>\$3,959,526</b>	<b>5</b>	<b>4.64</b>

**DHS/OHA - Fiscal Impact Summary by Program Area:**

	<b>DHS OBIS</b>	<b>OHA OIS</b>	<b>Total CAM</b>
<b>General Fund</b>	\$1,756,474	\$0	<b>\$1,756,474</b>
<b>Other Funds</b>	\$0	\$446,578	<b>\$446,578</b>
<b>Federal Funds- Ltd</b>	\$1,756,475	\$0	<b>\$1,756,475</b>
<b>Total Funds</b>	<b>\$3,512,949</b>	<b>\$446,578</b>	<b>\$3,959,526</b>
<b>Positions</b>	<b>3</b>	<b>2</b>	<b>5</b>
<b>FTE</b>	<b>2.64</b>	<b>2.00</b>	<b>4.64</b>

- i. **What are the sources of funding and the funding split for each one?**  
 General Fund, Medicaid Admin Match (Federal Funds), and Other Funds limitation.

# Oregon Health Authority 2019-21 Policy Package

**Agency Name:** Department of Human Services and Oregon Health Authority  
**Program Area Name:** Integrated Eligibility Project Office  
**Program Name:** DHS Central Services  
**Policy Package Title:** Integrated Eligibility / Medicaid Eligibility System Project  
**Policy Package Number:** 201/Pkg 811  
**Related Legislation:** N/A

## **Summary Statement:**

This POP requests resources to support the continuation of the ONE Integrated Eligibility & Medicaid Eligibility (ONE IE & ME) Project from Medicaid, Shared Services, and DAS Enterprise Technology Services. The ONE system will be a single eligibility determination system for Non-MAGI Medicaid, Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, and Employment Related Day Care programs. These resources would support DHS' business needs and is related to the Legacy System Project DHS is undertaking to ensure functionality not assumed into the Integrated ONE system from legacy systems remains available for DHS business usage.

The corresponding DHS POP would further the testing and implementation period for the Integrated ONE System for the purposes of Eligibility Determination work. DHS plans to pilot the system in Summer 2019 to be followed by a six-month implementation roll-out beginning early in 2020 and statewide roll-out by Summer of 2020. This POP would take advantage of enhanced federal funds across two federal agencies. Without this funding, DHS would not be able to continue its project in a timely manner, resulting in increased General Fund cost, federal audits,

and modifications to Legacy systems. It also includes funding for Eligibility Transformation work that supports changes to DHS’ delivery system.

	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b><u>OHA Policy Package Pricing:</u></b>	<b>\$671,490</b>	<b>\$11,216,676</b>	<b>\$1,638,121</b>	<b>\$13,526,287</b>
<b><u>DHS Policy Package Pricing:</u></b>	<b>\$16,932,119</b>	<b>\$43,898,481</b>	<b>\$139,371,325</b>	<b>\$200,561,925</b>

## **PURPOSE**

### **1. WHY DOES DHS PROPOSE THIS POP (WHAT ISSUE ARE YOU TRYING TO FIX/SOLVE)?**

Today, when an individual wants to apply for public benefits in Oregon, they must submit multiple applications to multiple agencies and offices, with different options for submitting the information depending on location or programs being applied for. Our Legacy computer systems do not communicate effectively with each other or in many cases, not at all. While the individual processing time for a single program in a Legacy system may be less today than projected during the initial rollout of an integrated solution, the total amount of time multiple workers must interact with multiple systems to process all these programs coupled with the time applicants need to spend with different agencies on the phone or in person is significant and demonstrates an inefficient level of infrastructure. At the center of our work are the individuals we serve, and we believe these changes will allow Oregonians to move towards a true “no-wrong-door” system. An integrated system provides an electronic portal for individual applications, unifies Medicaid programs for greater coordination and accuracy of benefits, creates automation opportunities to improve on data and utilizing metrics in our decision making, and provides future avenues for improved service delivery. Ultimately, an integrated system provides the customer-focused direction that the agency has continued to strive towards, and that the Legislature has encouraged us to pursue.

Oregon also has one of the larger Legacy system networks among states that have utilized Deloitte to implement an integrated eligibility system. When discussing implementation options with other states, many only need to modify between 4 and 8 Legacy systems to keep ongoing work and support the Data Conversion to a new system. In Oregon, there are over 33 Legacy systems being modified through this integrative project. While many of these systems are currently stable, the ability to recruit and retain knowledgeable staff who can work in these older programming languages while simultaneously maintaining so many Legacy systems is an ongoing risk for Oregon. The historical risk is currently being mitigated by the consistently overtasked Legacy staff resources of the Office of Information Services and bringing on costly contractors to supplement staffing resources.

Oregon is also at a time where our service delivery model needs to be transformed. According to various studies, over half of all US adults bank online and 79 percent of US adults shop online, an increase from just 22 percent in the year 2000. This online shift has been seen with the federal government creating the Federal Exchange for Healthcare and has become commonplace in private industry. However, Oregon's eligibility process has limited system functionality for individuals in Oregon to apply for benefits online. These benefits again are not coordinated, leaving Oregonians to have to work with multiple divisions, multiple systems, and multiple responses. DHS is leading change through an effort called Eligibility Transformation. The goal is to move Oregon along the Human Services Value Curve, a concept that came out of Harvard's Kennedy Center for Public Management, which defines four levels of business models with the most basic being regulative, then collaborative, integrative, and generative. Each looking to increase in efficiency and effectiveness, which has balancing properties. While DHS has parts of our systems that could be close to all those models, we operate in a regulative model. Eligibility Transformation, hopes to break down barriers and develop models that shift from the regulations and programs and focus on the whole-person and family centric service design. This is a large change for workers and Oregonians moving from a system that processes the person based on one program at a time, to a system that allows Oregonians to apply for benefits in ways that work for them and focuses on their needs.

**2. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?**

The corresponding DHS POP would provide resources, primarily in the form of federal fund limitation, XI Q-Bond financing proceeds, and position authority) to support the continued work of the DHS ONE IE & ME Project and its transition into maintenance and operations.

DHS has engaged with a system integrator, Deloitte Consulting, in a transfer project to expand the functionality of the OregONEligibility system for MAGI Medicaid, known as the ONE system. DHS seeks to bring the human service financial eligibility determination functionality from Kentucky's Benefind system to Oregon, resulting in a single system within which Oregonians can apply for and receive benefits from DHS for Medical Programs, SNAP, including SEBTC, TANF, and ERDC program areas.

DHS has gone through the Stage Gate process, completed a Fit-Gap analysis in 15-17, and by the end of 17-19 biennium will have completed Design and two Design Addendums, Unit Testing, System Integration Testing, as well as entered into and be near completion of the User Acceptance Testing for the upgraded ONE system. OIS will have completed design, development, and testing of over 33 Legacy systems, with modifications being made to keep functionality for programs and requirements within the system once these programs have been removed. The intent is to be able to sunset 4 Legacy systems at the stable completion of this project. This POP also requests funding for ongoing M&O support for Legacy systems. OIS previously received 21 permanent positions, which have 7 individuals supporting current ONE and 14 focused on IE design and development. The DHS POP requests additional positions to support legacy systems based on the Gartner Assessment, which called out a methodology that identified for every 10,000 hours of modifications to an integrated system the need for 3,000 hours of modifications to legacy systems. To engage with changes and coordinate as well as support ongoing maintenance of these legacy systems, this investment provides the support to allow these activities to continue. The DHS POP is also requesting staff support for JV, a mainframe system that has been modified to include additional functionality that the Office of Financial Services requested to better coordinate financing of programs.

The DHS POP would continue these efforts and provides funding for a 5-month Pilot which slated for the Summer of 2019 in Jackson and Josephine counties. The system would then be rolled out following a waved format, moving geographically across counties per federal requirements. Full implementation would be complete by the Summer of 2020. The DHS and OHA POPs also request funding for ongoing M&O support for business needs. The OHA POP includes additional positions for training of non-eligibility staff to meet legislative and operational needs, staffing for HSD to have oversight and coordination from the Medicaid agency for ongoing builds, and structure for triage and support for the new Virtual Eligibility Center (VEC). The OHA POP also adds funding for implementation support, including Eligibility Transformation work.

**3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?**

The project would assist Oregonians to achieve well-being and independence by providing timely and efficient eligibility determinations. It would allow a self-service option for Oregonians to apply through the applicant portal at times that are convenient for them, which in turn, would minimize the amount of time needed in DHS field offices to complete the application process. The system would also generate notices in seven languages and five alternate formats, helping to reduce barriers for traditionally underserved populations. Ultimately, this is a project about people. Today, individuals applying for these programs have to provide their information to as many as three different offices. Some interactions can be in person, others must be over the phone or online, and Oregonians must provide the same or similar documentation multiple times while staff input their information into multiple systems that communicate with each other. In our current state, an Oregonian can turn in their information to one office, assuming that it will apply to all programs and unfortunately today, only the specific offices that work in those programs can update or make decisions on the individual’s case. This leads to confusion for Oregonians and potential errors on cases. This project brings the disparate IT systems together, provides previously unavailable opportunities for service delivery improvements and moves the agency closer towards a no-wrong-door approach.

## **QUANTIFYING RESULTS**

- 4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?**

This POP supports clients accessing our services and measurements around outreach and quality of services.

- 5. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?**

Failure to fund the DHS and OHA POPs would result in the ONE IE & ME project coming to a halt; and increased General Fund cost to bring it to its eventual completion. Oregonians would be negatively affected, efficiencies would be lost, and potential issues with accuracy and capitation would continue placing Oregonians and our Federal Funding at risk. Ultimately, Oregonians would be forced to apply through multiple avenues, coordination of benefits would bring continued risk to Medicaid, and the opportunities for federal funding and additional support would be greatly diminished.

## **HOW ACHIEVED**

- 6. DOES THIS POP REQUIRE ANY CHANGE(S) TO EXISTING STATUTE(S) OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.**

No.

- 7. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?**

No new alternatives were considered as this is an extension of previous investment.

- 8. WHAT ACTIONS HAVE OCCURRED TO RESOLVE THE ISSUE PRIOR TO REQUESTING A POLICY PACKAGE?**

These policy packages are the continuation of an effort to complete this essential work. Oregon has been engaging with other states, leading national calls on states attempting to do similar work, and partnering with



Office of the State Chief Information Officer (OSCIO), DOJ, and Federal Partners to ensure that we understand the decisions we are making and bringing the best opportunity for success through this package.

**9. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?**

DHS is impacted because POP enhances their current systems and Eligibility Transformation work.

DAS is impacted because equipment and services at ETS are required to support POP.

DOJ is impacted because DHS system will need to interface with new Child Support system.

OED is impacted because DHS system will have interface with Employment Department.

ODE is impacted because DHS system will interface with system that makes payments to Early Learning Division Child Care Providers.

DOC is impacted as they apply for benefits for individuals moving towards release from an institutional setting.

Area Agencies on Aging (AAA) who process eligibility will transition to this new system.

Tribal and other partners will use the system in accessing benefits.

**10. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?**

DHS.

**11. WHAT IS YOUR EQUITY ANALYSIS?**

DHS System will be able to support notice generation in seven languages and five alternate formats. It will gather applicants preferred written and spoken language as well as race and ethnicity to help department providers provide culturally competent care. REAL+D questions will be within the application as allowable by Federal regulations. This will provide additional avenues for communicating with various communities and update our out-of-date and often less than culturally appropriate correspondence. An additional question capturing gender identity have been added to the system as well.

**12. WHAT ARE THE LONG-TERM DESIRED OUTCOMES (LONGER THAN THE UPCOMING BIENNIUM)?**

DHS is committed to a bringing about an integrated electronic system and complementary business practices that allow Oregonians to apply online, over the phone, through the mail, or in-person for multiple programs. We anticipate outcomes which will include greater efficiency after the initial implementation and adjustment period as Oregonians will not have to visit multiple locations and staff will not have to enter information into multiple systems for multiple programs. We believe this project will provide for increased accuracy in our benefit determinations as program information, notification of changes, Federal and State interfaces, automation logic and a rules engine will standardize practices across multiple programs. DHS will to be able to determine eligibility for programs cumulatively rather than spread across multiple systems and based upon information that is dependent on where and how it is reported.

Ultimately, this investment allows DHS to scrutinize and improve our delivery model and determine means for better community interactions. DHS's service delivery can evolve in a more contemporary technological setting while maximizing our ability to have meaningful insight into the data as stewards of State funds. This investment will also move the Department's eligibility from Legacy systems, which while currently stable, have had past issues including losing data and authorization errors when being modified. Many of these Legacy systems are 20-30 years old. Simply finding qualified staff to maintain them and build an enterprise architecture, was not something in the original vision or subsequent planning. Hence, the large number of systems that have interactions with this project. This investment will create a modular platform within which the Department can continue to modernize and improve our systems.

**STAFFING AND/OR FISCAL IMPACT**

**13. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?**

**Implementation Date(s):** DDI began in 2016

**End Date (if applicable):** Implementation of DDI ending July 2020, M&O ongoing after that.

**a. Based on these answers, is there a fiscal impact?**

Yes.

**b. Will there be new responsibilities for DHS/OHA? Specify which Program Area(s) and describe their new responsibilities.**

- |  |                          |
|--|--------------------------|
| <input checked="" type="checkbox"/> Aging & People with Disabilities (APD) | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Self-Sufficiency Programs (SSP)        | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> OBIS                                   | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> OIS                                    | <input type="checkbox"/> |
| <input type="checkbox"/>   | <input type="checkbox"/> |

APD (including Type B transfer AAAs) and SSP will be responsible for utilizing the new system in determining eligibility for Medical (mainly Medicaid), SNAP, TANF, and ERDC. This is a change from today where APD/AAA will do eligibility for part of Medicaid and SNAP, SSP does SNAP, TANF, and ERDC in local offices, and SSP now does eligibility for part of Medicaid with the branch (5503) that was transferred from OHA.

OBIS is the Office of Business and Information Supports, this unit will have the Business Analysts and support for the ONE system when it is complete. They will coordinate the business requirements for the system and represent DHS in ownership of the system which will be supported by an M&O vendor and OIS.

OIS will retire 4 systems and start to engage in the ONE system infrastructure, with the intent of learning more about the system and how it interacts with other Legacy systems.

- c. **Will there be new Shared Services impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected.**

While the system affects the origins of financial and budget information comes from, OIS has the largest shared service impact. Other changes related to facilities and infrastructure are being determined through eligibility transformation. This POP contains any known impacts identified by organizations.

- d. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

The number of individuals in each caseload is expected to not be significantly adjusted based on these changes. Programmatic changes identified to align with federal policy or the transfer solution, should have minimal impacts.

- e. **Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**

Yes.

There are several distinct position groups for this project. The following is a table of the positions within each of the groups. The positions are marked with DHS, OHA, and OHA/OIS based on where the funding and authority would be directed for the group's associated work. For DHS there are 29 LD positions, 127 funding only positions (to use for rotations or temps), 21 new permanent positions, and 8 reclassified positions. For OHA there are 4 permanent positions for HSD and 4 LD positions for HSD, 21 new permanent positions for OIS, 20 LD positions for OIS, and 33 funding only positions for OIS.

DHS LD or Funding Only			
Qty	Class Title	Role	# of months
15	Training and Development Spec 2	Implementation and Roll-out training	13
2	Principal Executive Manager G	Business Directors for SSP and APD	18
1	Public Affairs Specialist 3	Communications Specialist	18
17	Operations and Policy Analyst 3	Functional and Policy leads	15
1	Office Manager 2	Manage office operations	24
1	Administrative Specialist 1	Project Support	18
1	Administrative Specialist 2	BD Support	24
51	Human Services Specialist 4	Roll out support and change leads	13
6	Operations and Policy Analyst 3	Legacy Business Analysts	12
5	Operations and Policy Analyst 2	Business and People Readiness Staff	13
1	Principal Executive Manager H	IE Project Director	18
1	Principal Executive Manager E	Business Transition Manager	18
4	Operations and Policy Analyst 2	LD Triage Support	24
1	Executive Support Specialist 2	Executive Leadership Support	18

OHA/OIS LD or Funding Only			
Qty	Class Title	Role	# of months
3	Info Systems Specialist 6	Development	12
11	Info Systems Specialist 8	Development	12
1	Info Systems Specialist 4	Development	12
4	Administrative Specialist 2	Project Scheduling and Support	2 x 12 2 x 18
1	Project Manager 1	Project Management Support	12
6	Project Manager 2	Project Management	12
6	Project Manager 3	Senior Project Management	3 x 12 3 x 18

DHS Permanents (existing-funding only or updating classification)			
Qty	Class Title	Role	# of months
1	Principal Executive Manager E	OBIS and ONE Manager	24
6	Operations and Policy Analyst 3	OBIS BAs for ONE	24
1	Operations and Policy Analyst 4	OBIS BA Lead for ONE	24

OHA/OIS Perm (existing-funding only)			
Qty	Class Title	Role	# of months
13	Info Systems Specialist 8	Development	24
2	Info Systems Specialist 7	Development	24
2	Operations and Policy Analyst 4	Contract and Operational Leads	24

8	Operations and Policy Analyst 1	UAT and Data Integrity	24
1	Administrative Specialist 1	OBIS and ONE support	24
1	Office Specialist 2	ONE support	24
1	Program Analyst 2	UAT Test	24
2	Training and Development Spec 2	ONE Eligibility Training Leads	24
4	Training and Development Spec 1	ONE Eligibility Trainers	24

2	Principal Executive Manager E	Management	24
1	Information Systems Specialist 2	Development	24
1	Information Systems Specialist 6	Development	24

DHS Permanents (New)			
Qty	Class Title	Role	# of months
1	Principal Executive Manager D	UAT Manager	24
4	Operations and Policy Analyst 2	ONE Triage	24
2	Training and Development Spec 2	ONE APD Coordination Leads	24
2	Training and Development Spec 1	ONE APD Community Trainers	24
3	Principal Executive Manager C	VEC Queue Managers	24
4	Human Services Specialist 4	LTC Coordinators and Resource Coordinators	24

OHA (HSD) Perm and Funding Only			
Qty	Class Title	Role	# of months
1	Principal Executive Manager G	Business Directors of OHA (PERM)	24
3	Operations and Policy Analyst 3	Medicaid Eligibility Policy (PERM)	24
4	Operations and Policy Analyst 3	Medicaid Policy	24

DHS Eligibility Transformation (Funding Only or LD)			
Qty	Class Title	Role	# of months
10	Operations and Policy Analyst 3	Process Consultants	14
1	Principal Executive Manager E	ET Change Manager	14
2	Project Manager 3	ET Project Managers	14
18	Operations and Policy Analyst 3	Change Guides	14
1	Public Affairs Specialist 3	ET Communications (LD)	14
1	Administrative Specialist 1	ET Support	14

OHA/OIS Perm (New)			
Qty	Class Title	Role	# of months
1	Principal Executive Manager E	M&O Management	24
8	Information Systems Specialist 8	M&O Development	5 x 12 3 x 24
6	Information Systems Specialist 7	M&O Development	3 x 12 3 x 24
3	Information Systems Specialist 6	M&O Development	1 x 12 2 x 24
2	Administrative Specialist 2	M&O Development	1 x 12 1 x 24

1	Project Manager 2	M&O Development	24
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This biennium there are two distinct bodies of work from a position ask, with sub-sections of the work within these areas. The first body of work is finishing Design, Development, and Implementation. This project work for 2019-21 has a couple of months of UAT, then Pilot, Statewide Rollout, and close out of the project. Within this work are positions needed for DHS business, OHA business, and OIS. Then there is the ongoing M&O of the ONE system. This work will involve ongoing testing and support, maintenance and operation builds, access, security, enhancements, and day-to-day operations of the system. This POP has funding for Deloitte to continue to support the system as the M&O vendor, a procurement for ongoing M&O services will be done during this timeframe as well. Within this work are positions needed for DHS and OHA business, as well as OIS, to support Deloitte, the system, and infrastructure within the ONE system and connected to it that is necessary to provide Oregonians with the benefits and services that they are eligible for.

For M&O the below diagram (image1) shows the M&O structure and position authority for the business portion of this work. There are five funding areas that provided or are being requested to create this structure. There are Perm. Positions from 17-19, Perm Positions from 17-19 that we are requesting to reclass based on updated knowledge of the work they need to perform, 19-21 Perm Position request, OHP BA Transfer Positions, and Modernization Positions. The following is an overview of the work and requests by section.

**OHA-HSD:** OHA is the single-State Medicaid Agency, with responsibility to provide oversight and decision over the Medicaid Programs. As the ONE system goes live, the work that has been happening from OHA since 2015 needs to continue. This has been supported with limited duration positions and funding. This POP makes permanent the positions necessary to meet federal funding expectations of oversight and policy interactions between OHA and DHS, and with regards to supporting the ONE

system from OHA-HSD. These 4 positions are new asks in 2019-21 based on knowledge of the design at this time.

**DHS-APD:** APD has historically performed financial eligibility for non-MAGI and SNAP within local APD and AAA offices. After statewide rollout, they will perform eligibility for all programs within the ONE system. The training associated with that work will be done by SSP, based on DHS internal agreements. However, APD will still need to train county and community partners on areas around financial eligibility and system access for long-term care and Older American Act programs. This is essential training, that doesn't exist today, but is foundational to acceptance and ongoing support for a system and programs that cover the State. The initial scope for the ONE system did not include long-term care (LTC) and asset verification. To avoid additional delays, business processes were put into place to coordinate LTC benefits with county developmental disability programs, county mental health programs, and APD long-term care. There are positions being added to this POP to allow us to comply with federal regulations and meet this need. There are also positions associated with resource coordination and the work to coordinate asset verification for the stand-alone system that APD is having to implement. This standalone system was required since 2008 and must be implemented by the end of 2018. Coordination across the systems require manual intervention until at least 2023 when Oregon may be able to create an interface to integrate the processes. These 8 positions are new asks in 2019-21 based on current knowledge of the design.

**DHS-SSP:** SSP has historically performed financial eligibility for SNAP, TANF, and ERDC programs within SSP offices. In 2017-19 OHA transferred OHP processing for MAGI eligibility to DHS and within SSP. When Statewide rollout is complete SSP offices will perform financial eligibility for all programs within scope. SSP will lead training, coordinating with policy and operations from OHA and APD, for eligibility workers. Six positions focused on training were funded in the 17-19 POP. DHS will also be standing up a Virtual Eligibility Center (VEC) as part of the implementation of this work. The VEC will connect all the processing centers within SSP and staff working on MAGI eligibility today. This model is creating jobs in rural areas and allows Oregon to



position ourselves for a transformation on how we provide eligibility and services to Oregonians. This POP requests 3 positions in 2019-21 to manage the statewide queue and resourcing of the statewide VEC. This is based on industry best practices and work required to ensure that priority work happens and continue to move business towards the same-day, next-day model.

**DHS-OBIS:** The Office of Business Information Supports (OBIS) is the organizational area that is responsible for the business support of systems that cross multiple divisions. This area also is responsible for utilizing modernization positions for the ongoing support of modernization activities. The structure in image1 shows each of the funding areas and where the positions for ongoing M&O support as well as modernization funding are going. DHS has 14 modernization positions, 12 positions from the 17-19 POP, 8 positions that we are requesting to reclass from the original classification in the 17-19 POP to align with where the workload need materialized. 4 new positions in the 2019-21 POP based on current analysis and missed items from the 2017-19 POP, and finally, 4 positions that were moved from SSP as it relates to work that came from OHA for the OHP processing center positions.

Beyond this, to better delineate the work, we are including image 2. Image2 shows the same OBIS breakout but separates the work into three bucketed areas. First, there is ONE Testing and Operational Support. This has the staff that are permanently supporting UAT, Data correction, and Triage. This has a permanent lead from Modernization that supports UAT work for shared areas and modernization activities. Next, there is ONE Business Analysts. These are the BAs who will permanently support the ONE system, update business requirements, and work on future enhancements and M&O builds. Finally, there are the modernization positions. There is the Director position, and then there are the modernization BAs. These BAs are assigned to projects where the Department is working to modernize our systems. Currently they are supporting the work of projects such as IE, PTC, AVS, CAM, DD modernization, and other efforts. With MMIS modularization, completing PTC, the need for updating and modernizing our family coaching and case management systems, and updating licensing databases, there is an ongoing need for these positions to support the

cross divisional work of ensuring that we have systems that are up-to-date and meeting the ever-changing landscape and requirements associated with IT.

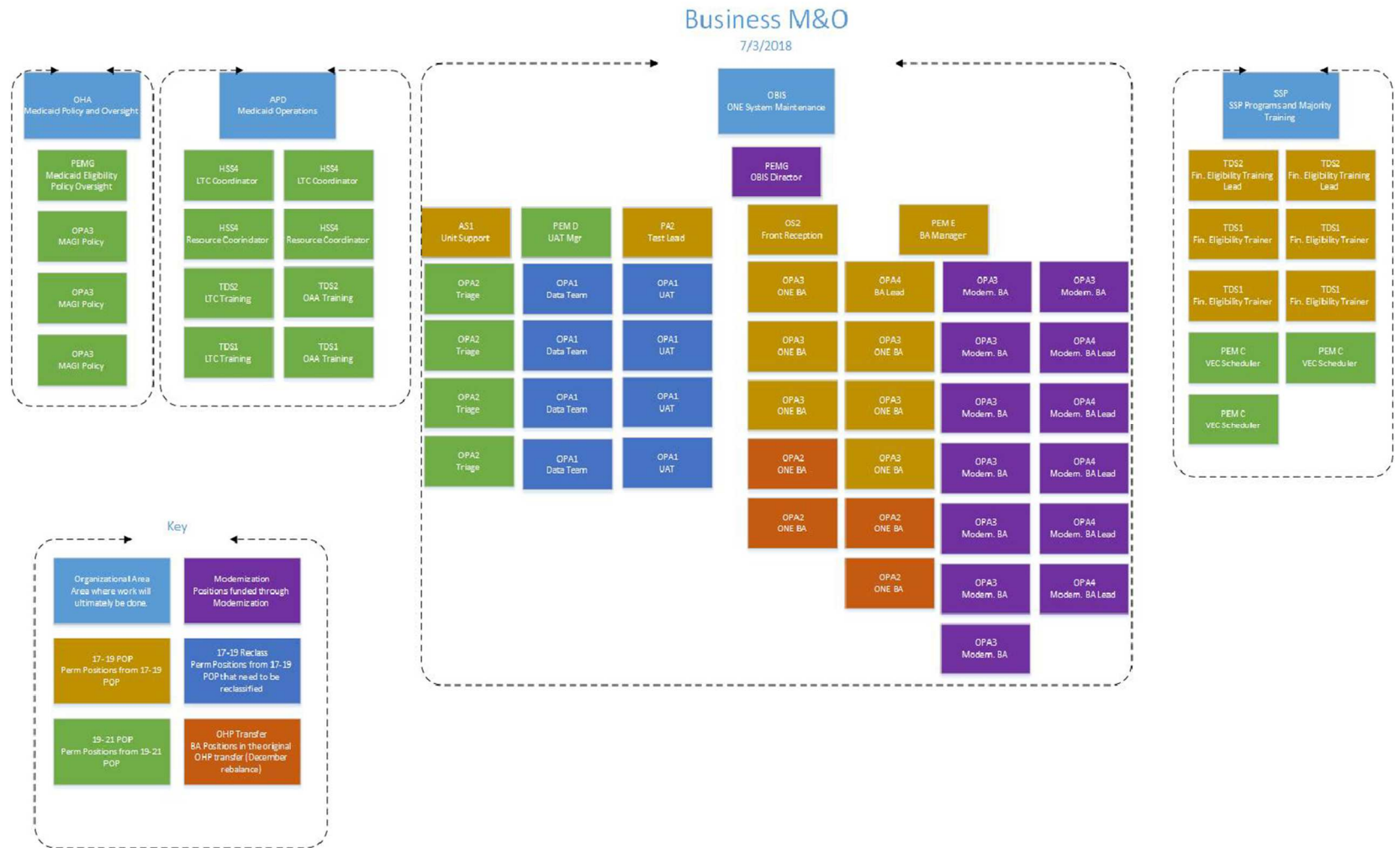


Image1

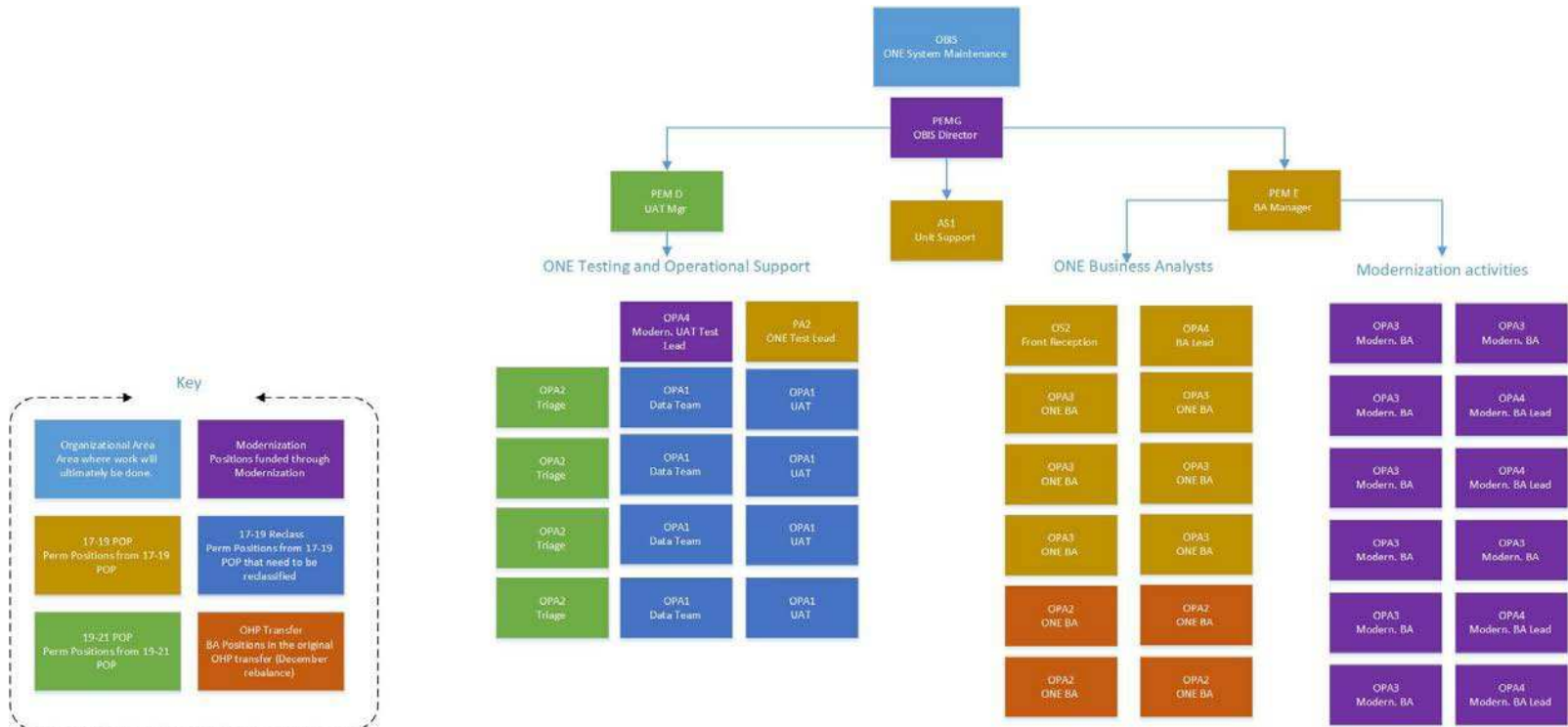


Image2

**OHA-OIS:** OIS is responsible for supporting the Legacy systems associated with these programs and supporting the technical knowledge for the system integrator. OIS does not plan on taking on the maintenance and operations of the ONE system from a system integrator in the near future. OIS received positions to support the ONE system and is requesting additional support for legacy systems to support future enhancements of ONE and the subsequent effects on legacy systems as well as supporting the JV system, which was built out to meet needs and requests from the Office of Financial Services.

**f. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

There are additional infrastructure costs such as building rent and server costs, these are developed and included in the cost projections for this POP.

**g. What are the ongoing costs?**

There are ongoing costs associated with the maintenance and operations of the system, which are included in the cost projections.

**h. What are the potential savings?**

None.

**TOTAL DHS FISCAL IMPACT FOR THIS PACKAGE**

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Positions</u>	<u>FTE</u>
Personal Services	\$2,085,578	\$4,025,510	\$14,543,980	\$20,655,068	33	30.78
Services & Supplies	\$9,089,192	\$39,580,058	\$124,638,439	\$173,307,689		
Special Payments	\$0	\$292,913	\$548,906	\$841,819		
Debt Service	\$5,757,349	\$0	\$0	\$5,757,349		
<b>Total</b>	<b>\$16,932,119</b>	<b>\$43,898,481</b>	<b>\$139,731,325</b>	<b>\$200,561,925</b>	<b>33</b>	<b>30.78</b>

**Fiscal Impact Summary by Program Area:**

	<b>DHS</b>	<b>OHA OIS</b>	<b>OHA HSD</b>	<b>Total IE/ME</b>
<b>General Fund</b>	\$16,932,119	\$0	\$671,490	<b>\$17,603,609</b>
<b>Other Funds</b>	\$43,898,481	\$11,216,676	\$0	<b>\$55,115,157</b>
<b>Federal Funds- Ltd</b>	\$139,731,325	\$0	\$1,638,121	<b>\$141,369,446</b>
<b>Total Funds</b>	<b>\$200,561,925</b>	<b>\$11,216,676</b>	<b>\$2,309,611</b>	<b>\$214,088,212</b>
<b>Positions</b>	<b>33</b>	<b>41</b>	<b>4</b>	<b>78</b>
<b>FTE</b>	<b>30.78</b>	<b>30.52</b>	<b>4.00</b>	<b>65.30</b>

**i. What are the sources of funding and the funding split for each one?**

There are federal funds and state funds. Federal funds come from CMS and FNS. Federal funding makes up 86 percent of funding through December 31, 2018 and then 74 percent of federal funding January 2019 through the end of DDI. These costs are cost allocated and part of the annual submission of advanced planning documentation. During DDI most of state funds are bonds (both taxable and non-taxable), with general funds for non-bondable activities. In M&O state funds become general fund based.

## **Department of Human Services AFFIRMATIVE ACTION REPORT**

This report summarizes the progress the Oregon Department of Human Services (DHS) has made in accomplishing its affirmative action goals for the 2017 - 2019 biennium and identifies DHS's goals for 2019 - 2021.

### **July 1, 2017, to June 30, 2019**

#### **Accomplishments toward Affirmative Action Goals**

DHS has continued its efforts to improve workplace diversity. Over the past few years, increased outreach, creative recruitment strategies, and training have resulted in gains in the percentage of people of color in the department's workforce. The department continues to experience a low number of employees self-disclosing disabilities and we continue to work on possible solutions to capture that information.

The agency will continue to build upon our successes to achieve a more culturally competent work force, create culturally appropriate and effective programs and service delivery systems, develop quality improvement strategies with a focus on diversity and create welcoming environments for our diverse client base and staff. The DHS Affirmative Action Plan is a key component of the department's ongoing diversity development efforts. These efforts serve to enhance the diversity of our work force, provide equal employment opportunities, provide guidelines for organizational change, and increase participation by diverse constituencies in agency operations. Our diverse culturally competent work force assists the department to better understand and respond to clients' and customers' needs.

## DHS EEO-4 Job Group Utilization<sup>1</sup>

The following chart reflects the DHS work force as of June 30, 2018<sup>4</sup>. Each protected class shows the FTE based on parity figures and the DHS actual FTE. Parity is defined as a condition achieved in an organization when the protected class composition of its work force is equal to that in the relevant available labor force. The Governor's Equity Office establishes parity goals. Numbers in red show underrepresented FTE in each EEO category.

EEO-4 category	Women		People of color		People with disabilities		Veterans <sup>2</sup>	
	Parity <sup>3</sup> FTE	DHS FTE	Parity <sup>3</sup> FTE	DHS FTE	Parity <sup>3</sup> FTE	DHS FTE	Parity <sup>3</sup> FTE	DHS FTE
A. Officials and Administrators	306	506	98	104	44	27	51	31
B. Professionals	2116	2922	535	678	229	143	264	133
C. Technicians	12	18	2	2	1	2	2	1
D. Protective Service Workers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
E. Paraprofessionals	1414	1836	238	684	146	99	168	64
F. Administrative Support	883	1094	122	231	75	68	87	36
G. Skilled Craft	1	2	1	0	1	0	1	0
H. Service Maintenance Workers	5	0	1	1	1	0	1	1

<sup>1</sup> DHS does not employ people under the D. Protective Service Workers EEO job category.

<sup>2</sup> The Office of Federal Contract Compliance Programs sets a benchmark to be used:  
<https://www.dol.gov/ofccp/regs/compliance/AnnualVEVRAABenchmarkEffectiveDates.htm>.

<sup>3</sup> & <sup>4</sup> Parity FTE and Actual FTE figures come from Department of Administrative Services, as of June 30, 2018



## **Progress made or lost since the previous biennium**

The primary goal for DHS during the 2017 – 2019 biennium was the following:

“Achieve an increase in the recruitment, promotion and retention of individuals with disabilities and employees of color in all job categories.”

The data presented above as the EEO-4 job category utilization demonstrates that DHS has met or exceeded parity in most job categories for employees that identify as people of color. DHS has historically met or exceeded parity for women in almost all job categories. DHS does not have good representation in all job categories for employees that identify as people with disabilities. The agency has in the past conducted an agency wide request for updated disability self-identification and may need to do this each biennium. In addition, an employee resource group for employees or allies for employees with disabilities was created last biennium, but continues to advocate for employees with disabilities, which may have helped with retention efforts. More work needs to be done to meet parity regarding veterans. If veterans self-disclose during the recruitment process but not on the new hire paperwork, the numbers can be mis-represented. With the implementation of Workday in 2019, some of this disparity may be corrected for veteran’s data.

We usually look at workforce representation numbers for people of color, but it is sometimes interesting to look at the four individual groups in the DAS data, African American, Hispanic, Asian and Native American. Reviewing the report indicated the following:

1. Officials and Administrators EEO Category includes Hispanic (54), then Asian (23), African American (20) and Native American (7). There is a larger underutilization of FTE for African Americans with parity FTE being 33.

2. Professionals EEO Category was made up of 116 FTE African American, 398 FTE Hispanic, 115 FTE for Asian and 49 FTE American Indian. The FTE for Hispanics was greater than the parity FTE (150) and the most underrepresented group was African Americans with 116 FTE and a Parity FTE of 163.
3. Technicians have such small numbers (total number of FTE is only 10) with 1 FTE for African American and 1 FTE for Hispanic that it is difficult to get meaningful information within the four diversity groups.
4. Paraprofessionals had an underutilization of FTE identifying as Native American. There are 31 FTE, compared to the parity FTE of 36. The other groups exceeded their parity FTE.
5. Administrative Support also had an underutilization of FTE identifying as Native American. There are 17 FTE, compared to the parity FTE of 23. The other groups exceeded their parity FTE.
6. Skills Craft and Service Maintenance Workers have such small numbers (total number of FTE for both is only 21) with 1 FTE for African American, that it is difficult to get meaningful information within the four diversity groups.

While not required by the state, we have included utilization rates for self-identified veterans. Analysis of the data indicates there is an underutilization of veterans in all the job categories except for Service Maintenance Workers. We will continue to work to improve our recruitment, retention and promotion rates for veterans.

**July 1, 2019, to June 30, 2021**

## **Goals, strategies and timelines for DHS Affirmative Action Plan**

The DHS vision “safety, health and independence for all Oregonians” is why we continue to pursue goals that help us increase our representation of people of color, people with disabilities, veterans, and women within the DHS workforce.

With constantly changing economic conditions, DHS must develop new and creative ways to attract, retain and develop talent, and create a more inclusive environment. The new goals and strategies described below will continue the efforts made in the past.

### **Goals**

- Review and improve our recruitment process to make sure we have a fair and equitable process for everyone, to increase the diversity of our workforce, especially for people of color, people with disabilities and veterans in positions salary range 24 and above, to reflect the populations we serve.
- Cultivate a culture that encourages collaboration, creativity, and flexibility to enable individuals to contribute to their full potential and further the efforts of attracting new employees and retaining current employees.
- Develop strategies to expand recruiting outreach efforts with diverse community-based organizations to increase the diversity of our workforce, especially for people of color, people with disabilities and veterans.

Overall, the emphasis for the Department of Human Services will be to achieve an increase in the retention of employees with disabilities in all job categories and retain employees of color and veterans in underutilized job categories.

Federal Audits  
Current Status of DHS Audits  
12/15/18

Ongoing Audits	Scope
PERM FFY 2017	Cycle activities began in August 2016. The Data Processing Reviewers are reviewing the entire sample of 1700 claims for both FFS and MC. Receiving possible expectations for review and possible appeal. Anticipate report December 2018.
GAO Study of Medicaid HCBS 2018	Five state GAO study regarding access to Medicaid Home and Community Based Care (HCBC). Will focus on how states design their Medicaid HCBS benefits. Will involve both DHS-APD and DD, and OHA. Initial interview held 1/31/2018. Additional information provided 2/15/2018.
CMS Oregon Asset Verification Program (AVP) State Plan Amendment	CMS is requesting information to ensure Oregon is in compliance with requirements of Section 1940 for the Social Security Act, related to implementation of an Asset Verification Program (AVP). DHS and OHA provided initial response in November 2017 and submitted an updated plan to CMS by February 9, 2018. Oregon has committed to implementing an asset verification system by December 31, 2018.
ORR-RMA and RMS Program Compliance Review 2018	The Office of Refuge Resettlement (ORR) will be monitoring the Refugee Medical Assistance (RMA) and Refugee Medical Screening (RMS) programs. The primary purpose of this site visit is to ensure compliance with federal regulations and ORR policies and to enhance the working relationship between ORR and the Oregon Department of Human Services. The review was conducted June 4 through June 6, 2018 and the exit conference was held on June 11, 2018. Final report is expected by December 2018.

**Ongoing Audits**

**Scope**

CMS Medicaid Program Integrity 2018

This is a review of OHA and DHS Medicaid Program Integrity efforts, focusing on Managed Care. CMS conducted its on-site review from May 22-24, 2018 and OHA and the CMS review team are ensuring all documents requested during the on-site are submitted. The exit conference is currently being scheduled. A draft report is expected in late September or early October 2018. Once the draft report is issued, OHA will have 30 days to respond to the report. Final report is expected by February 2019.

HHS Office of Civil Rights Child Welfare Compliance Review 2018

The US Department of Health and Human Service (HHS), Office for Civil Rights (OCR) is responsible for ensuring nondiscriminatory provision of services in programs and activities that receive federal financial assistance from HHS. OCR is conducting a periodic civil right review of entities receiving funding from HHS.

FNS SNAP SAME 2018

FNS SNAP State Agency Management Evaluation entails a Recipient Integrity Review and Management Evaluation Review for 2018. Entrance was held on March 19, and exit was held on March 23, 2018. We received the report on May 22, 2018 and we have 60 days to respond. The SNAP policy unit submitted their response to the Agency on July 11, 2018.

CMS HCBS ICF/IDD Support Services Waiver Review (375.R03)

Determine that Oregon meets the assurances for the Home and Community-Based ICF/IDD Support Services Waiver. The Waiver is effective from July 1, 2014 through June 30, 2019 and serves over 7,000 beneficiaries. Evidence regarding the assurances provided to CMS on 9/29/2017. Received response back from CMS mid January 2018. Provided responses to CMS' draft report April 11, 2018. No final report has been issued.

Non-Criminal Justice Information Technology Security Audit (DHS)

The FBI will be performing a Criminal Justice Information Services (CJIS) Information Technology Security Audit of DHS Background Check Unit and Child Protective Services as time permits. The audit scope of information systems will include WebLEDS, CRIMS, OR-Kids, Active directory and MS Exchange (Email). Audit is scheduled for June 26, 2018.

FNS Management Evaluation Review 2018

The purpose of the review is to assess the State agency's (SA) compliance with federal regulations, instructions, and policies pertaining to WIC; provide technical assistance; and promote a collaborative partnership with the State agency WIC Program. The ME review activity will also identify operational areas that may be strengthened and areas of achievement and innovation.

## **Department of Human Services Audit Response Report**

### **1. DHS and OHA: Statewide Single Audit Including Selected Financial Accounts and Federal Awards for the Year Ended June 30, 2015, audit #2016-09 (dated April 2016)**

- Recommend department management ensure that adequate documentation is retained to demonstrate controls are operating as intended to ensure that expenditures are paid at proper rates.

*The Office of Financial Services has developed a “System Update Tracking Sheet” as documentation when federal funding split codes rate changes are updated or modified in systems. The tracking sheet was implemented with the federal rate changes effective October 1, 2015.*

- Recommend department management consider the financial statement impact resulting from adjustments or entries made in underlying coding to ensure amounts are properly reported.

*To ensure the agency receives the accrual transaction information timely; the Statewide Financial Reporting unit has updated its accrual procedure to include instructions to request the accrual information before July 1 with the year-end task list, and then to check back for this information no later than August 1. To ensure the accrual review will include an analysis of the financial impact, a section has been added to accrual procedures to include review at the comptroller and rollup GAAP object level.*

- Recommend department management review OR-Kids transaction processing and make system modifications as appropriate to ensure proper financial reporting of program expenditures. We also recommend department management review prior year and current year transactions and reimburse the federal agency for grant expenditures claimed inappropriately.

*A report has been developed to identify adjustments that impacted a state grant rather than the federal grant and is in the final validation stage. Once the report is validated, the report will be used going forward to accurately report federal expenditures. The report will first be used for the reporting period ending September 30, 2018. Questioned costs in the amount of \$107,200 were adjusted on CB-496 for quarter ending March 31, 2018.*

*A change request for a system fix has been written. However, the date for the system fix is not yet determined.*

- Recommend department management implement system changes to OR-Kids to prevent transactions from reimbursing outside the period of performance. Recommend management make appropriate corrections and adjustments to the accounting records to prevent the department from requesting federal reimbursement for expenditures incurred outside the period of performance.

*A report has been developed that will allow DHS to analyze increasing and decreasing adjustments, isolating increasing adjustments that fall outside the period of performance. DHS is no longer netting increases and decreases beginning with the filing of the June 30, 2018 CB-496 report.*

*Additionally, resources are currently working on reviewing all activity back to September 30, 2011 to evaluate if any federal funds were improperly claimed beyond the two-year limit. Any necessary repayment from this analysis will be reported on the December 31, 2018 CB-496 report.*

- Recommend department management ensure all required documentation is completed, reviewed, and maintained and ensure client eligibility is terminated timely, as well as clarify and document whether the home study must be signed by the supervisor for a provider to be certified. Also, recommend that department management reimburse the federal agency for costs paid related to the ineligible child and provider.



*The significant design change to OR-Kids provider module was implemented in OR-Kids on March 1, 2017. The OR-Kids provider module was changed to require that the home study and all background (safety) checks be completed with an approval date prior to the foster care home becoming fully certified. Any new foster care homes full certifications must have these new pages completed, and upon any renewal or demographic update on current foster care homes the system will require the new pages be completed. The title IV-E specialist is required to review the provider record in OR-Kids to ensure home meets certification requirements prior to determining a child eligible for title IV-E foster care maintenance.*

- Recommend department management ensure its methodology for allocating administrative costs to the Title IV-E Foster Care program is documented and adequately supported and ensure that coding is correct and up-to-date in the accounting system. We also recommend department management reimburse the federal agency for unallowable costs.

*In June 2016, the department changed the funding structure for all Adoptions Unit contracts to be consistent. All the contracts now report to the Child Welfare design cost allocation funding structure. Adjustments to federal expenditures were made in February 2016 to address match rates and in March 2016 to address the \$508 in questioned costs. In June 2017, adjustments to the funding methodology were made for the period July 1, 2013 through June 30, 2016.*

- Recommend department management ensure payments are reviewed and approved properly to ensure appropriate payments to providers. Also, recommend department management reimburse the federal agency for unallowable costs.

*The OR-Kids team reviewed the transactions for the manual placement correction in the finding and identified a systemic issue. This issue was addressed with a system update in January 2017.*

*The adjustment of \$28 was completed and was reported on CB-496 for Quarter ending March 31, 2018.*

*Federal Policy, Planning and Resources (FPPR) and OR-Kids changed the transportation services and sent a transmittal to the field that effective July 1, 2018, the OR-Kids system would calculate the mileage reimbursement based on the current mileage reimbursement rate. Unfortunately, OR-Kids cannot accept a three-decimal reimbursement amount and rounding up would cause over claiming and rounding down would create an under payment, therefore the change was rescinded. FPPR will be working with field operations and OR-Kids to develop a mechanism to ensure proper processing until an OR-Kids fix can be implemented.*

- Recommend department management document the methodology used to review maintenance payment rates for continuing appropriateness, including a specific, time-limited schedule for review.

*The department filed a new Oregon Administrative Rule which was officially adopted on July 5, 2017. The new rule states that the department shall review the established foster care payment rates every two years (odd years) in conjunction with the department budget preparation processes for Governor's Recommended Budget. The purpose of this review is to consider the rates the state is providing in comparison to USDA Cost of Raising a Child or similar reports.*

- Recommend department management ensure all required documentation is completed, reviewed, and maintained. Also recommended is that department management reimburse the federal agency for costs paid to the ineligible provider.

*The department was required to complete our Program Improvement Plan (PIP). The final report was submitted July 22, 2016. The PIP is the result of a Federal Title IV-E Foster Care review in July 2014, in which Oregon was found not to be in substantial compliance with Title IV-E Foster Care regulations. The majority of the PIP is regarding how to improve the documentation of background check information and implementing a quality assurance process for monitoring certification.*

*The department submitted a significant design change to the OR-Kids provider module that requires all background checks have an approval date prior to the foster care home becoming fully certified. Another part of the design is an enhancement to the Foster Care Certification check list in which the OR-Kids functionality on this page will support rule and policy, which will help drive appropriate certification practice. As part of the PIP, the department developed a training plan to ensure successful implementation of the changes in OR-Kids and the certification rules.*

*The OR-Kids changes were deployed at the end of 2016. In order to be in compliance with the Title IV-E and close Child Welfare's Title IV-E Program Improvement Plan, DHS Child Welfare implemented an interim plan to ensure background checks are completed and approved prior to claiming Title IV-E foster care maintenance. Effective June 15, 2016 the background check approvals must be scanned and uploaded to OR-Kids. The Title IV-E eligibility specialist will review the background check approval documentation and will not determine a child eligible for Title IV-E prior to the approval dates. An Action Transmittal was sent out to the field on June 15, 2016 with detailed processes the field and other agencies must follow until the OR-Kids modifications are implemented. The Title IV-E specialists received a training (via a conference call) in which the Action Transmittal was reviewed on June 16, 2016.*

*The questioned cost was adjusted on March 17, 2017 and the CB-496 report for 2017 Quarter 2 reflected these adjustments.*

- Recommend department management continue to correct known "applicable child" eligibility data issues in OR-Kids to ensure data used to estimate the savings in state expenditures is complete and accurate.

*Federal Policy, Planning and Resources (FPPR) and the OR-Kids Business unit completed an analysis of why new cases continue to show up with this error. The OR-Kids Business analyst found a bug in OR-Kids that was clearing the boxes that indicated why the child was eligible for Title IV-E Adoptions Assistance. A bug fix was implemented in January 2018. The OR-Kids Business team has run one subsequent report and it*

*appears the bug fix implemented in January has worked and no new cases are being created. FPPR must complete a manual analysis and correct all the cases effected by the bug.*

- Recommend department management strengthen controls to ensure documentation supporting a provider's eligibility determination is retained. For current providers with missing documentation, recommend the department verify they are eligible to provide services.

*The department has completed the database checks on the eleven providers mentioned in the finding. The department also verified the eligibility of the five providers identified with missing provider enrollment agreements. The department has taken the necessary steps to revalidate or close the associated provider numbers. Three of these providers have current provider agreements and are eligible to provide services. Two other providers are no longer providing services. Adjustments have been made in the accounting system to return the federal funds for these two providers for the enrollment period.*

*The Provider Relations Unit has participated in multiple education and outreach sessions addressing the provider enrollment validation process including program manager meetings, licenser trainings, and ODDS plan of care conference calls reminding local staff and managers of the need to retain the provider eligibility documentation within their provider files.*

- Recommend department and authority management strengthen controls to ensure sufficient documentation is maintained to demonstrate compliance with federal requirements and the client liability is calculated accurately.

*Aging and People with Disabilities (APD) has obtained missing applications from all clients except those that were determined to be deceased. For those individuals, APD followed up with the Estate Recovery Unit to ensure that they were aware of the clients' passing and were filing an estate claim if appropriate. APD has continued to remind managers and staff of the importance of maintaining complete files through*

*meetings and “In the Loop” newsletter articles. For the clients who experienced eligibility-coding errors, the state has returned the federal funds. All corrective actions are complete.*

- Recommend management strengthen controls to ensure only allowable costs are paid for at appropriate federal funding participation rates.

*The Office of Financial Services has a process to cross check the documentation provided by program staff to ensure the appropriate transfer has been completed. The agency also has a process to automate this transfer within the MMIS system. A coding matrix was developed to allow users to select the correct coding for the allowable expenditures.*

*For noted transaction errors, corrective action was developed and is in operation at this time. A new agreement has been negotiated. The payments are recovered, and the federal share associated with the payment has been returned to the federal government.*

- We recommend management develop a security plan that addresses all federally required components, develop and implement a formalized risk analysis program, and ensure system security reviews are conducted timely for all applicable systems involved in the administration of the Medicaid program.

*The Information Security & Privacy Office (ISPO) has embarked on a multi-tiered process that will result in an information security plan for the Department of Human Services (DHS) and the Oregon Health Authority (OHA). In alignment with the state’s Enterprise Security Office, ISPO is using the Center for Internet Security’s (CIS) Top 20 Critical Security Controls as our roadmap to identify and mitigate risks and compliance findings.*

*We are using Tenable Nessus to perform vulnerability assessments of our enterprise to identify vulnerabilities and develop an asset inventory. The vulnerability management process, including regularly scheduled scanning and patching, has been implemented. The asset inventory will inform the information security plan.*

*We have developed our information security risk assessment policy and process and have initiated an aggressive risk assessment schedule. Seven risk assessments have been accomplished in 2017 and more are scheduled. Like the vulnerability assessments, the risks (vulnerabilities and threats) and gaps identified from these assessments will inform the information security plan.*

*These are the CIS Critical Security Controls prerequisites for accomplishing an information security plan. ISPO recruited a Senior Information Security Advisor in May 2017 and have assigned the information security plan to him to complete no later than December 2017.*

*The Information Security and Privacy Office (ISPO) is continuing to develop a plan to implement a framework for conducting the required security assessments on the Automatic Data Processing (ADP) systems which support the Medicaid program in Oregon. Vulnerability assessment scans of the MMIS system software are now performed monthly or whenever major changes are made to the system.*

*A Vulnerability Management policy has been developed, approved and was published in September 2017. In support of this policy, ISPO already began scanning in excess of 15,000 devices utilizing the states vulnerability assessment solution, Tenable Security Center (TSC). ISPO is concurrently working with OSCIO to determine how TSC will access and scans the remaining Medicaid systems residing on the mainframe.*

*The Information Security & Privacy Office (ISPO) is in the process of developing a risk analysis process that will establish the roles and responsibilities of the different parties for contracting all required types of independent assessments, as required by Federal Regulations.*

*Revisions to parent policy DHS/OHA 090-006 Risk Assessment to be submitted for review to Office of Information Services (OIS) Policy, Standards and Processes (PSP) Committee by September 1, 2017.*

*Revisions to widen the scope to encompass all security assessments required by 45 CFR 95.621 (iii) Periodic risk analyses and (3) ADP System Security Reviews. Policy revisions and process will be based on CMS Risk Management Handbook (RMH) Chapter 12: Security and Privacy Planning, Version 1.0, January 31, 2017; Appendix E. ARS Standards – Planning (PL); Control PL-01.*

*The ISPO Risk Assessment Analyst is a member of a chartered advisory group within the Enterprise Security Office which acts in an advisory capacity to the ESO Risk Program Committee. In the course of that work, tools are under development to ensure that risk mitigation plans are established with state agencies. These tools will be leveraged to develop the “Risk Triage” process, to establish and implement a plan of action “Develop a Plan of Action (POA)” (see Attachment A). The Risk Triage process will be a sub-process of the DRAFT ISPO Independent Security Risk Assessment (ISRA) Process and will be submitted to the PSP Committee by September 1, 2017 with the policy revisions and parent process. The ISPO Risk Assessment Analyst meets monthly with OIS ISPO Audit Coordinator to coordinate risk mitigation efforts throughout DHS/OHA.*

*The OR-Kids system underwent an independent security risk assessment from March 2017 to May 2017. Tests included:*

- *Information Security Web Application Penetration Test*
- *Application and Server Infrastructure Penetration Test*
- *Internal Technical Test (workstations)*
- *NIST Cybersecurity Framework Assessment*
- *OWASP Secure Coding Practices Assessment*

*The final report was received at the end of June. Agreement has been reached between ISPO and the Director of Development Disability Services to commence with an independent security risk assessment of the eXPRS system in third quarter of 2017.*

- Recommend management develop a plan based on current resources to ensure the timely completion of provider health and safety standard surveys for nursing facilities.

*Oregon has a long history of meeting the Centers for Medicare and Medicaid Services (CMS) performance standards related to surveying facilities in fewer than 15.9 months. The Nursing Facility Licensing Unit is dedicated to bringing our CMS performance standard back into compliance and we anticipate reaching compliance in early 2016.*

*Implementation of the CMS Quality Indicator Survey (QIS) process also contributed to our failure to meet the CMS performance standards. In addition to the general difficulties inherent in a new process and system, it increased our required survey team size (particularly for small facilities) for a period, increased training requirements, and lengthened total survey time during the implementation period.*

*Over the past few years, we have implemented several continuous improvement activities that have resulted in efficiency gains to the survey process, in turn reducing the amount of time it takes to survey facilities. Those efficiencies have resulted in a significant reduction in new surveyor training time. We have made efforts to minimize survey-related travel and made reductions in report writing time. We have implemented an electronic document workflow process, streamlined our report review process to facilitate a faster turnaround time between surveys, and provided provider training on how they can prepare for and assist with the survey process. Since January 2013 we have hired 19 new surveyors. However, we have had 16 surveyors leave in the same time due to retirements, promotional opportunities, competition with private industry related to salary, and surveyors not demonstrating skills needed to make it through trial service.*

*As of August 15, 2015, all surveys conducted were less than 15.9 months and will continue to be less than 15.9 months going forward.*



- Recommend department management ensure a client’s monthly copay is correctly calculated and a client’s application, income and special needs rate documentation is maintained. Additionally, department management should develop a process to identify when the copay is not being met when multiple providers are used.

*A business change request was submitted on April 25, 2016 relating to audit finding on the co-pay not met report and multiple providers. An “Uncollected Copay Report” is currently on hold due to the One/Integrated Eligibility project. To ensure the successful delivery and implementation of this new system, prior work being conducted by programmers in the Legacy system has been suspended. The report will be re-evaluated once the ONE/IE system has been successfully rolled out in 2020.*

*Tools were developed and shared with field staff during the year in efforts to improve co-pay calculations and documentation. An Employment Related Day Care (ERDC) mini-training was held in June 2018 to address such topics as ERDC copays and ERDC coding. On June 15, 2018, Child Care Policy reissued a transmittal to department staff as a reminder to reinforce the importance of increased accuracy in the ERDC program.*

*Quality Assurance also in collaboration with the policy team published another edition of an “Accuracy in Action” newsletter focusing on ERDC budgeting and child care hours. This issue which was sent to field staff on March 15, 2018, included information referring to verifying income and hours, ERDC hours, marginal income, two parent working families, child support and ERDC, prospective eligibility and budgeting and transitioning TANF to ERDC.*

- Recommend department management strengthen controls to ensure adherence to department policy and procedure regarding documentation of participation and projection of hours of participation, and to ensure data entered into the automated data processing system is accurate and complete.

*TANF, Quality Control and Quality Assurance are now conducting monthly JOBS Audits. The audits help TANF to address concerns as they arise. The reviews include verification of hours, updated attendance and document location. The Work Verification email continues to be sent monthly along with newsletter reminders for field staff.*

- Recommend department management ensure the report accurately reflects the activity of the reporting period.

*DHS is in the process of conducting a major system change from prior Legacy systems to the new ONE/Integrated Eligibility system. To ensure the successful delivery and implementation of this new system, prior work being conducted by programmers in the Legacy system has been suspended. The report will be re-evaluated once the ONE/IE system has been successfully rolled out in 2020.*

- Recommend the department comply with the directive from DHHS and work with DHHS to resolve the different interpretations of the federal requirements for the TANF program.

*The department is still awaiting further guidance and clarification from ACF to fully implement all changes.*

- Recommend management ensure staff receive training regarding the proper coding for expenditures and allow ability of expenditures. Additionally, management should ensure documentation is maintained to support expenditures paid. Further, for the specific items identified, management should correct the coding errors and ensure the expenditures are billed to the appropriate program and/or source of funds.

*Agency management understands the importance of ensuring staff are trained on proper account coding, documentation, and allowable cost principles. Management worked with the Office of Financial Services to develop tools to assist staff in choosing the proper codes and develop additional quality assurance processes to review for unallowable costs. The identified transactions have been corrected as of August 2016.*

- Recommend management update the cost allocation plans for the department and authority to reflect current practices and ensure future changes are communicated timely.

*The agency has continued to submit annual cost allocation plan updates and interim updates when there are major changes to allocation methodologies. Due to changes in the organizational structure of OHA, our update of the OHA PACAP was delayed until July 2016. The current biennium cost allocation plan was submitted for review in July 2016 and is awaiting a response from the federal DHHS Cost Allocation Services CAS, formerly DCA.*

*A formal change log was created in March of 2017 to ensure all updates are included in each subsequent submission. The most recent cost allocation plan was submitted on June 30, 2017.*

- Recommend department management implement a process to verify that branch offices implement the training and follow the established procedures for securing EBT cards.

*In 2015, DHS developed a Financial Desk Training for Aging and People with Disabilities (APD) and Self Sufficiency Program (SSP) staff, whose duties involve financial business process and field managers. The Financial Desk Training includes a section on the established procedures for Electronic Benefit Transfer (EBT) card security. The Field Business Procedures Manual and the Business Review Tools are used as a basis for the training curriculum. Office leadership communicated the importance of securing EBT cards and following the policy outlined in the Field Business Procedures Manual for monthly inventory.*

*The Department has continued to offer the Financial Desk training for staff during the current year. In addition, the material for those trainings is available to staff as an online resource at:*

*<https://inside.dhsoha.state.or.us/dhs/self-sufficiency-training-unit/4457-training-courses-financial-training.html>*

**2. DHS: To Better Achieve its Mission, Vision and Goals, DHS Must Increase Efforts to Address Employees' Concerns, audit # 2016-24 (dated October 2016)**

- Recommend DHS management develop and implement a plan to address the seven areas needing improvement: tools and resources, compensation, hiring practices, recognition, professional development, stress and workload, and communication. We recommend DHS management administer a work environment survey at least annually that includes the factors we identified that influence engagement. We recommend management use the future survey results to revise the plan, as needed.

*DHS will prioritize recommended actions based on those which are most "in our control" and those which will achieve the greatest positive impact on DHS culture. DHS plans to continue to utilize the workforce related measures in the DHS management system that overlap with the Work Environment Survey (Employee Engagement, Performance Feedback, and Diversity) and determine in what ways the "unique elements" of the Work Environment Survey may augment our established processes.*

**3. DHS and OHA: Statewide Single Audit Including Selected Financial Accounts and Federal Awards for the Year Ended June 30, 2016, audit #2017-08 (dated March 2017)**

- Recommend management review the coding that points transactions to rebates and recoveries and other revenues to ensure proper classification of these transactions.

*The agency has updated its year-end close procedure to ensure the Rebate & Recovery revenue is appropriately coded for proper classification. The close procedure now includes a review of Other Revenue account transactions.*

- Recommend department management ensure the proper application of established accrual methodologies and that accrual efforts are not resulting in duplicate expenditures or revenues.

*The agency updated its close procedures to include additional reviews to avoid duplication of estimated accrual amounts.*

- Recommend department management establish controls to ensure program activity is eliminated from the internal service fund for financial reporting purposes.

*The agency has updated the year-end close procedures to ensure that only shared service funding will be contained in the D23 fund 3470. The new D23 fund 3478 has been set up for the start of the new biennium. Going forward, the only activity in D23 fund 3470 will be shared service activity.*

- Recommend department management correct the payroll system coding for identified employees and reimburse the federal agency for unallowable costs.

*Federal Policy, Planning and Resources (FPPR) and the Office of Financial Services (OFS) corrected the payroll system coding to reimburse federal dollars for the employees that were being reported as direct-funded by Title IV-E in error. A manual adjustment was completed in SFMA on June 21, 2017 for a total shift of approximately \$1 million Title IV-E funds to general funds.*

*FPPR and OFS developed a methodology to monitor employee payroll to ensure accurate funding reimbursement. The Office of Child Welfare Program hired a Program Analyst specific for tracking Child Welfare positions and the funding. This position will be significant for the methodology being developed.*

*The Office of Child Welfare Programs Position Management Coordinator and Cost Allocation administrative assistant has created a new labor cost code specifically for Title IV-E specialists. The Position Management Coordinator will provide a report quarterly to FPPR to review to ensure only IV-E specialists are using the new labor cost code. The new labor cost code will also eliminate the need for the Cost Allocation administrative assistance from having to manually exclude the Title IV-E specialists from*

*the Random Moment Time Study. The quarterly report provided to FPPR will include all employees that are direct charged to Title IV-E (i.e., OR-Kids trainers and IV-E waiver LIFE positions).*

- Recommend department management review OR-Kids transaction processing and make system modifications as appropriate to ensure proper financial reporting of program expenditures. We also recommend department management review prior year and current year transactions and reimburse the federal agency for grant expenditures claimed inappropriately.

*A report has been developed to identify adjustments that impacted a state grant rather than the federal grant and is in the final validation stage. Once the report is validated, the report will be used going forward to accurately report federal expenditures. The report will first be used for the reporting period ending September 30, 2018. In addition, questioned costs of \$103,130 were adjusted on the CB-496 report for June 30, 2018.*

*A change request for a system fix has been written. However, the date for the system fix is not yet determined.*

- Recommend department management ensure all required documentation is completed timely, reviewed, and maintained and ensure eligibility is determined appropriately. We also recommend department management reimburse the federal agency for costs paid related to the ineligible providers.

*Federal Policy, Planning and Resources (FPPR) completed all the following corrections:*

- *Questioned costs of \$10,700 resulted in actual costs adjusted on July 7, 2017 of \$15,117.54. The final adjustment was reported on Qtr. 4 FFY2017 CB 496.*
- *Questioned costs of \$1,500 resulted in actual costs adjusted on August 4, 2017 of \$950.58. The final adjustment was reported on Qtr. 4 FFY2017 CB496.*

- *Questioned costs \$1,900 resulted in actual costs adjusted on July 20, 2017 of \$5,234.89. The final adjustment was report on Qtr. 4 FFY 2017 CB496.*

*FPPR and the Foster Care Unit have completed the one-page reference guide. The final transmittal was sent to the field on June 4, 2018.*

- Recommend department management ensure its methodology for allocating administrative costs to the Title IV-E Foster Care program is documented and adequately supported.

*In June 2016, the department changed the funding structure for all Adoptions Unit contracts including Foster Care administrative services to be consistent. All the contracts now report to the Child Welfare design cost allocation funding structure. In June 2017, total adjustments of \$25,648.82 were made to the funding methodology for the period June 1, 2013 through June 30, 2016.*

- Recommend department management document the methodology used to review maintenance payment rates for continuing appropriateness, including a specific, time-limited schedule for review.

*The department filed a new Oregon Administrative Rule (413-090-005) in June 30, 2017, which was officially adopted on July 5, 2017.*

*“The department shall review the established foster care payment rates every two years in conjunction with the department budget preparation processes for submission of the Agency Request Budget to the Governor. The purpose of this review is to consider the rates the state is providing in comparison to the USDA Cost of Raising a Child or similar reports”.*

- Recommend department management ensure a client’s monthly copay is correctly calculated, hours are correctly calculated, income support is retained, and a client’s special needs rate documentation is

maintained. We also recommend department management reimburse the federal agency for unallowable costs.

*A business change request was submitted on April 25, 2016 relating to audit finding on the co-pay not met report and multiple providers. An “Uncollected Copay Report” is currently on hold due to the One/Integrated Eligibility project. To ensure the successful delivery and implementation of this new system, prior work being conducted by programmers in the Legacy system has been suspended. The report will be re-evaluated once the ONE/IE system has been successfully rolled out in 2020.*

*Tools were developed and shared with field staff during the year in efforts to improve co-pay calculations and documentation. An Employment Related Day Care (ERDC) mini-training was held in June 2018 to address such topics as ERDC copays and ERDC coding. On June 15, 2018, Child Care Policy reissued a transmittal to department staff as a reminder to reinforce the importance of increased accuracy in the ERDC program.*

*Quality Assurance also in collaboration with the policy team published another edition of an “Accuracy in Action” newsletter focusing on ERDC budgeting and child care hours. This issue which was sent to field staff on March 15, 2018, included information referring to verifying income and hours, ERDC hours, marginal income, two parent working families, child support and ERDC, prospective eligibility and budgeting and transitioning TANF to ERDC.*

- Recommend management strengthen controls to verify applications exist upon client eligibility redeterminations, perform eligibility redeterminations timely, identify any other clients that may have been impacted due to the override of system controls, and reimburse the program for unallowable costs.

*On March 21, 2017, federal funds in the amount of \$1,329 that the department was unable to locate to support the costs charged to Medicaid, were returned. The department's Aging and People with Disabilities Office discussed with managers and staff the policies, appropriate documentation, and retention of*



*applications needed to determine eligibility for our program. These reminders were included in the March 2017 "In the Loop" newsletter article and will be included as agenda items in future quarterly meetings. The department has returned the federal funds for the client whose determination was not completed timely.*

*In addition, beginning in January 2016 and concluding August 31, 2017, OHA has worked to process redeterminations for the entire MAGI population and for those individuals who were part of an ACA-related deferred renewal population.*

- Recommend department management strengthen its controls over the reviews of monthly employee cell phone invoices.

*In March of 2017, The Office of Information Services (OIS) Collaborative Communications generated a communication to all coordinators to remind them of their responsibility to review/acknowledge the monthly billing data and that their acknowledgement is recorded and audited.*

*Further, OIS Collaborative Communications has developed a process and automated email notification system to alert the coordinator(s) and the manager if the monthly review is not completed timely. The first distribution of this message was sent out automatically beginning on June 28, 2017 to all MCD Coordinators that have unacknowledged billing records. This notice will continue monthly.*

- Recommend department management correct the identified cases in the child welfare system and reimburse the federal agency for costs paid on behalf of the ineligible children.

*The department has corrected the eligibility of the two cases identified in the audit, which resulted in a total adjustment of \$32,830 for one child and \$33,637 for the sibling. The adjustment resulted in a title IV-E federal reimbursement of \$44,107 in May 2017. This adjustment was reported on the 3rd quarter 496 report.*

- Recommend department management ensure all required documentation is completed timely, reviewed, and maintained. We also recommend department management reimburse the federal agency for costs paid related to the ineligible provider.

*The child abuse and neglect registry checks were completed and uploaded to OR-Kids on May 15, 2017 and the adjustment of title IV-E federal reimbursement was completed in March of 2018.*

- Recommend department management continue to correct known applicable child eligibility data issues in OR-Kids to ensure data used to estimate the savings in state expenditures is complete and accurate.

*Federal Policy, Planning and Resources (FPPR) and the OR-Kids Business unit completed an analysis of why new cases continue to show up with this error. The OR-Kids Business analyst found a bug in OR-Kids that was clearing the boxes that indicated why the child was eligible for Title IV-E Adoptions Assistance. A bug fix was implemented in January 2018 and the OR-Kids Business team ran one subsequent report and it appears the bug fix implemented in January worked and no new cases are being created. FPPR completed a manual analysis and corrected all the cases effected by the bug which were reported on quarter 4 (CB 496).*

- Recommend management develop a formal tracking mechanism to ensure all changes to the plans are tracked for the inclusion in future updates communicated to the federal oversight agency. We also recommend management strengthen controls to ensure the cost allocation process follows the plans submitted for approval and interim changes, and all costs entering the cost pools are reviewed for allowability.

*The agency currently submits the cost allocation plans on an annual basis to the federal DHHS Cost Allocation Services (CAS), formerly DCA. A formal change log was created in March of 2017 to ensure all updates are included in each subsequent submission. The most recent cost allocation plan was submitted on June 30, 2017.*

**4. DHS: Consumer-Employed Provider Program Needs Immediate Action to Ensure In-Home Care Consumers Receive Required Care and Services, audit #2017-23 (dated October 2017)**

- Train case managers to recognize when consumers need additional assistance in completing employer responsibilities.

*The Department will convene a workgroup in the coming months to develop training to:*

- *Develop criteria to standardize assessment of individuals who are not completing their employer responsibilities;*
- *Identify individuals who are not, or who may be at risk of not, completing their employer responsibilities; and*
- *Identify interventions for consumers who are not completing their employer responsibilities.*

*Once completed, the Aging and People with Disabilities Program (APD) will require the training for all case managers. We will also implement this requirement into our "Case Manager Essentials Training."*

- Develop and implement procedures for taking action when consumers are no longer able or willing to perform necessary employer duties.

*OAR 411-030-0040 (8) already contains the requirements and remedies for consumers who cannot perform necessary employer duties.*

*In addition to the training referenced above, APD will strengthen standard protocols and procedures for case managers. APD sent out an Action Request reminding our field structure of this responsibility on December 28, 2017.*

- Monitor consumer care to ensure direct and indirect contacts are occurring according to the Center for Medicare and Medicaid Services requirements and Oregon Administrative Rules.

*APD's Medicaid Long Term Services and Supports Unit is regularly monitoring this requirement via reports. APD agrees that we can always work toward 100 percent compliance. We follow up with local offices that have an unacceptable level of non-compliance and require action plans for increasing compliance. As an example, in the aggregate our data shows contacts reviewed against the frequency documented in the service plan to determine if appropriate case manager contact was made based on the frequency listed in the plan. For the past 6 months, we have ranged between 94-96 percent compliant. This is the information that will go to CMS around our federal assurances.*

- Utilize APD's current risk assessment tool to identify clients most at risk for fraud, neglect, and abuse.

*APD has been requiring case managers to do this consistently since July 2012. Case managers are expected to perform enhanced follow-up on these clients. We will be developing a tracking system to monitor compliance.*

- Track compliance with risk-based monitoring in accordance with current APD policies.

*Because of the additional risk associated with these consumers, we are going to build new tracking reports that will facilitate enhanced monitoring of this population. This will require system changes, which is the cause of the timeline being pushed to September 30, 2018.*

- In coordination with the Oregon Home Care Commission and SEIU, establish minimum homecare worker training requirements and develop refresher courses for topics covered in orientation.

*In response to requirements contained in SB774 (2015), APD commissioned a "Workforce Development Strategic Plan." The contractor, Thomas P. Miller & Associates, worked with a wide variety of stakeholders and state staff in the development of this plan.*

*We intend to work with SEIU, the OHCC, and the legislature to establish minimum training requirements and refresher courses in alignment with the strategic plan.*

- In coordination with the Oregon Home Care Commission and SEIU, implement a new model for managing the Homecare Worker program that lessens the workload of APD staff working in the CEP program.

*APD recognizes that the continued management of more than 20,000 unique home care workers each month is not sustainable. This is especially true in light of the demographics and consumer preferences that will consistently grow this workforce. We believe there are better, more efficient ways to monitor this workforce and are committed to long-term efforts to overhaul it.*

*APD will be initiating broad stakeholder meetings (in collaboration with SEIU and the OHCC) and conducting legislative discussions on alternate models for managing and supporting this workforce on behalf of consumers.*

*This is a large undertaking that potentially results in a complete transformation of how this program is administered by both APD and the Office of Developmental Disability Services at DHS.*

- Establish a skills assessment for homecare workers to assure that they have the skills, knowledge, and abilities to provide consumer care.

*In response to requirements contained in SB774 (2015), APD commissioned a "Workforce Development Strategic Plan." The Contractor, Thomas P. Miller & Associates, worked with a wide variety of stakeholders and state staff in the development of this plan. The very first recommendation from the plan follows:*

- *Pre-employment testing will provide the OHCC with benchmarking data for the quality of the workforce upon entry, allow for better guidance on professional development, and inform others who may refer individuals to the OHCC as potential candidates for the occupation.*
- *An assessment will need to be developed or adapted from an existing one developed elsewhere. SEIU and the OHCC should jointly develop and evaluate the testing tool. Once developed and approved, the initial year or two should be used for benchmarking and professional development guidance. In later years, the assessment should be evaluated as a potential screening tool.*

*We intend to implement this action in accordance with the above plan. The anticipated completion date is December 31, 2019.*

- Take steps to ensure that case managers have the time to perform all necessary person-centered planning activities, including reassign financial eligibility determinations for medical programs and SNAP to other staff.

*APD had already begun a process to reassign financial eligibility determinations for Medicaid programs and SNAP to other staff. Additionally, we are separating the responsibility for service assessment and eligibility from ongoing case management in order to promote efficiency, effectiveness, and program integrity.*

*This work is being governed by the Balancing Case Manager Responsibilities Steering Committee. The pilot is scheduled to begin in January 2018. The results of that pilot will drive the final decisions on program design.*

- Work with the Legislature to ensure case managers are staffed at the level funded.

*The Department regularly presents workload reports to the Legislature and the Legislative Fiscal Office. These reports identify "gaps" where staffing levels are insufficient to complete all required work. APD and*

*other invested stakeholders often advocate for adequate staffing and funding. Ultimately, difficult funding decisions need to be made by the Legislature in consideration of all the priorities they face on a statewide basis.*

- Track and use data to improve the CEP program and inform decision making, including:
  - CEP abuse and neglect data separately from other settings,
  - CEP consumer direct and indirect monitoring frequency separately from all other care settings, and
  - CEP consumers who are considered high risk and whether they are getting the required risk-based monitoring

*In 2016, APD initiated a process to procure a new adult protective services system referred to as the Centralized Abuse Management (CAM) system. The CAM system is scheduled to be active in mid-2018 in that we will have better APS data across all systems.*

*We have analyzed the costs/benefits of modifying our methods for monitoring direct and indirect monitoring. Ultimately, while there are some potential benefits, we have decided not to pursue this recommendation at this time. The purpose of the tracking report is to monitor compliance with critical federal regulations. The existing reports accomplish that requirement effectively. Additionally, we maintain the option to order ad-hoc reports to track this if determined necessary.*

*Because of the additional risk associated with these consumers, we are going to build new tracking reports that will facilitate enhanced monitoring of the high-risk population which will require system changes.*

**5. DHS: Foster Care in Oregon: Chronic Management Failures and High Caseload Jeopardize the Safety of Some of the State’s Most Vulnerable Children, audit #2018-05 (dated January 2018)**

- Review and address the four foundational recommendations outlined in the Public Knowledge report:

- Improve the DHS culture
- Focus the whole DHS Agency and Child Welfare on Safety
- Adopt data-driven decision making; and
- Increase staffing resources for Child Protective Services and other DHS entities.

***a. Improve the DHS Culture***

*We are making positive movement toward changing the DHS culture. My first step was hiring a new Child Welfare Director, Marilyn Jones, in October 2017. Under Marilyn's leadership, Child Welfare has established the following:*

***New Vision, Mission and Action Statements***

*Vision: Every child and family have a safe and positive environment in which to live and develop.*

*Mission: Every child and family are empowered to live independent, safe and healthy lives.*

*Action: Promote exceptional and equitable service by embracing opportunity for growth and providing innovative resources and support to our staff.*

***A Clearly Defined Action Plan***

*Many of the efforts underway through the Unified Child and Youth Safety Implementation Plan, The Child and Family Services Review/Program Improvement Plan, The Governor's Foster Care Commission and the Three Branch Initiative, have been pulled together in one clear Child Welfare Action Plan, which describes how DHS is aligning the child safety system's vision, mission and goals with the project work.*



*The Action Plan identifies the 'Keys to Success' as Data-Informed Decisions, Valued Professional Discretion, Implementation with a Focus on Service to Children and Families, and Leadership Commitment to Positive Personal Development.*

*The Statewide Goals are Child/Family Safety and Well-Being, System Alignment, Service Intervention Effectiveness and Community Engagement; and key elements of the Action Plan include:*

- Children are safe and healthy in their own families and communities.*
- The child and family serving system is "right-sized" and operates effectively, efficiently, and uses data and research to inform decision-making.*
- A competent, engaged, supported and valued workforce further strengthens DHS as a caring and supportive organization.*
- DHS employs a connected and collective community-based approach to ensure children and families receive the best services.*

### ***Statewide Community Forums***

*Marilyn and I are visiting areas throughout the state during the months of January, February and March 2018. During these visits, we are engaging with stakeholders about what can be done better in Child Welfare. Stakeholders include local Child Welfare staff, foster/adoptive parents, youth who have experienced foster care, attorneys, elected officials, CASAs, Tribal representatives, law enforcement, service providers, educators, and interested community members.*

### ***Employee Suggestions***

*We are asking staff to engage and work together to improve the Child Welfare system. An email address was recently established for staff to submit ideas for follow up by agency leadership.*

## ***Process Mapping***

*We are currently working to develop a mapping process that will help describe the work we do, how we do it, and how we know we are doing it well. This will help everyone in the program clearly see how they contribute to the overall work of Child Welfare and will help inform the program's quality assurance efforts.*

### ***b. Focus the Whole DHS Agency and Child Welfare on Safety***

*In the fall of 2016, following the release of the Final Assessment & Review Report for the Child Safety in Substitute Care Independent Review from Public Knowledge, Nathan Rix, Director of Executive Projects, and his team of six project managers, were hired by the DHS Director's Office to help assure DHS is focused on safety. The Executive Projects Team developed the Unified Child and Youth Safety Implementation Plan focused on the safety of children across DHS divisions. The Plan can be found at:*

*<http://wwwv.oregon.gov/DHS/ABOUTDHS/Child-Safety-Plan/Pages/index.aspx>.*

*The Unified Child and Youth Safety Implementation Plan aims to achieve five strategic goals:*

- 1) Ensure swift, safe and comprehensive response to reports of child abuse and neglect.*
- 2) Build trust between DHS, certified families, licensed child caring agency providers, and those receiving DHS services.*
- 3) Ensure child and youth needs are considered when delivering services, especially substitute care placement decisions.*
- 4) Cultivate a youth-centered, safety-first culture within DHS.*
- 5) Retain, train, develop and recruit certified families and licensed child caring agency providers that meet or exceed the applicable standards for substitute care providers.*

*The Plan is advised and directed by a community-based steering team. The steering team prioritized ten projects to make safety-focused system improvements across the department. All ten projects focus on responsibility for child and youth safety, and over 100 community members are involved in these projects.*

*Each of the projects is listed below as Tasks A-J, and we have also provided a link to more information about each specific project. <http://www.oregon.gov/DHS/ABOUTDHS/Child-Safety-Plan/Pages/projects.aspx>*

*Task A. Enhancing Community Engagement*

*Task B. Recruitment and Retention of Child Welfare Caseworkers*

*Task C. Supervisor Training*

*Task D. Fidelity to the Oregon Safety Model (OSM): Quality Review, Accountability, and Training*

*Task E. Continuum of Care*

*Task F. Coordinated Child Safety-Centered Response to Abuse*

*Task G. Centralize Hotline Operations*

*Task H. Aligning Policy, Procedure and Best Practice for Caseworkers and Supervisors*

*Task I. Certification Safety and Well-Being Review Standardization (formerly Foster Home Reviews)*

*Task J. Foster Parent Recruitment, Retention Support and Training*

***c. Adopt Data-Driven Decision Making***

*In the fall of 2017, we created the Office of Reporting, Research, Analytics, and Implementation (ORRAI) under the leadership of Dr. Paul Bellatty. This office will use the work from reporting and research to*

*inform decision making and improve outcomes while ensuring the support of the field to improve outcomes for children and families.*

***d. Increase Staffing Resources for Child Protective Services and Other DHS Entities***

*The department's workload modeling has been recently moved under ORRAI. Our Office of Child Welfare Programs commits to working closely with this team to develop a workload model that accurately reflects the tasks and time required to do the work. We will present our findings to the Legislature and will seek their consideration in aligning resources and staffing with workload.*

*The anticipated completion date for all activities is July 1, 2019.*

- Cultivate a culture of transparency, responsibility, respectful communication, and professionalism using an array of leadership tools and measurable through an independent work environment survey.

*Child Welfare Director, Marilyn Jones, will use an array of tools to build high-functioning Child Welfare leadership teams. Casey Family Program consultants are working closely with her to build a team who understand that high-functioning leaders make stronger decisions together to create a successful organization. These teams will understand the need for transparency, strong and open communication, and offering high levels of support while asking for high levels of accountability. This work has already begun with the listening tours across the state to identify areas of improvement. ORRAI is helping to establish baseline data and creating the optimal measuring tools for success. In addition, beginning this year, 16 hours of professional development training will be provided to district and program managers to continue building a high-functioning leadership team. The anticipated completion date is January 1, 2019 and ongoing.*

- Review the structure and organization of key child welfare programs to identify and understand long-standing issues and system weaknesses; set policy and communicate expectations to ensure appropriate implementation of changes; and ensure that changes are not simply reorganizations or movement of employees but help management to address root problems.

### ***Stabilizing Leadership Changes Made***

- *Child Welfare Director Jones started on October 9, 2017. This provided stability for Child Welfare.*
- *Stabilized the district structure by filling vacant district manager positions across the state. We established a quality assurance function to help streamline Child Welfare QA efforts and align existing/future improvement plans into one focused plan moving forward. This position is also responsible for managing the federally required Program Improvement Plan, Child and Family Services Plan, and the Annual Progress and Service Reports.*
- *Rebuilt the field support structure to help better bridge the gap between central and field staff that was left with the elimination of 'Field Operations' in late spring of 2016. This will ensure communication of expectations to ensure appropriate implementation of changes.*
- *In addition, Tim Sinatra has been hired as Director of Transformational Change to complete an assessment of the field and central office structures of all DHS programs to assure that our structures support the best service delivery model to meet our clients' needs. Final recommendations will be reviewed in May 2018 and will help inform additional improvements.*

### ***Structural Changes Currently Underway***

- *A mobile Certification and Training Team is being developed. The supervisor has been hired, and we are in the process of hiring five certification and training specialists to provide*

*assistance wherever there is a backlog throughout the state. This will help stabilize the foster care program by assuring that foster care certification and training are completed timely.*

- *Centralization of referrals for behavioral rehabilitation services. This central team will be responsible for securing appropriate placements for children and youth with high needs and assuring timely discharge. This will reduce workload for caseworkers during times of crisis. This work will be centralized effective May 1, 2018.*
- *Centralization of federal program eligibility determinations (Title IV-E, TANF and Title XIX). Eligibility determinations must be completed on every child that enters foster care to maximize federal reimbursement to the state. This process currently occurs at the branch level throughout Oregon. By centralizing eligibility determinations, we expect to improve accuracy and gain efficiencies. The centralization has already begun, and positions are being brought to Central Office through attrition to minimize impact to staff currently working in the Child Welfare field offices.*
- *Centralized screening for child abuse and neglect reports. There are currently 15 child abuse hotlines throughout the state. They will be centralized to assure that all reports of abuse and neglect receive the same level of response and are screened the same way. This project will begin phasing the 15 hotlines into one centralized location in December 2018.*

*The anticipated completion date for all activities is January 1, 2019.*

- **To advocate more effectively for program and staffing needs to the Legislature, use clear and accurate data to support budget requests and show the effects of under budgeting on program stability.**

*DHS Child Welfare will work with the Office of Reporting, Research, Analytics and Implementation (ORRAI) to establish an effective workload model and actively apply it to better understand staffing needs.*

*This, along with the information gained through the Child Welfare Research Priorities, will be used to develop a data-informed request to the Legislature for adequate program staffing and funding. The anticipated completion date is January 1, 2019.*

- Implement a thorough and ongoing evaluation process for agency programs and initiatives, including the following actions:
  - a. Consider overhauling or replacing the OR-Kids case management system and continue to apply lessons learned from this and other projects to future information systems projects;
  - b. Review the Oregon Safety Model to ensure that staff fully understand and can apply key concepts and more effectively safeguard child safety;
  - c. Assess the true impact of the move to centralized screening on statewide staffing resources and the consistency of the screening function; and
  - d. Assess the two-track investigative model used by CPS and OAPPI to ensure all identified gaps are addressed and consistency of response to reports of child abuse and neglect.

***a. Consider overhauling or replacing the OR-Kids case management system.***

*Recently, federal rules changed child welfare data systems from statewide automated child welfare information systems (SACWIS) to comprehensive child welfare information systems (CCWIS). Under the new CCWIS rules, states are required to share their system 'code' with other states. We feel strongly that waiting to review other state's CCWIS systems, seeing how successful they are and benefiting from their lessons learned, will inform Oregon's decision on whether to overhaul or replace OR-Kids.*

*Our OR-Kids business analyst team will work closely with the Department's Office of Information Systems (OIS) technical team to establish a shared team that includes OR-Kids business analysts, OIS technicians, and field end users to prioritize changes that will improve the end-user experience with OR-Kids. This team will conduct branch visits and interviews with end users to help guide decisions to make OR-Kids more user friendly and to help improve data quality.*

*Continue to apply lessons learned from this and other projects to future information systems projects.*

*Over the past three years, OIS has had a focus on improving processes for delivering IT projects. Changes made have incorporated lessons learned from previous projects, including the implementation of Child Welfare's statewide automated child welfare information system, OR-Kids.*

***b. Review the Oregon Safety Model to ensure that staff fully understand and can apply key concepts and more effectively safeguard child safety.***

*We have made significant efforts over the past year to provide child safety consultant support in all 16 districts to improve practice and fidelity to Oregon's Safety Model (OSM). The Child Safety Program is leading efforts to complete OSM Model fidelity reviews in all 16 districts with a goal of full completion by December 2018. Approximately fifty-percent of the state has already received the first-level review and is in line for the six-month follow-up review to measure progress.*

- The Child Safety Program works in collaboration with each district to develop branch level action plans following each fidelity review to identify goals and areas needing heightened focus. These plans are monitored and adjusted as needed by the Child Safety Program coordinators.*
- Child safety consultants currently provide ongoing case reviews, training and coaching in all 16 districts. In addition, the consultants hold monthly debriefing meetings with district leadership to discuss data elements, practice concerns, and goals.*
- A quality assurance manager has been hired to assist in streamlining Child Welfare's QA efforts, including those of the Child Safety Program.*



- *Newly redesigned caseworker training started for all new caseworkers in September 2017. The practice model is incorporated throughout the training courses and new caseworkers are required to complete computer-based training on the Oregon Safety Model as a prerequisite to entering their new worker Essential Elements training co-hort.*

***c. Assess the true impact of the move to centralized screening on statewide staffing resources and the consistency of the screening function.***

*The centralized screening project team is currently assessing the impact of centralizing screening functions on statewide staffing resources and the consistency of the screening function as part of the staged implementation plan. A subcommittee kick-off meeting was held January 17, 2018, with approximately 75 staff and community partners from across the state attending, to help plan for issues related to: workforce; continuity of operations; quality assurance and continuous quality improvement; communication and community engagement; rules and procedures; training and coaching; and technology. In addition, Action for Child Protection and Casey Family Programs are providing consultation and support. The research reviewed thus far, and discussions with several other states, indicates that centralizing screening positively affects consistency in screening decisions.*

***d. Assess the two-track investigative model used by CPS and OAPPI to ensure all identified gaps are addressed and consistency of response to reports of child abuse and neglect.***

*We agree that safety assessments should center on the child and the child's setting. We are reviewing how best to do this. Programs within the department that are involved in the oversight of licensed child caring agencies (CCA's) have each undergone significant leadership and personnel changes since this audit was completed. New leadership in these program areas used the internal audit findings to guide process improvement efforts, including but not limited to, establishing regular opportunities to share child safety information, increasing oversight requirements in Oregon administrative rules and procedures, and aligning rules and procedures between different child abuse investigatory units within the department. Department leadership has directed the Office of Adult Abuse Prevention and Investigations (OAAPI) to provide*

*documentation that all previously identified gaps have been addressed by December 31, 2018. The Child Safety Program and OAAPI have increased communication efforts and partnership to ensure consistency of response to reports of child abuse and neglect. In addition, a monthly Licensing and Safety Review meeting takes place and includes representatives from every division in the department, to escalate concerns related to licensed CCA's. The anticipated completion date for all activities is January 1, 2019.*

- Establish safe mechanisms for staff to provide input, and develop a transparent process for reporting concerns, tracking them, and ensuring top management takes action to resolve them.

*We recently established (CW-Staff.Suggestions@dhs.ohio.gov) for staff to submit ideas for follow-up by agency leadership. A tracking mechanism will be established to assure appropriate action is taken on all input received. Field Services staff is monitoring and responding to suggestions for improvements.*

*In addition, the Executive Projects Office established an email box for staff and community partners to submit ideas to improve child safety: child.safety@state.ohio.gov. The team has been collecting staff and community ideas for DHS child safety system improvement since Spring 2017.*

*A Child Welfare (CW) staff engagement survey has been developed by ORRAI and will be deployed quarterly, starting July 1, 2018, to staff who have been employed with Child Welfare for three years or less. The survey will also be sent annually to all CW staff employed with the agency for three years or more. Data gathered will be used to analyze points in time for new caseworkers to determine areas in need of support.*

- Develop and implement a statewide strategic plan to increase foster care capacity that includes using data analytics and tracking to target the recruitment of foster care placements for every district in the state. The strategy should include targeted recruitment of specific types of placements (career foster parents, therapeutic foster beds and culturally appropriate placements).

*We acknowledge the need to develop a statewide strategic plan to increase family foster care capacity and agree that a statewide strategic plan is necessary to improve the recruitment, retention, and support of foster families caring for children in Oregon. DHS Child Welfare worked closely with the Administration for Children and Families throughout the summer and fall of 2017 to include strategies in the Program Improvement Plan to address these very issues. A proposal outlining those needs was submitted to the Child Welfare Director by March 31, 2018.*

*As the statewide strategic plan is developed, it will incorporate the statewide plan for expansion of the “Every Child” model. In addition, the Oregon Foster Family Recruitment Retention and Support Diligent Recruitment planning tool (developed through the GRACE project) will be utilized to create recruitment and retention plans at the statewide level.*

*The statewide strategic plan, which will be complete by June 30, 2018, will be informed by strong data analytics. We will strategically place staff with the knowledge, skills and abilities to bring families forward and review various other states’ strategies as part of this planning.*

*The anticipated completion date is June 30, 2019.*

- Collect and use data to improve the foster care system, including:
  - a. the availability of foster home and the true capacity of available beds in the system;
  - b. the rate of foster parent turnover and the number of foster parents trained per year; and
  - c. a statewide dashboard to compare district performance on key metrics.

***a. Collect and use data to improve the foster care system, including the availability of foster home beds and the true capacity of the system.***

*We are continuously making efforts to right-size the capacity of care to help assure safety, wellbeing and permanency for children/youth experiencing foster care. Data analytics is an essential tool in the effective utilization and development of foster care and other substitute care resources. The department gathers a tremendous amount of data through its information systems but has not had an effective way to assure the accuracy of data entered or had access to timely and effective analysis of the data. Timely, accurate, and appropriately analyzed data is critical to making good data-informed decisions. The newly formed Office of Reporting, Research, Analytics, and Implementation (ORRAI) will play a critical role in our ability to use data to improve the foster care system.*

*ORRAI is working on the development of data-informed tools including capacity and service matching. The placement of children/youth in Oregon has been primarily dictated by bed availability, with limited recognition of a child's specific needs and/or foster parent capabilities. Knowing the number and type of placements needed (foster care, kinship care, treatment/proctor foster care, behavioral rehabilitation services psychiatric residential treatment services, sub-acute, etc.), and which child/youth should be placed into what type of setting, will help improve outcomes for children and families.*

*The placement capacity research will estimate the number and type of placements needed to optimally serve children's needs through a two-step process. First, an ideal service level will be determined using a random sample of children/youth, then statistical analysis will be used to identify the best outcomes of similar individuals placed in various service levels. The differences in these two results will refine estimates of what capacity is needed to create an optimal continuum of care.*

*Through a Federal grant opportunity, DES Child Welfare created the GRACE (Growing Resources and Alliances through Collaborative Efforts) project in Oregon. This program developed a Diligent Recruitment Practice Model informed by data and using a customer service approach to recruit and retain resource/foster families who reflect the culture and characteristics of the children in foster care and to*

*develop and sustain thriving community partnerships. We are currently evaluating how to sustain the positive impacts of GRACE as the grant funding ends in the fall 2018.*

***b. Collect and use data to improve the foster care system, including the rate of foster parent turnover and the number of foster parents trained per year.***

*The department will conduct a review of the historic turnover rate of foster parents in Oregon, along with a scan of literature and national surveys to assist in creating a baseline turnover rate for foster parents in Oregon. This review and the results will help inform the Statewide Strategic Plan for Recruitment, Retention and Support at the district level.*

*The department will address the need to track foster parent training. By the end of April 2018, the Foster Care and Youth Transitions program area will add a foster care coordinator focused solely on caregiver training for both foster parents and relative caregivers and will have a caregiver training strategic plan developed by October 2018.*

***c. Collect and use data to improve the foster care system, including statewide dashboard to compare district performance on key metrics.***

*ORRAI is currently using geographic information systems technology to create mapping statewide that will provide data about how many children are in care by county/community, including demographic information, and how many current foster homes are certified by county/community, identifying which are kith/kin and which are general applicants. This information will inform the statewide strategic plan and help track performance across districts.*

*The anticipated completion date for all activities is October 31, 2018.*

- Remove unnecessary barriers that impede timely recruitment of foster families. Track certification of career foster parents from inquiry through certification, and keep foster parents engaged during the entire process to increase the likelihood of certification.

*We will work to remove unnecessary barriers that impede timely recruitment and to improve the retention of good foster families. Utilization of data analytics is one necessary element to help identify the specific barriers.*

*DHS Child Welfare has identified the need for a workload model analysis to be completed for all staff identified as Foster Care Certification workers. This is one area that has not received a thorough workload analysis in the past, and with the number of significant changes over the past 5-7 years, a workload analysis is necessary.*

*The foster care program began using a Structured Analysis Family Evaluation (SAFE) approach to completing home studies as a critical piece of the certification process of foster families. While this tool has been identified as very thorough and helpful, it is also time consuming and was not considered in the existing workload model. We will consider this as we develop our new workload model.*

*The department will initiate a relative caregiver review utilizing national standards, literature and other states' models to learn how other states work with and/or certify relatives who care for children being served by Child Welfare in those states. This review included recommendations to the Child Welfare Director by May 31, 2018 for consideration regarding modifying and continuing the current model or movement toward a new model.*

*DHS Child Welfare developed a Mobile Certification and Training Team to test a model that will allow more flexibility of staff to meet the needs of potential foster families within communities throughout the state. This team is not dedicated to any one county but will be deployed according to need. This is a small team—*

*three foster home certifiers and two trainers to test the intervention. This team is projected to be up and running by March 2018. The anticipated completion date for all activities was May 2018.*

- Build a robust support system to retain career foster parents and reduce placement instability. This should include a foster care payment that fully covers the cost of caring for a foster child options for respite care providers and encouraging foster families to use respite care, and ongoing training and support to foster parents so they can continue to meet the challenges of fostering.

*During the last legislative session, the Legislature authorized increased reimbursement rates for family foster care effective January 1, 2018.*

*The Legislature also set aside \$750,000 for Foster Parent Supports. The department worked with the Legislative Fiscal Office during the fall of 2017 to prepare the legislative request which was submitted on January 12, 2018. This plan includes developing the following programs to support foster parents:*

- *Respite Care — Approximately 65% of the funding (\$487,500) will be used to provide two conservative models of respite care for foster parents—a 'general respite' model and a 'child specific' model;*
- *Mentoring — Approximately 20% of the funding (\$150,000) will be used to develop mentoring programs to help support new foster parents; and*
- *Immediate Needs — Approximately 15% of the funding (\$112,500) will be used flexibly to meet the immediate needs of foster parents (i.e., purchasing a crib, car seat, etc.) so they are able to more immediately care for a child or sibling group.*

*In addition, we have prioritized providing a child care stipend to offset the cost of child care for working foster parents. This will be achieved by reinvesting general funds 'saved' through the Federal Adoption and Safe Families Act of 2008 (Public Law 110-351). This law changed Title IV-E adoption assistance eligibility*

*requirements to allow federal funds to be claimed where they couldn't be before. In return, the state is required to reinvest the 'savings' into Child Welfare services not currently offered (i.e., supplement not supplant existing services). A letter was submitted on January 12, 2018, to the Interim Joint Ways and Means Committee requesting permission to implement a Child Care Stipend Program that would allow a \$375 per child/per month stipend to be provided to working foster parents who care for children 0 through 5 years of age.*

*Both requests — for the foster parent supports and the child care stipend — require action by the Legislature during the February session before we can move forward. Program development for foster parent supports will begin approximately 30 days following legislative approval, and the Child Care Stipend Program is ready to begin within 60 days of legislative approval.*

*A sustainability proposal supported by data showing the successful work conducted through the GRACE project was submitted to the Child Welfare director by March 30, 2018. This sustainability proposal will identify staffing resources necessary to help increase recruitment, retention, and support of caregivers through a customer service, data-informed approach. The GRACE project is currently supported by a federal grant, set to expire in the fall, and is only available in five districts throughout the state. More information can be found at: [http://www.nrcdr.org/diligent-recruitment/dr-grantees/story?k=dr\\_grace](http://www.nrcdr.org/diligent-recruitment/dr-grantees/story?k=dr_grace)*

- Create and maintain a culture of respectful communication between foster parents and DHS caseworkers and allow staff time for caseworkers to build relationships with foster parents. Use foster parent satisfaction and exit surveys to measure the quality of the program over time to understand and address foster parents' concerns.

*The audit has identified significant staffing needs for Child Welfare caseworkers. Addressing the staffing needs is essential to providing capacity for workers to engage in more quality time with children and foster parents. This will allow caseworkers to build necessary relationships. Meanwhile, the new leadership in*



*Child Welfare is communicating a set of expectations for respectful communications and interactions. Anticipation completion date is December 31, 2018.*

- Design a robust internal policy to reduce the risks of hoteling children by providing district caseworkers and office staff with clear protocols and operational support.

*DHS worked with the Service Employees International Union (SEIU) to develop the Oregon DHS Statewide Protocol for Children in Need of Placement. In addition to the development of this protocol, a supplemental training was developed and posted on iLearn, the state's on-line employee education system. All Child Welfare employees providing supervision of a child in a hotel setting were required to read this protocol and take the online training, prior to August 1, 2017. Thereafter, all new Child Welfare employees providing supervision of children in a hotel must read the protocol and complete the training prior to supervising a child.*

- Commit to building foster placement capacity across the whole system for children with a range of behavioral, health-related, and cultural needs.

*Audit Recommendations have identified the need for a statewide strategic plan to increase foster care capacity. This will help address one area of need in a continuum of care. Developing a comprehensive continuum of care model in Oregon will require a public/private solution-based approach. DHS Child Welfare cannot create the solution alone.*

*In July 2017, DHS Child Welfare made a significant investment to expand capacity in the DHS Behavioral Rehabilitation Services system (BRS). This investment is projected to yield an increase of 90 BRS Shelter/Basic Residential/Intensive Residential placements and an additional 150 BRS treatment foster care placements in the 17-19 biennium.*

*To help address the gaps in other child-serving systems and assist in the development of a true continuum of care model, the DHS Unified Child and Youth Safety Implementation Plan —Continuum of Care Project was created.*

### ***Continuum of Care Project Status and Updates***

*Task E, Continuum of Care creates a service array and placement structure based on the individual needs of the child/youth, aligns policies and procedures across state agencies, and improves state agency coordination and service delivery. OHA Director Allen and I (DHS Director Pakseresht) gave this group a joint mandate to work cooperatively and to propose solutions directly to them. This service array will be developed by the end of December 2018.*

*DHS and OHA are co-sponsoring a youth system improvement effort.*

*A small group of subject matter experts from both agencies, including representatives from Child Welfare, I/DD and OHA's children's mental health system, worked on a proposal for the directors to review.*

*DHS commits to continuing to work with its partners to develop a sustainable, full continuum of care that begins with the availability of comprehensive supports to help children remain in their own homes whenever possible. With an effective continuum of care model, many of the children currently requiring care by DHS Child Welfare would instead receive care and support within their communities with or without DIIS Child Welfare involvement.*

*In January 2018, Child Welfare Director Jones called together a team, including representatives from OHA, Coordinated Care Organizations, and DHS, to discuss developing a strong continuum of care for Oregon's children. Several partners have committed to work with us to address providing comprehensive services for behavioral, medical and cultural needs of our children.*

*The anticipated completion date for all activities is July 1, 2019.*

- Develop a strategy for ending the practice of placing children in hotels.

*Most often, children placed temporarily in hotel settings are not there due to a lack of family foster homes, but rather due to a lack of appropriate services and supports that should be available through other child-serving systems. DHS is addressing this recommendation directly by focusing on what we can be doing differently in the short term and partnering with system partners for long-term solutions. This is a child-serving systems problem that will only be resolved through the development of a true continuum of care that can meet the needs of children requiring high-level services to address extreme mental health or I/DD issues. Please refer to the information provided above, under Audit Recommendation 13, for a description of the efforts of DHS Child Welfare in helping to develop a true continuum of care for Oregon's children. The anticipated completion date is July 1, 2019.*

- Understand and clearly communicate child welfare field staffing needs to the legislature.

*DIJS' Office of Child Welfare Programs is working closely with the Office of Reporting, Research, Analytics and Implementation (ORRAI) team to develop a workload model that accurately reflects the work associated with practicing the Oregon Safety Model to fidelity and building strong relationships with children and families to improve outcomes. Please see the responses included in Audit Recommendation 1.c., 1.d, and 4. This information will be collected and used to present the 2019 Legislature with a well-informed request to increase staffing to what the workload model indicates is needed to do the work properly, with manageable caseloads, and necessary Central Office supports. The anticipated completion date is January 1, 2019.*

- Review, revise, and update the current workload model to reflect recent policy and procedure changes and field staffing needs.

*Our Office of Child Welfare Programs is working closely with the ORRAI team to develop a workload model that accurately reflects the work associated with practicing the Oregon Safety Model to fidelity and building strong relationships with children and families to improve outcomes.*

- Work with the legislature to increase child welfare field staffing according to the revised workload model and reduce the number of field positions held vacant to balance the budget, to reduce child welfare caseloads to manageable levels.

*DHS Child Welfare commits to being transparent and having open communication with the Legislature about the need to be fully staffed to improve outcomes for Oregon's children and families, and to ask for relief from the legislatively required position vacancy hold. The anticipated completion date is July 1, 2019.*

- Monitor caseworker caseloads, district staffing allocations, and the impact of turnover, overtime use, lack of experience, and FMLA use on caseloads to support equitable staffing allocations across the state.

*Caseload and workload will be measured by the ORRIA. District staffing allocations will be determined using caseload and workload information in conjunction with the number of positions allocated by the Legislature, and will take into consideration turnover, overtime needs, lack of experienced staff and FMLA.*

*We have a number of initiatives aimed at improving the quality and quantity of training to increase the knowledge, skills, and abilities of the Child Welfare workforce.*

- Develop and implement strategies to reduce and mitigate workload stress factors, reduce staff turnover, and reduce the use of paid and unpaid overtime by child welfare field staff.

*Appropriate staffing levels will assist the department in mitigating and reducing workload stress factors, reduce staff turnover, and the use of overtime. We commit to working with the Legislature to reach the level of staffing required to do the work.*

*A true continuum of care is necessary to meet children's needs and reduce the need for overtime to provide the direct supervision of children and youth. The department is taking steps to help develop a true continuum of care for children across child serving systems.*

*Placing youth in optimal settings increases the probability of success in placement, which directly impacts workload and overtime. To accomplish this, research will estimate the number of service-level beds needed to optimally serve the substitute care population through a two-step process. An ideal service level will be identified using a random sample of children/youth, then statistical analysis will be used to identify the best outcomes of individuals with similar attributes in various service levels. The differences between the two results will refine the estimates of what capacity is needed to create an optimal continuum of care.*

*The Legislature provided the department with 50 positions to assist with the retention and support of front-line staff. These positions have been allocated and are currently being onboarded throughout the state. The anticipated completion date for all activities is July 1, 2019.*

- Take the following actions to improve caseworker staffing and training:
  - a. Work with DAS to review the Social Service Specialist 1 classification and consider separating casework positions into separate classes;
  - b. Consider developing a career ladder for skilled caseworkers, supervisors, and support staff; and
  - c. Continue to develop and review training and professional development of casework staff and supervisors in conjunction with community partners.
  
- a. Work with DAS to review the Social Service Specialist 1 classification and consider separating casework positions into separate classes.*

*DHS commits to working with DAS to review the Social Service Specialist 1 classification and will consider separating casework positions into separate classifications.*

***b. Consider developing a career ladder for skilled caseworkers, supervisors, and support staff.***

*DHS commits to considering developing a career ladder for skilled caseworkers, supervisors and support staff and taking an associated request to the Legislature if appropriate.*

***c. Continue to develop and review training and professional development of casework staff and supervisors in conjunction with community partners.***

*The department currently uses employee development plans, allows people to shadow positions across divisions, and allows for job rotations to give employees the opportunity to try different jobs. In addition, we have a number of initiatives aimed at improving the quality and quantity of training to increase the knowledge, skills, and abilities of Child Welfare workforce.*

*The anticipated completion date for all activities is January 1, 2019.*

- Ensure adequate facility space and technological support throughout the state to absorb needed child welfare staffing increases and support quality casework.

*The Office of Child Welfare Programs commits to working closely with the Office of Information Systems (OIS) and Facilities to assure adequate facility space and technological support to support quality casework. This is contingent upon receiving additional staffing allocation from the Legislature. Anticipated completion date is January 1, 2019 and ongoing.*

- Work with the department of Justice and the Legislature to improve caseworker access to legal representation and legal case management support.

*The Legislature prioritized statewide legal representation for Child Welfare caseworkers, and DHS was awarded \$6.9 million in its budget for this purpose. An associated budget note (in HB 5006) requires the of*

*Justice (DOJ), DHS, Oregon Judicial Department (OJD) and the Oregon State Office of Public Defense Services (OPDS) to work together to ensure system efficiencies and effectiveness, and requires reports to the Legislature on progress, with the first report due October 2018.*

*In addition, HB 3470 extended the sunset for caseworkers appearing in court without representation to June 30, 2020.*

*As a result, DHS and DOJ have been working together over the past several months to develop a statewide, phased roll-out plan for legal representation of Child Welfare caseworkers in each county. Phase 1, which included legal representation by DOJ in 15 counties, was completed January 1, 2018. Phase 2, which includes hiring additional attorneys by DOJ, communications with staff and stakeholders, and legal representation by DOJ in 12 additional counties, was completed July 1, 2018; and Phase 3 which includes legal representation by DOJ in the remaining nine counties, is scheduled to be completed by the end of June 2019.*

*In addition to the above-mentioned legislation, HB 2500 passed during the 2017 session mandating updated legal representation training for caseworkers every four years regarding their legal role in juvenile cases. DHS Child Welfare is currently planning with DOJ regarding the ongoing training they will provide as part of their 'technical legal assistance and contact' with Child Welfare staff. We are also working together to assure that legal representation training in the new worker training, and a more advanced five-day legal training, stay in alignment with the legal representation phase-in schedule. The anticipated completion date for all activities is June 30, 2020.*

- Consider implementing casework teams for responding to potentially dangerous calls and managing unusually complex or difficult cases.

*We agree that this is best practice and having casework teams would be ideal. Currently, supervisors support their caseworkers by going out on calls, caseworkers partnering with law enforcement, and in some*

*cases two caseworkers going out together. The department commits to considering what it would take to implement casework teams across all disciplines. Additional staffing will be required to implement this recommendation. The anticipated completion date is July 1, 2019.*

- Ensure that the central and district offices are in regular communication with field offices throughout the state and provide the necessary support and resources to field offices when requested.

*In addition to the efforts outlined above, effective January 2018, we rebuilt the field support structure to help better bridge the gap between central and field staff that was left with the elimination of 'Field Operations' in late Spring of 2016. This will ensure communication of expectations to ensure appropriate implementation of changes. The anticipated completion date is June 2018 and ongoing.*

**6. DHS and OHA: Statewide Single Audit Including Selected Financial Accounts and Federal Awards for the Year Ended June 30, 2017, audit #2018-11 (dated April 2018)**

- Recommend management ensure the transaction review process includes examination of proper coding and accounting periods.

*The agency updated their transaction review procedures with additional process steps to ensure that coding is correct and that transactions are posted to the correct fiscal year. These additional processes include reviewing the account balances after entries are posted to ensure the transaction had the correct effect, ensuring pass-through accounts are zero at the object level and not just at the fund level, and specifically noting when payroll transactions occur in two different fiscal years. The agency will continue to refine year-end procedures to ensure they are complete, reducing coding issues and errors.*

- Recommend department management continue to pursue system changes to OR-Kids to prevent transactions from reimbursing outside the period of performance. In the meantime, the department should develop a



process to better identify transactions that are appropriate to net and transactions that should not be netted to ensure adjustments are reported appropriately.

*A report has been developed that will allow DHS to analyze increasing and decreasing adjustments, isolating increasing adjustments that fall outside the period of performance. DHS is no longer netting increases and decreases beginning with the filing of the June 30, 2018 CB-496 report. Additionally, resources are currently working on reviewing all activity back to September 30, 2011 to evaluate if any federal funds were improperly claimed beyond the two-year limit. Any necessary repayment from this analysis will be reported on the December 31, 2018 CB-496 report.*

- Recommend department management ensure adequate contract monitoring processes are in place to provide assurance that the department is receiving the services provided for in these waiver-based contracts. We also recommend department management seek clarification regarding allocation of equal monthly payments among clients served and verify that startup costs, camp services, and pre-paid flexible funds are appropriate waiver expenditures.

*In December 2017, the Child Welfare Program authored a Contract Consistency Proposal as the basis for a project currently underway with the support of the Office of Continuous Improvement. The goal of the project is to develop consistent understanding and application of contract-related rules and language and put into place practices to address and eliminate issues raised by both this audit finding and findings in a 2018 internal audit report related to DHS Child Welfare contract administration. Work accomplished so far includes the development of standard recommended language for inclusion in contracts regarding acceptance criteria/reporting requirements and invoicing/payment terms, to increase consistency and ensure that services invoiced have been received. One expected outcome of the project will address oversight and coordination of contracts with providers that serve multiple districts, to ensure consistent rates and terms across the state. Completion of the Contract Consistency Project is anticipated by December 31, 2018.*

*The agency will obtain clarification from Children’s Bureau on any limitations for states to create flexible payment methodology for services allowable under Title IV-E or Title IV-B. This clarification is expected by December 31, 2018.*

- Recommend department management ensure all required documentation is completed timely, reviewed, and maintained, and that eligibility is determined appropriately. We also recommend department management reimburse the federal agency for costs paid related to ineligible providers.

*A correcting adjustment was entered ORKIDS on March 28, 2018 to change the status to ineligible for the time September 2016 – March 2017. This was reported on the 2018 Quarter 2 (January 1, 2018 –March 31, 2018) CB-496 report on the following lines:*

- *Decreasing Line 44 (Phase 16): \$198*
- *Decreasing Line 45 (Phase 17): \$2,224*

*A correcting adjustment was entered ORKIDS on April 25, 2018 to change the status of children residing in the home to ineligible from March 14, 2016 – April 26, 2016. This was reported on the 2018 Quarter 3 (April 1, 2018–June 30, 2018) CB-496 report on the following line:*

- *Decreasing Line 1 (Phase 16): \$1,065*

*The agency is on track to create the exception reports by October 31, 2018.*

- Recommend department management review OR-Kids transaction processing and make system modifications as appropriate to ensure proper financial reporting of program expenditures. We also recommend department management review prior year and current year transactions and reimburse the federal agency for grant expenditures claimed inappropriately.

*A report has been developed to identify adjustments that impacted a state grant rather than the federal grant and is in the final validation stage. Once the report is validated, the report will be used going forward to accurately report federal expenditures. The report will first be used for the reporting period ending September 30, 2018.*

*Adjustments for previous quarters reported incorrectly will be reported on the federal report for the period ending December 31, 2018. The disallowance of \$103,130 was repaid to the federal agency, reported on 6/30/18 CB-496 report.*

*A change request for a system fix has been written. However, the date for the system fix is not yet determined.*

- Recommend management strengthen controls to verify applications exist during client eligibility redeterminations, perform timely eligibility redeterminations and verification of client resources, close benefits for clients no longer eligible, and ensure eligible clients are enrolled in both Medicare and Medicaid. We also recommend management correct all identified issues and reimburse the federal agency for unallowable costs.

*In response to the individual who was enrolled in a correctional facility, the agency has reviewed the identified issue and has taken partial action. Eligibility and related payments have been reversed from the MMIS system. Procedures and system updates are still being reviewed and implemented and the return of unallowable costs is being confirmed. The anticipated completion date is December 31, 2019.*

- Recommend management strengthen controls to ensure documentation supporting a provider's eligibility determination is retained. For current providers with missing documentation, we recommend the department verify they are eligible to provide services and obtain the necessary documentation.

*The Office of Developmental Disability Services (ODDS) has begun the process of amending the contract with PPL, the Fiscal Intermediary, to validate the I9's prior to paying providers. We anticipate the completion of this amendment by December 31, 2018. In addition, questioned cost of \$5,573 has been reimbursed as of September 30, 2018.*

*The management of the Oregon Health Authority (OHA) Provider Support Services conducted specific database check training for enrollment staff between December 2017 and February 2018. The state will provide additional database check training beginning July 2018 as part of a second enrollment quality improvement plan and continues to pull quarterly, a missing database check report, to ensure all missing database checks are completed.*

*For the one provider that was the responsibility of the Aging and People with Disabilities program (APD), the Department obtained a current completed I-9 form and confirmed the provider's eligibility; therefore, there are no questionable costs remaining for the APD program.*

- Recommend department management ensure a client's monthly copay is correctly calculated and applications are retained. We also recommend department management reimburse the federal agency for unallowable costs.

*DHS completed the reimbursement to the federal agency for the known questioned costs of \$1,939 on June 21, 2018.*

*A business change request was submitted on April 25, 2016 relating to audit finding on the co-pay not met report and multiple providers. An "Uncollected Copay Report" is currently on hold due to the One/Integrated Eligibility project. To ensure the successful delivery and implementation of this new system, prior work being conducted by programmers in the Legacy system has been suspended. The report will be re-evaluated once the ONE/IE system has been successfully rolled out in 2020.*

*Tools were developed and shared with field staff during the year in efforts to improve co-pay calculations and documentation. An Employment Related Day Care (ERDC) mini-training was held in June 2018 to address such topics as ERDC copays and ERDC coding. On June 15, 2018, Child Care Policy reissued a transmittal to department staff as a reminder to reinforce the importance of increased accuracy in the ERDC program.*

*Quality Assurance also in collaboration with the policy team published another edition of an “Accuracy in Action” newsletter focusing on ERDC budgeting and child care hours. This issue which was sent to field staff on March 15, 2018, included information referring to verifying income and hours, ERDC hours, marginal income, two parent working families, child support and ERDC, prospective eligibility and budgeting and transitioning TANF to ERDC.*

- Recommend department management strengthen its controls to ensure appropriate expenditures are charged to the federal program and that timely reviews of client payments, monthly employee timesheets, and cell phone invoices are performed.

*The timeframe requirements for issuing Authorization for Purchase (AFP’s) was reviewed with Branch Management Staff and Leadership in May 2018 and the specific cases identified by the audit were individually reviewed. Both identified discrepancies that had been identified in the IEP. Business audits of the field will be conducted in all branches on an ongoing basis (these started in August of 2017), reviewing both issues and requiring corrective action plans and follow-up reviews to ensure the issues are addressed. The review of future audits will determine if this discrepancy continues.*

*The client payment identified in the finding was for medical records and is an acceptable practice to issue the payment after the records and appropriate invoice is received. This discrepancy was discussed at May Leadership and will be addressed again at the August Leadership Meeting.*

*The unsigned timesheets were due to personnel coverage issues at the time and was brought up with Branch Leadership Staff at the May Leadership meeting. A new timekeeping process – Workday- is about to be implemented and a new review process will be initiated. We will wait until the new process is in place to train all responsible staff on the new time keeping system and review process.*

*The Cell Phone Bill review has been with Business Integrity Consultants, and the systems access issue that initiated the problem has been rectified.*

- Recommend department management submit accurate RSA-2 reports and strengthen its controls over RSA-2 reports to ensure the reports are properly prepared, adequately supported, and properly reviewed.

*The Grant Accounting unit in the Office of Financial Services has adopted a new methodology for reporting hours and dollars based on payroll actuals. This was approved by the federal oversight agency, Rehabilitation Services Administration (RSA, in July 2017. Additionally, the query used for the report has been adjusted to exclude the second payroll run for the prior fiscal year and include the second payroll run for the current fiscal year (example: 10/16/15 to 10/15/16). Grant Accounting will retain the data queries used to construct the report and review these with the Business Operations Manager for Vocational Rehabilitation prior to submission.*

*The Grant Unit revised the FFY2016 RSA 2 report in June 2017. The RSA 2 report was corrected June 2017, and new payroll reporting methodology implemented in July 2017.*

- Recommend department management strengthen controls to ensure all procurement procedures are followed, including the verification of suspension and debarment for all contracts, and maintain supporting evidence for procedures performed. We further recommend department management create and implement review procedures over its new CSTAT system to ensure controls over procurement procedures are operating effectively.

*The Office of Contracts and Procurement (OC&P) has developed and implemented new electronic standards that require OC&P support to conduct the checks and make the initial entry in CSTAT and then the contract specialist is required to check the information for accuracy. In addition, the OC&P Compliance Manager has completed a review of 2037 contract files and will continue to review a sampling of the contracts moving forward.*

- Recommend management resolve the inconsistencies between the planned funding sources communicated to the Contracts and Procurement Unit and the actual funding sources used to make contract payments.

*The Department contract had the correct funding source when it was submitted to the Office of Contracts and Procurement (OC&P) on the original request form. Subsequently, there was an invoice miscoded by Adult and People with Disabilities (APD) program staff. APD will emphasize to their staff the need to verify that coding matches the correct funding stream prior to submitting an invoice for payment.*

*The authority contract was originally requested utilizing General Funds. Six months after the request, OHA Public Health Division (PHD) found a federal funding source to apply toward the contract. Upon changing funding sources, PHD should have submitted a request to OC&P to amend the contract to include the new funding source. In the future when programs need to change funding sources, a contract amendment request to identify the new funding source is required to allow OC&P to add pertinent information such as CFDA numbers and appropriate terms and conditions to the contract. OC&P has contacted the PHD contract administrator to alert them to this requirement for future requests. In addition, OC&P included language in the June contract administration update under the “Did You Know” section to remind all contract administrators if the funding changes, an amendment will need to be requested.*

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DEAF and BLIND Budget Note Report – None to report currently.



**DHS Program Eligibility Requirements 2019**

	Child Welfare (CW)	Intellectual and/or Developmental Disabilities (I/DD)*	Aging and People with Disabilities - Medicare Savings Programs (APD)	Long-Term Care (LTC - within APD)	Adult Protective Services (APS)	Vocational Rehab Services (VR)	Employment Related Day Care (ERDC)	Temporary Assistance for Needy Families (TANF)	Supplemental Nutrition Assistance Program (SNAP)
<b>Age</b>	0-18, 18 - 21st birthday if in Foster Care prior to age 18.	All Ages	Any age with Medicare	65 or older or disabled N/A- (ACA Expansion Population)	65 or older or disabled	16 and older (can be down to age 14 if appropriate)	Children 0 through 12 years old at certification qualify for a full 12 months of child care. Children with documented special needs are served through the age of 17.	Serves families with children up to age 17 and through age 18 if the child is in secondary school or an equivalent program full time.	All ages. Certain groups must apply together if in same household including: those who purchase and prepare together, spouses, adults who have children in common, children under the age of 22 living with parents, and children under 18 who are under parental control within household.
<b>Disability</b>	N/A	<u>Age 0-7:</u> 1) standardized testing verifying significant impairment; or 2) medical stmt w/diagnosis of neurological condition that will likely cause significant impairment in two or more areas of adaptive behavior. <u>School-age children and adults:</u> Significant impairment in adaptive behavior caused by: 1) intellectual disability present prior to age 18 (IQ 75 or below); or a neurological condition, prior to age 22 and expected to last indefinitely, that originates in and directly affects the brain. <u>All age groups:</u> impairment cannot be primarily related to an excluded condition, including, but not limited to, a mental or emotional disorder, sensory impairment, substance abuse, personality disorder, learning disability or attention deficit hyperactivity disorder.	N/A	SSA determination of blindness or disability	SSA determination of blindness or disability	Must have a physical or mental impairment that constitutes a substantial impediment to work that requires vocational rehabilitation services to obtain, maintain, regain and advance in employment. The presumption is that employment is the applicants objective.	Higher child care reimbursement rates may be available for children with documented special needs. Children with an assessment through Inclusive Partners can qualify for a supplemental high needs payment in addition to standard subsidy rates.	N/A	SSA determination of blindness or disability. Disability exempts ABAWDs from having to meet work requirements, makes students of higher education SNAP eligible, qualifies household for medical deductions and removes shelter cap on cases.
<b>Citizenship</b>	N/A	Must be a citizen or meet non-citizen requirements.	Must be a citizen or meet non- citizen status requirements.	Must be a citizen or meet non- citizen status requirements.	N/A	Must meet I-9 Federal Requirements to work in the United States.	Must be a citizen or meet non- citizen requirements.	Must be a citizen, qualified non-citizen, or other specific unqualified non-citizen.	Must be a citizen or meet non- citizen requirements.
<b>Residency</b>	N/A	Must be a resident of Oregon. For applicants under 18, legal guardian must be resident of Oregon.	Must be resident of Oregon	Must be a resident of Oregon	N/A	Must meet I-9 Federal Requirements to work in the United States.	Must be a resident of Oregon.	Must be a resident of Oregon	Must be resident of Oregon
<b>Income</b>	N/A	<u>In-home waiver and k-plan services:</u> OHP MAGI-based income methodologies are used; up to 133% FPL. <u>Case mgmt only:</u> N/A.	\$1005-\$1357	\$735-\$2205	N/A	N/A	Current income must be no more than 185% of the Federal Poverty Limit for initial eligibility. Higher income limits exist for families currently receiving child care assistance (250% of the federal poverty limit or 85% State Median Income, whichever is higher)	Income must meet income and payment standards. Income limits vary by family size, but in general current income must be no more than 37% of the federal poverty level for initial certifications for a family of three. There is a different income limit for families exiting the program, which is approximately 65% of the federal poverty level.	Most households must have gross income below 185% of the federal poverty level to be eligible for SNAP. Services are based upon income received in past 30 days.
<b>Asset/Resource Limits</b>	N/A	<u>OSIPM:</u> \$2000 (1-person need group) - \$3,000 (2-person need group).	N/A	\$2,000 - \$3,000 (categorical) N/A- (ACA Expansion Population)	N/A	N/A	Cannot exceed \$1,000,000.	Applicant resource limit \$2,500. Recipient's resource limit \$10,000. Allows a motor vehicle exclusion up to \$10,000.	There is a \$25,000 liquid asset test for households to meet categorical eligibility. All households that do not meet categorical eligibility must meet a \$2250 resource limit unless an elderly or disabled member is in the household—then the resource limit is \$3250.

Other	N/A	Needs assessment and authorized individual support plan.	N/A	Must meet service priority levels from 1 - 13: Individuals with the most impairments are assessed at a higher priority level. For example, individuals at level 1 have a higher level of need than an individual at level 13.	N/A	Youth age 14 can be eligible for VR services while participating in Transition activities coordinated by school districts.	Families must use a DHS listed provider in order to remain eligible for the program. ERDC has no relationship requirement between a caretaker and a child. Any person with care and control of a child can apply for assistance. Children can be on more than one ERDC case at a time if they are living in two separate households during the month.	Family must include one child or pregnant individual. Child only case must be under the age of 18 or under the age of 19 and in secondary school or equivalent program full time.	Able-Bodied Adults Without Dependents (ABAWDs) are adults ages 18-49 who don't have children in the home and must meet work requirements to be eligible for SNAP in non- waived counties, unless they meet an exemption. Qualified non-citizens are only eligible when additional criteria is met or when a special status such as Refugee or Trafficking is applicable.
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\*Intellectual/Developmental Disabilities

In order to access DHS I/DD Services, individuals must meet one of the assessment/diagnosis requirements. For all other programs, all requirements must be met.

# 2019-2021 Legislatively Adopted Budget

## DHS Major Projects Summary

	2019-2021 BIENNIUM	
Project	Original Request	Closing Buildings
Contingency for 17-19 Project delays	\$6,350,688	Includes additional rents
Klamath Falls Multi-Service	\$2,421,984	509 Commercial St 710 Klamath Ave 222 7th St 714 Main St
Carpet Replacement - Field Offices	\$374,277	NA
Brookings (CW,SSP,VR,APD)	TBD	97980 Shopping Ctr, Brookings 586 5th St, Brookings
Lane County-Eugene West Side	TBD	No Closures
Gresham	\$2,034,109	355 NW Division
Roseburg Relocation-VR	TBD	2020 NW Newcastle
<b>Totals:</b>	<b>\$ 11,181,058</b>	

## Department of Human Services Gender Equity Report Updated Fall 2018

The Department of Human Services (DHS) submits this report as required by ORS 417.270 (HB 3576 Equal Access to Appropriate Services for Girls and Boys) to report on our progress and plans in achieving equal access to appropriate services for males and females under age 18.

The Department of Human Services supports equitable services for females and males under 18 years of age.

Budgetary information supporting this program is provided below:

**2017 Counts by Program Area and Gender**

Program Area	Male Children	Female Children	Total Children
Safety (Child Abuse/Neglect)	5,501	5,576	11,077
Well Being (Foster Care)	6,018	5,627	11,645
Permanency (Adoptions/Guadianship)	551	569	1,120
Child Welfare Average	12,070	11,772	23,842

**17-19 Legislatively Approved Budget**

Program Area	% Males	% Female	Total Budget	Male	Female
Safety (Child Abuse/Neglect)	49.7%	50.3%	\$ 67,212,011	\$ 33,378,466.42	\$ 33,833,544.58
Well Being (Foster Care)	51.7%	48.3%	\$ 336,833,235	\$ 174,071,482.03	\$ 162,761,752.97
Permanency (Adoptions/Guadianship)	49.2%	50.8%	\$ 168,990,636	\$ 83,137,357.53	\$ 85,853,278.47
Child Welfare Average	50.6%	49.4%	\$ 573,035,882	\$ 290,099,114.83	\$ 282,936,767.17

Source: 2017 Child Welfare Data Book and 2017-2019 Legislatively Approved Budget

Over the last biennium, Programs worked to implement the policy by taking the following steps:

- Office of Contracts and Procurement (OC&P) Gender equity within DHS Contracts, including, when applicable, DHS requests for proposals:
  - Requests include services to children and youth, with specific guidance surrounding gender specific expectations. Program staff requests continue to include language regarding gender specific service expectations.
  - Proposers are asked to describe their strategies to implement culturally appropriate and gender specific services.
  - RFP template includes language, “Services provided under any Contract awarded as a result of this RFP shall consider equal access for both males and females under 18 years of age. ‘Equal access’ means access to appropriate facilities, services and treatment, to comply with ORS 417.270.”
  - DHS contracts include the condition that: Contractors must provide services to DHS clients without regard to race, religion, national origin, sex, age, marital status, sexual orientation or disability (as defined under the Americans with Disabilities Act). Contracted services must reasonably accommodate the cultural, language and other special needs of clients.
- Working with DOJ to clarify the scope of application and legal implications in the standard language under “Special Provisions” in our contract templates. The standard language in DHS personal services contracts has been updated to read: “Contractor shall provide equal access to covered services for both males and females under 18 years of age, including access to appropriate facilities, services, and treatment, to achieve the policy in ORS 417.270.” (OC&P)
- Providing training to new contracts’ staff and updating the rest of the staff on contracts and solicitations into which Gender Specific Services provisions were incorporated. (OC&P)
- Child Welfare (CW) is requiring a description of diversity competency in how the organization program services will be sensitive, responsive and appropriate with gender specific services.
- Including language in RFP/Contract standards for new In-home Safety and Reunification Services. Examples of complete excerpts are:
  - “Specific cultural adaptation should be described in proposals for services. Proposers will be expected

to describe a model for working with minority cultural groups disproportionately represented in the child welfare populations described in 5.4 District Requirements.”

- “Cultural Competence: is the process by which individuals and systems respond respectfully and effectively to people of all cultures, languages, classes, races, ethnic backgrounds, disabilities, religions, genders, sexual orientation and other characteristics in a manner that recognizes, affirms, and values the worth of individuals, families, and communities, and protects and preserves the dignity of each. Operationally defined, it is the integration and transformation of knowledge about individuals and groups of people into specific standards, policies, practices and attitudes used in appropriate cultural settings to increase the quality of services, thereby producing better outcomes. (Child Welfare Procedural Manual)”
- “Gender Specific Services: Refers to treatments, interventions, educational programs and approaches that comprehensively address the unique needs, strengths and risk factors of each gender and fosters positive gender identity development.” (CW) Redesigning services and program standards with a Family Based Services Workgroup with the participation of child welfare staff, current contractors, Citizen Review Board representatives and other District participants. (CW)
- Continuing to review and provide feedback to contracted Behavioral Rehabilitation Services (BRS) shelter or residential treatment programs regarding their ability to provide services that are gender specific. (CW)
- Continuing to raise awareness with staff and providers through meetings to discuss and understand what gender specific services mean. (CW)
- Tracking current male/female ratios in all licensed child facilities and encouraging providers to participate in the Licensed Child Placing Agencies program review for assessment and monitoring. (CW)
- Program participation in the National Youth in Transition Database tracking program. (CW)
- Child Welfare continues to be engaged with the Coalition of Advocates for Equal Access for Girls by;
  - Having a DHS staff member attend the monthly Coalition meeting for education and information;
  - Refer staff, community programs and inquiries to explore the website for Coalition of Advocates for Equal Access for Girls <http://equalaccessforgirls.org>

## **Child Permanency Program**

In compliance with ORS 417.270, the Child Permanency Program in the Office of Child Welfare Programs includes in all service contracts the requirement that the Contractor shall provide equal access to covered services for both males and females under 18 years of age, including access to appropriate facilities, services and treatment. In addition, all contracts include a nondiscrimination clause that states the Contractor must provide services to DHS clients without regard to race, religion, national origin, sex, age, marital status, sexual orientation, or disability. The Child Permanency Program has on occasion denied a contract based on the inability of the Contractor to agree to these terms.

In addition, program staff is committed to providing gender equitable services and has especially concentrated of late on how to support LGBTQ youth in foster care or who are entering adoption or guardianship by identifying and addressing their specific needs with a prospective family. Furthermore, the Child Permanency Program embraces placement of children with prospective adoptive parents regardless of sexual orientation.

Consultants within the Office of Child Welfare Programs have continued to present training for certification, adoption, and permanency workers around the state regarding issues relevant to LGBTQ children in care. One of the consultants has received training by the Human Rights Campaign on systems working with LGBTQ children and adults as our clients.

The array of website permanency recruitment programs (*Oregon Adoption Resource Exchange –OARE; Northwest Adoption Resource Exchange –NWAE; and AdoptUSKids*) used to help recruit prospective adoptive and guardianship families for children in care are contracted through the private contractor Northwest Resource Associates (NWRA). All NWRA programs have repeatedly earned the rigorous Seal of Recognition through the Human Rights Commission – *All Children All Families* initiative for their past, continued and ongoing LGBTQ cultural competency and training, both as an employer who employs a diversity of staff as well as a provider of programs serving both children and families. All NWRA programs have a documented policy and practice of Non-Discrimination & Non-Harassment, inclusive of diverse backgrounds.

## Post Adoption Services

In compliance with ORS 417.270, the Post Adoption Services Program provides equitable services and supports for both male and female children and youth. Monthly subsidies and medical coverage are provided on behalf of the children to their adoptive parents and guardians. The purpose is to promote the achievement of permanency for special needs children and the ongoing stability of the children in their adoptive and guardian homes.

The monthly subsidies are individualized and based on the unique needs and expenses of the child and family. Needs and expenses related to gender specific services and supports would be considered when determining the amount of monthly subsidy provided a family.

Additional support services are provided through a private contractor. The services include consultation, referral, and training provided by adoption and guardianship professionals. The current vendor is the Oregon Post Adoption Resource Center (ORPARC). ORPARC employs specialized staff who are knowledgeable of the myriad of mental health, educational, therapeutic, and other support services throughout Oregon that could support the individualized needs of children adopted or in guardianships. ORPARC employees consult in depth with families and professionals to provide advocacy and guidance, and to make referrals to services to promote family functioning and prevent dissolution of the adoption and guardianships. As a program of Northwest Resource Associates (NWRA), ORPARC has repeatedly earned the rigorous Seal of Recognition through the Human Rights Commission – *All Children All Families* initiative for its past, continued and ongoing LGBTQ cultural competency and training, both as an employer who employs a diversity of staff as well as a provider of programs serving children and families. All NWRA programs have a documented policy and practice of Non-Discrimination & Non-Harassment, inclusive of diverse backgrounds.

By contract, ORPARC is required to provide equitable access to serve both males and females under age 18, including access to appropriate facilities, services, and treatment. ORPARC is also required to abide by a non-discrimination clause regarding race, religion, national origin, sex, age, marital status, sexual orientation, or disability, and must provide reasonable accommodations to meet the cultural, language, and other special needs of clients. Available on the ORPARC website is a web resource list of LGBTQ Parenting Resources divided into the following areas of service: Parent Resources, Parent Support Groups, Civil & Human Rights Organizations, and



Resources for LGBTQ Youth or Children of LGBTQ Parents. ORPARC also facilitates an Online Parent Support Group specific to LGBTQ state Adoptive/Guardianship Parents through a private Facebook group.

ORPARC also operates a lending library which offers a wealth of literature and resource packets, free of charge, to adoptive parents, guardians, and other professionals serving special needs adopted and guardian children. The materials cover a breadth of topics, and include books specific to gender specific development and identity formation of children and youth. The goal being to ensure children of all genders have informed adults parenting and providing them support to meet their unique needs. ORPARC also maintains a LGBTQ specific library resource list, including materials on adoption, education & scholarships, health & wellness, mental health & therapy, legal concerns, retirement & elderly concerns, and support groups.

In addition, ORPARC professionals deliver training, and collaborate with other agencies to offer training opportunities to families and professionals to aid in the ongoing support and development of children and youth, including some trainings in Spanish. The trainings they have offered regarding child development, attachment, collaborative problem solving, openness, life story work, social media, sensory issues, bullying and transracial adoption are relevant to parents and professionals supporting children and youth of all genders. ORPARC also regularly features LGBTQ related resources, events and opportunities in a quarterly newsletter “The Journey”, and/or posted on the community calendar. ORPARC also highlights at least one, if not more, LGBTQ adoptive families (of the seven total families featured) during the annual Adoptive Family Portrait Project, conducted in partnership with Voice for Adoption. On ORPARC’s website in the Our Stories section, numerous LGBTQ family stories are featured.

### **DHS LGBTQ Statewide Collaborative Team**

Over the past year, the following trainings were conducted by the DHS LGBTQ Statewide Collaborative team. The objectives from this training were:

- Gain a basic understanding of sexual orientation, gender identity and gender expression
- Gain an appreciation of the risk factors faced by sexual and gender minority youth
- Learn how to better support sexual and gender minority youth

Additional topics were covered and discussed based on the needs and requests from the specific audience.

Training initially entitled Caring for Sexual Minority Youth, and then changed to Caring for Sexual and Gender Minority Youth, for caregivers has been scheduled ten times since its inception late in 2010; including two sessions provided via Net Link. The last request for this topic was in 2016. Three of the scheduled sessions were cancelled due to low/no enrollment; the seven that occurred were attended by 62 participants, 14 of those in the Net Link sessions.

Three Net Link sessions covering the same topic, but directed toward staff, have been provided. Those three sessions were attended by 162 participants.

### **Classroom Training: Positively Impacting Child and Youth Well-Being: Sexual Orientation, Gender Identity and Expression**

This training continues to be provided by a DHS Foster Care Consultant. The various audiences are: Foster Care Certifiers, Certification Quarterlies - Metro region of Multnomah County, Oregon City for Western Region, Roseburg for Southern Region, Hood River for Eastern Region. This is 1.5-hour training.

### **Establishment of DHS LGBTQ Advisory Group**

The Department has established an advisory group representing child welfare, disability, and self-sufficiency program areas, as well as community partners and clients. The purpose of this group is to review and provide recommendations from the LGBTQ-lens as the Department establishes policies and rules in a variety of programmatic areas.

## Child Well-Being Program

The services provided to children who are in Child Welfare programs remains consistent over time in terms of gender equity. The United States Census estimates that 48.8% of children in Oregon under the age of 18 are females.

**2017 Oregon Child Population Estimates by Sex, Under 18 years**

Description	Number	Percent
Male	447,261	51.2%
Female	426,358	48.8%
Both Sexes	873,619	100.0%

Source:

<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

The population of children in out-of-home care during the federal fiscal year 2017:

**Gender of Children Served in Foster Care**

Gender	Current Year	
	Number	Percent
Boys	6,018	51.7%
Girls	5,627	48.3%
<b>Total</b>	<b>11,645</b>	<b>100.0%</b>

Source: Oregon Data Book, AFCARS

Of the children who entered foster care between 10/1/2016 and 9/30/107, females represented 48.3% of the children served in foster care.

DHS - Office of Child Welfare Program contracts with a large number of Oregon licensed child caring agencies for residential treatment services for children. The purposes of these programs are to serve children who have emotional and behavioral needs that cannot be met in their own homes or within the community in a relative or non-relative family foster home, but require a higher level of treatment oriented care and services.

During the biennium, the Office responded to a gap in female gender-specific residential programming by awarding contracts to two child caring agencies for up to 24 girls. One of the programs focuses on services to girls who have been victims of sex trafficking. The Office is currently in negotiations with a Portland metro area child caring agency to provide residential treatment programming designed specifically to meet the needs of LGBTQ youth.

The Child Welfare program also provides an array of services and supports to older youth in foster care to assist them in their successful transition to adulthood. Of the youth who exit after reaching 18 years of age, the ratio between male and females begins to change with 53% of the youth exiting over after age 18 are female. Interestingly these transition levels of services have a much higher participation rate of females than males.

<p><b>Independent Living Program</b></p> <ul style="list-style-type: none"> <li>• Male: 558 (43%)</li> <li>• Female: 751 (57%)</li> </ul>	<p><b>Independent Living Subsidy Program</b></p> <p>Male: 45 (34%) Female: 86 (66%)</p>	<p><b>Chafee Housing (former foster youth)</b></p> <p>Male: 15 (34%) Female: 29 (66%)</p>
<p><b>Driver’s Education Courses</b></p> <p>Male: 35 (39%) Females: 55 (61%)</p>	<p><b>Other Financial Support/Assistance</b></p> <p>Male: 271 (40%) Female: 402 (60%)</p>	

**Strategies in place to continue a focus on gender equity:**

- DHS - Office of Child Welfare Program has and will continue to encourage the Residential Services Programs in Oregon to utilize the *Gender-Responsive Standards and Assessment Tool for Girls Programs*

*and Services.* The G-SAT is a great resource for enhancing a program's gender-responsive approach and by integrating these empirically-based standards; they should improve the outcomes for girls.

- The department anticipates having some staff attend the upcoming training conference in Oregon during October, which is sponsored by the Coalition of Advocates for Equal Access for Girls <http://equalaccessforgirls.org>
- The department will continue to recruit licensed child caring agencies to develop programs for higher levels of care for girls in Oregon. (A full copy of the department's policy and procedures for gender-specific services for youth is available at:) <http://www.dhs.state.or.us/policy/>.

## **2019-21 Intellectual & Developmental Disabilities (I/DD) Community Housing Fund Report**

The I/DD Community Housing Program assists persons with developmental disabilities to live successfully in community housing that is affordable and safe and contributes to their independence and quality of life. I/DD Community Housing supports services to persons with developmental disabilities in the following ways:

- Oversees the property management of homes developed for the former Fairview State Training Center residents.
- Funds eligible home modification projects for children and adults with developmental disabilities living in their own or family homes.
- Coordinates the operation of the Fairview Community Housing Trust that was established with revenue from the sale of Fairview.
- Provides technical assistance to individuals, families, brokerages, and counties regarding housing issues faced by persons with developmental disabilities and best practices to implement solutions.

Funding for the program is maintained in three separate Treasury Fund accounts. Two of those accounts contain the proceeds from the sale of the Fairview State Training Center and the third is for the operating fund for maintenance, development, technical assistance, etc.

## **Fairview Community Housing Trust Accounts**

The two accounts containing proceeds from the sale of the Fairview State Training Center are designated in statute until January 1, 2020; thereafter, SB 491 enrolled in 2019 Regular Session, amends the following:

*\*\* Per ORS 427.340 "The Department of Human Services may expend, for the purposes of ORS 427.330 to 427.345, any earnings credited to the account, including any income from the lease of surplus property and any interest earned on monies deposited in the account, and up to five percent of any sale or transfer proceeds initially credited to the account by the Oregon Department of Administrative Services. At least 95 percent of all sale or transfer proceeds shall remain in the account in perpetuity."*

Historically, the funding from the five percent of sale proceeds account as well as the accrued interest on both accounts has been used to provide grant funding to children and adults with developmental disabilities to allow for them to continue living in their own home or family home.

As part of the budget development process for 2011-2013, a reduction action was put forward to expend the balances out of the two Fairview Community Housing Trust Accounts. The action that was taken was to leave \$6,000,000 in the corpus or 95% sale proceeds account and to use \$5,970,375 from that account combined with the projected remaining balance in the 5% Fairview Grant account of \$979,759 for a total of \$6,950,134. This action was taken in year two of the biennium and the grant fund program suspended.

A Policy Option Package for 2013-15 would have restored the corpus account to pre 2011-2013 balance, adding back \$6,950,134 GF; however, the Policy Option package was not selected as part of the Legislatively Adopted Budget.

In 2015-17, a legislative action added \$92,500, EOTC sale proceeds, to the Trust. This action resulted in a combined account balance of \$6,079,941 as of April 30, 2016.

After 2016 Legislative Session, a Fairview Advisory Committee was formed to develop and propose strategies for the use of the Fairview Housing Trust funds. Per recommendation of the group, 95% of the funds (\$5,112,741) were invested in the state's intermediate term fund on September 1, 2016. Five percent of the funds (\$941,988) remains in a Treasury account for easier distribution, if needed.

Taking direction from the IDD Community, the Fairview Trust Advisory Committee has identified three areas where people with IDD and their families struggle in housing: 1. Not enough adaptable or accessible units 2. units are not affordable and 3. no financial mechanisms to help with first and last month's rent, plus deposit. The Fairview Trust Advisory Committee is working in partnership with Oregon Housing and Community Services to create partnerships that will create adaptable, accessible, affordable units across Oregon. In addition, the Advisory Committee has also committed to providing Fairview Trust dollars to allow for first/last month's rent plus deposit when someone first moves into the newly constructed units.

The Fairview Trust Committee has also researched using Fairview Trust dollars to tackle the three identified housing deficiencies in the following manner:

- developing strong public-private partnerships to establish new units or preserve and remodel existing units to be suitable for people experiencing IDD.
- continuing to build local and state-level partnerships to connect people experiencing IDD with available state and federal rent subsidies.
- establishing a grant program to help people experiencing IDD to get first/last month's rent and deposit.

Per 2019 Legislative Session, Senate Bill 491, relating to housing for individuals with developmental disabilities; creating new provisions; amending ORS 427.340; and repealing ORS 427.345 was enrolled. The two Fairview Housing Trust fund accounts shall be transferred to the Oregon Community Foundation. The bill amended ORS 427.340 to reflect that the Department of Human Services is no longer authorized to expend the funds or required to report on the funds as part of budget submission. Other operations of this account will remain unchanged.



Per 2019 Legislative Session, Senate Bill 491, relating to housing for individuals with developmental disabilities; creating new provisions; amending ORS 427.340; and repealing ORS 427.345 was enrolled. The two Fairview Housing Trust fund accounts shall be transferred to the Oregon Community Foundation. The bill amended ORS 427.340 to call out the remaining, third account in the State Treasury, Developmental Disabilities Community Housing Fund, which is separate and distinct from the General Fund. Operations of this account will remain unchanged.

<b>Fairview Community Housing Trust Account (95% Restricted Account)</b>			
	<b>GF</b>	<b>OF</b>	<b>TF</b>
Deposit, September 2016	\$0	\$5,112,741	\$5,112,741
Interest Gain/Loss Treasury Account	\$0	\$396,053	\$396,053
Total Revenue, September 30, 2019	\$0	\$5,508,794	\$5,508,794
Total Expenditures	\$0	\$0	\$0
Balance, September 30, 2019	\$0	\$5,508,794	\$5,508,794

<b>Fairview Community Housing Trust Account (5% Unrestricted Account)</b>			
	<b>GF</b>	<b>OF</b>	<b>TF</b>
Deposit	\$0	\$0	\$0
OF Limitation, September 2016	\$0	\$985,626	\$985,626
Interest Gain/Loss Treasury Account	\$0	\$59,242	\$59,242
Total Revenue, September 30, 2019	\$0	\$1,044,868	\$1,044,868
Total Expenditures	\$0	\$0	\$0
Balance, September 30, 2019	\$0	\$1,044,868	\$1,044,868

## **I/DD Community Housing Operating Account**

When Fairview was downsized and eventually closed, the I/DD Community Housing Section in partnership with private non-profit housing developers constructed or remodeled 200 homes to provide housing for those residents and persons misplaced in nursing homes. It was called the Community Integration Project (CIP). The homes were funded by general obligation bonds sold by Oregon Housing and Community Service Department (OHCDS) and incorporate many specialized features. Per an agreement with OHCDS a reserve amount of \$500,000 is required for this account to assure maintenance of an asset purchased with GO bonds.

The I/DD Community Housing Section allocates funds and provides oversight and technical assistance in order to develop, adapt and maintain safe and appropriate housing for children and adults with developmental disabilities that receive services funded and/or licensed by the Department of Human Services. The persons receiving services in Oregon live in a variety of settings. These include, among others, services to children living in family homes, adults and children in 24-hour licensed out of home services, foster care, and adults in apartments or private homes. Often, providing these services requires that housing be constructed, modified or adapted in order to meet the needs of persons and to assure that homes are safe and adapted to the unique needs of the persons who live there. In carrying out its responsibilities, the I/DD Community Housing Section:

- Manages the maintenance and repair program for 200 bond funded homes that provide housing for persons with developmental disabilities receiving 24-hour support;
- Provides technical assistance to families and support agencies regarding specialized home adaptations;
- Develops homes to meet critical client needs;
- Manages and allocates funding for housing adaptations for adults and children with developmental disabilities receiving funded services;
- Provides fiscal oversight of expenditures from the Housing Fund, and within the Fund, the Fairview Housing Trust Account.

<b>I/DD Community Housing Operating Fund</b>			
	<b>GF</b>	<b>OF</b>	<b>TF</b>
Deposit	\$ 3,002,251	\$0	\$ 3,002,251
Reserve	\$0	\$500,000	\$500,000
*Accrued Interest	\$0	\$556,074	\$556,074
OF Limitation (19-21 Operations Budget)	\$0	\$3,002,251	\$ 3,002,251
Total Revenue	\$ 3,002,251	\$4,058,325	\$7,060,576
Total Expenditures	\$ 3,002,251	\$ 3,002,251	\$6,004,502

*Account 1000001029 information from Oregon State Treasury Bank Statement ending September 30, 2019*

Department of Human Services IT Related Projects/Initiatives														
Program Area	Agency	Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 19-21 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation P=Planning E=Execution C=Close-out	If Continuing project - has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times	Purpose L=Lifecycle Replacement; U=Upgrade existing system; N=New System	What Program or line of business does the project support	Comments
Aging and People with Disabilities	DHS	Provider Time Capture (PTC)	Enable DHS/OHA time capture system for HCW and PSW. Implement a shared time capture solution for the APD and HSD programs for their Home Care Workers (HCW) to include time, attendance and travel. Bring DHS/OHA in compliance with the Department of Labor's FLSA regarding employee record keeping and overtime. The Department of Human Services (DHS) and Oregon Health Authority (OHA) in-home care programs have a need for a system that will increase program integrity and comply with the federal 21st Century CURES Act for Electronic Visit Verification System and the U.S. Department of Labor (U.S. DOL) Fair Labor Standards Act (FLSA). This will be done with the implementation of a time, attendance and payment system for the program's Home Care Workers and Personal Support Workers (HCW/PSW). The drivers for this work include a need for: 1. Improved timeliness and accuracy of data 2. Improved compliance with federal, state, and bargaining requirements 3. Increased efficiency and internal controls 4. Decreased duplication of efforts across agencies 5. HCW/PSW to accurately and timely report services provided across programs 6. Decrease dependency on outdated legacy systems	1-Sep-14	30-Sep-21	\$ 7,085,091	\$ 12,783,922	\$ 20,694,564	Base	P	Y, 7	N	APD/HSD	
Vocational Rehabilitation	DHS	ORCA VR Alliance	The ORCA VR Alliance Project will move the state hosted ORCA system and XTEND code management to an Alliance SaaS solution that is a hosted environment housed within the Microsoft Azure Government Cloud. Alliance Enterprises, the software vendor for the AWARE COTS case management system used by Vocational Rehabilitation (VR), is written to support the U.S. Department of Education Rehabilitation Services Administration (RSA) rules and reporting requirements, as well as the RSA and Americans with Disabilities Act (ADA) policy requirements. Since Vocational Rehabilitation (VR) implemented ORCA (the Oregon version of AWARE) in 1996, Alliance has been responsible for developing, maintaining, and enhancing the core AWARE coding that spans across 37 states, while OIS and VR have been responsible for developing, maintaining, and enhancing the Xten code for ORCA. Multiple entities revising the same product at least 2 times per year for approximately 20 years has resulted in a variety of issues.VR is requesting an Alliance hosted SaaS to mitigate the issues.	22-Jun-18	30-Sep-19	\$ 166,812	\$ 568,936	\$ 1,000,000	Base	P/E	N	N	VR	
Child Welfare	DHS	CCWIS	A program of work to modernize the OR-Kids Child Welfare system to meet federal requirements and improve the validity, quality, and timeliness of the data in the system. The Oregon Department of Human Services Child Welfare Program (Oregon DHS) will transition OR-Kids, its system of record, from a Statewide Automated Child Welfare Information System (SACWIS) to a Comprehensive Child Welfare Information System (CCWIS) designation pursuant to the CCWIS Final Rule at 1355.56 and 1355.52 (i)(1). Transition SACWIS system to CCWIS while undertaking a comprehensive effort to address issues related to compliance, enhance the application for end-users, and move toward modernization and modularity.	1-Sep-19	1-Feb-23	\$ -	TBD	TBD	Base	I	N	U	CW	Formerly SACWIS to CCWIS Pre Initiation In the Queue
Child Welfare	DHS	IRMS ERMS - Child Welfare	Implement an ERMS for Child Welfare to deliver to the Governor's Executive Order that Child Welfare records shall be digitized and easily accessible.	TBD	TBD	\$ -	TBD	TBD	Base	I	N	N	CW	
ODDS	DHS	eXPRS Platform Migration	eXPRS needs to be migrated off the AIX server with Websphere 7 middleware to a newer set of servers and middleware.	1-Oct-19	TBD	\$ -	TBD	TBD	TBD	I	N	U	ODDS	
Shared	Enterprise	IRMS Inventory Management System	Implement a system to centrally archive and manage agency records. (enterprise - not the child welfare project)	TBD	TBD	TBD	TBD	TBD	TBD	I	N	N	Shared	
Office of Information Services	Enterprise	Terminal Emulator Replacement	Project to determine whether to upgrade or replace Host Explorer as the standard terminal emulator. Current enterprise PC desktop emulation software enabling connection to the mainframe is Open Text's Host Explorer 6.0 software. This software allows access to the mainframe and supports Transport Layer Security (TLS) 1.0 level encryption. Before the close of 2017, ETS will be upgrading the mainframe to TLS 1.2 level encryption. OHA/DHS need emulation software that can support this upgrade.	TBD	TBD	\$ -	TBD	TBD	Base	I	N	L	Shared	Project queued to begin in late 2019 once the maintenance work is completed. Project formerly known as Host Explorer Pre-initiation In the Queue
Health Systems Division	Enterprise	MMIS Medicaid Modularity Planning	This POP requests state funds to secure 90% federal financial participation funds to: align to CMS mandates for states to modularize their Medicaid portfolio. These funds will be used to define Oregon's Medicaid Service Delivery strategic plan, assess other states modularization approaches, identify options for modular solutions, define certification requirements as required by CMS, and begin procurement activities to secure modular solution components.	1-Jan-17	TBD	\$ 286,131	\$ 1,872,692	TBD	POP	P	N	L	HSD	Planning phase only
Shared Background Check Unit	Enterprise	CRIMS Replacement	Replace the existing CRIMS application with a CMS sanctioned application. Replace the existing background check software with one approved by CMS and CJIS compliant. BCU is seeking approval and support to implement the NBCP BCS system. Implementation is inclusive of an interface to LEDS and data migration from CRIMS.	10-Aug-18	31-Dec-19	\$ 197,254	\$ 181,488	\$ 265,742	POP	E	N	N	BCU	
Shared	Enterprise	Integrated Eligibility (IE)	The purpose of the Oregon Department of Human Services (DHS) OregONEligibility Integrated Eligibility (ONE IE) Project or, the "Project," is to extend the Modified Adjusted Gross Income (MAGI) Medicaid enrollment and eligibility determination functionality to include Non-MAGI Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment-Related Day Care (ERDC). Quick, correct and efficient eligibility determinations for Medicaid (MAGI and Non-MAGI), SNAP, TANF, and Child Care. Extend the OregONEligibility (ONE) to include eligibility determination for the Non-Modified Adjusted Gross Income (Non-MAGI) Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related Day Care (ERDC) programs. The system will include an on-line portal for applicants, better support for eligibility workers, and it will integrate with other Department of Human Services (DHS), Oregon Health Authority (OHA), and external systems.	1-Jul-15	29-Jan-21	\$ 152,274,452	\$ 192,121,366	\$ 355,261,781	POP	P/E	Y,4	U/N	SSP, HSD, APD	
Shared	Enterprise	MMIS 2 Environments	Implement new MMIS UAT and Performance environments in support of the Integrated Eligibility project. These environments will be further used as on-going UAT and Performance environments within support of MMIS at OHA.	1-Feb-19	1-Jun-20	\$ 6,769,432	\$ 1,225,914	\$ 7,054,114	B	E	N	N	HSD, IE	

**Department of Human Services IT Related Projects/Initiatives**

Program Area	Agency	Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 19-21 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation P=Planning E=Execution C=Close-out	If Continuing project - has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times	Purpose L=Lifecycle Replacement; U=Upgrade existing system; N=New System	What Program or line of business does the project support	Comments
Shared	Enterprise	Office 365 Implementation	Implement Office 365 (Phase 1 Functionality) throughout OHA and DHS.	24-Apr-17	1-Nov-19	\$ 405,716	\$ 44,640	\$ 450,356	Base	E	N	U	Shared	
Aging and People with Disabilities	Enterprise	Centralized Abuse Management (CAM)	Implementation of a Centralized Abuse Management System capturing adult abuse allegations from intake and screening through investigation, documentation, referrals, and case closure. Implementation of a Centralized Abuse Management System to allow OAAPI and its program partners to monitor abuse screenings and investigations occurring around the state in real time, provide critical and accurate abuse data and performance metrics to internal and external partners, connect the dots' statewide to protect vulnerable Oregonians and prevent abusers from moving from one system or region to another undetected, and protect DHS and OHA programs from the risk of abuse referrals or investigations 'falling through the cracks' or going unaddressed without detection.	1-Jul-15	30-Jun-20	\$ 10,338,490	\$ 6,887,462	\$ 17,225,952	Base	P/E	Y, 10	N	OTIS, APD, DD, HSD	
Shared	Enterprise	Windows 2008 Server Migration	Upgrade existing Windows Servers 2008. The 2008 Windows version is reaching end-of-life as of January 2020.	25-Mar-19	31-Jan-20	\$ -	TBD	TBD	Base	E	N	U	Shared	
Office of Information Services	Enterprise	IT Asset Management System	Implementation of the CA/Broadcom IT Asset Management System for tracking hardware assets and proof of concept for the CA/Broadcom software tracking tool.	10-Apr-17	30-Apr-20	\$ 325,285	\$ 492,898	\$ 818,183	Base	P	N	N	OIS	added 7/24/19 KBD Active Project
Office of Information Services	Enterprise	Software Asset Management System	This project will choose and/or implement a software asset management system for the ITAM team.	6-Jan-20	TBD	\$ -	TBD	TBD	Base	I	N	N	OIS	added 7/25/19 KBD In the Queue
Shared	Enterprise	OregonBuys Implementation	Implementation of OregonBuys to OHA and DHS (DAS enterprise procurement system).	TBD	TBD	\$ -	TBD	TBD	Base	I	N	N	Shared	
Shared	Enterprise	SFTP to MFT	Transition from SFTP to Managed File Transfer using iMOVEit. Purpose - to transition large files via email more securely.	TBD	TBD	\$ -	TBD	TBD	TBD	TBD	N	N	Shared	
Shared	Enterprise	Text Message Archive Solution	Identify, evaluate, and procure an enterprise solution to archive text messages on state mobile devices.	TBD	TBD	\$ -	TBD	TBD	TBD	I	N	N	Shared	
Office of Information Services	Enterprise	OIS Multifactor Authentication	OIS-CSS is proposing Azure Multi-Factor Authentication (MFA) to protect the OHA/DHS from cyber attacks.	TBD	TBD	\$ -	TBD	TBD	TBD	I	N	N	Shared	
Office of Information Services	Enterprise	SharePoint Migration	SharePoint 2013 is currently deployed as the on-premises instance, and needs to be transitioned to SharePoint Online or on-premise upgrade ahead of Microsoft ending support in 2023.	1-Jan-20	1-Jan-23	\$ -	TBD	TBD	TBD	I	N	U	Shared	

# DHS|OHA

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## Business Case (revised December 21, 2018)

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Centralized Abuse Management (CAM)  
(Formerly Statewide Adult Abuse Data and Report Writing System – SAADRWS)

## VERSION LOG

Version	Description	Author	Date
0.1	Initial Draft	N Grengs	3/15/2016
0.2	Initial Draft with Core team feedback from J Thompson, K Wymore, L Stutheit, F King, J Ammon, T Holland, and J Telagarapu	N Grengs	3/24/2016
0.3	Executive summary, alternatives and conclusions drafted and questions identified	N Grengs	5/5/2016
0.4	Update to reflect Salesforce as the primary alternative, updated costing models, benefits, and risks	N Grengs	5/26/2016
0.5	Reviewed by Executive Steering Committee. Incorporated comments from K Naugle-Wilk, Lea Ann Stutheit, Ian Wilson, and John Thompson. Funding still needs alignment.	N Grengs	06/13/2016
0.6	Updated costs for SF licenses, removed indirect costs.	N Grengs	06/15/2016
1.0	Final Draft updates per Business Case Review Team meeting: Lilia Teninty, Lea Ann Stutheit, Don Erickson, Ian Wilson (for Ashley Carson-Cottingham), Marie Cervantes, Paul Ettinger, Kathryn Naugle Wilk, John Thompson	C. Hawkins-Weltz / K. Wymore	06/23/2016
1.1	Updates to Final Draft based on stakeholder review	C. Hawkins-Weltz	6/27/2016
1.2	Continued updates to FD based on stakeholder comments	K Naugle Wilks	6/28/2016
1.3	Minor edits to spelling, grammar and typing corrections: feedback from Gary Brower and Kristi Ivers	C Hawkins-Weltz	7/15/2016
1.4	Edits from QA feedback	K. Wymore	8/25/2016
1.5	Edits from OSCIO feedback	K Wymore	12/1/2016
2.0	Update to reflect current schedule and cost.	E. Lamb	12/19/2018

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## 1. Executive Summary

Oregon's Department of Human Services (DHS) and Oregon Health Authority (OHA) are committed to ensuring the safety of vulnerable Oregonians. This revised business case outlines the purpose and proposed approach to better serve this population by implementing an integrated solution to investigate, track, and report on incidents of adult abuse

The approach to this revision is to correct errors and update naming conventions within the original business case. Appendix C has been added to detail the schedule and budget changes that have been implemented since the original business case was approved. The goals and objectives are largely unchanged. The scope of the project has not changed. The system was successfully launched in July of 2018 starting with a pilot implementation with the Aging and People with Physical Disabilities (APD) program. Currently, there are over 300 APD users Statewide relying upon this system daily while we prepare to design and develop the next set of functionality to serve the needs of the Office of Developmental Disabilities (ODDS) and Mental Health programs.

The Office of Training, Investigations, and Safety (OTIS) formally known as the Office of Adult Abuse Prevention and Investigations is a DHS/OHA Shared Service that provides abuse-related services to the Aging & People with Physical Disabilities (APD), Office of Developmental Disabilities Services (ODDS), and Child Welfare (CW) programs at DHS, and the Mental Health program in the Human Services Division (HSD) at OHA.

Together with its program partners, OTIS serves some of Oregon's most vulnerable residents, in their own homes or in licensed care facilities. The approximate numbers served include:

- 500,000 older adults and people with physical disabilities;
- 16,000 adults enrolled in ODDS programs;
- 55,000 adults receiving Community Mental Health Services or residing in the Oregon State Hospital (OSH); and
- 3,600 children residing in licensed facilities that provide therapeutic treatment, or children enrolled in ODDS services.

Establishing a centralized abuse management system is of paramount importance to DHS and OHA (herein referred to as "The Agencies".) The Agencies seek to eliminate manual processes as well as the need to utilize legacy systems to standardize and centralize adult abuse data collection for The Agencies.

The objective of this effort is to develop and implement a comprehensive web-based multi-program abuse management system. This system will reduce or eliminate manual input/processes, replace or reduce functionality in legacy systems, standardize, and centralize adult abuse data collection across Oregon, and provide a web-based tool for reporting and analyzing adult abuse. This system will capture abuse allegations and investigations from intake and screening through investigation, case closure, and referrals documentation, and will support abuse management oversight and inquiries. A centralized system will enhance DHS and OHA's ability to protect vulnerable Oregonians, by replacing existing manual and disparate processes and systems across the state with a fully integrated system that improves visibility.

## 1.1 Background

Oregonians will be better served with a centralized adult abuse management system replacing the existing collection of manual processes and disparate systems currently used across the state. Currently, State Agencies, partner organizations, and local office workers<sup>1</sup> interpret Oregon Administrative rules differently regarding which allegations of abuse to screen in. Most offices lack a consistent, automated mechanism to screen in, investigate, document, and report or track the full life cycle of an abuse incident and the parties involved. Implementing a single, stable, rules-based solution will improve consistency, streamline workflow, increase efficiencies at local offices and reduce gaps in the availability of timely, pertinent information to support abuse investigations throughout the state. The Agencies' goal is to increase awareness of patterns of abuse in licensed settings and in the community.

## 1.2 Opportunity Definition

The Agencies' are championing this initiative to improve services and support for vulnerable Oregonians through implementation of consistent processes and robust systems.

The outcomes this project will achieve are responsive to challenges identified by multiple studies and legislation including House Bill 4151 (HB4151) and Senate Bill 1515 (SB1515). HB4151 requires DHS to standardize resources and technologies related to abuse investigations. SB1515 requires DHS and OHA to improve communications about abuse investigations with certifying, licensing, and authorizing organizations. A centralized abuse management system will also address DHS Elder Abuse Prevention Audit findings, Adult Safety and Protection Team Report recommendations and the Resident Safety Review Council Report from February 2013.

The high-level business objectives driving this effort are to:

- Better protect the individuals we serve.
- Increase productivity and efficiency through automation.
  - Document reports of abuse, screening decisions, and investigations centrally and in real-time so local staff, local management, Central Office, OTIS, and others with a need to know have immediate access to information.
  - Reduce duplicate data entry and manual work.
- Support program variation and frequent changes.
- Support the growing abuse management workload.
- Identify and track abuse across the lifespan of a person (victim and/or perpetrator).
- Identify and track abuse and abuse history at DHS-licensed facilities across programs.
- Produce standardized information for auditing and analysis.
- Implement an easy-to-use, web-based, system.

The Agencies' original vision was to have at least a minimally viable solution of core functionality across all programs in scope implemented in a first release with a second release to follow with

<sup>1</sup> Local office workers include screeners, investigators, and supervisors in the offices across the state that are performing the work for any of the programs included in the scope of this project.

the remaining requirements and enhancements. Core functionality was defined as the functionality to support intake and screening through investigation, case closure and referrals documentation, and reporting processes. However, the Agencies intended to enlist the assistance of a System Integrator (SI) to propose implementation options for the Agencies' consideration that included the suggested scope, functionality, programs included and release dates for the implementation of the CAM system, with the success criteria for the project's planned releases to be determined in the execution phase in collaboration with the System Integrator.

### 1.3 Alternatives Analysis

After a preliminary business case proposed the development of a custom solution, the Agencies invested significant efforts to assess other alternatives. A team comprised of program and technology members conducted in-depth market research. The market research included in-depth interviews with 18 states to discover their abuse management solutions. This market research yielded two viable solutions utilized by other states and two used in Oregon. The team did further in-depth analysis of the capabilities of these four options against functional and technical requirements and conducted customer demos and on-site visits. The Agencies concluded that building a custom Centralized Abuse Management System introduced much higher risk and cost compared to pursuing a different alternative. Detailed information from the in-depth analysis and site visits are in the Alternatives Analysis, [Section 5.0](#), of this document and in the supplemental documents. Information gained during customer demos and site visits eliminated some alternatives under consideration identified from the project's initial market research. These eliminated options included Commercial off the Shelf (COTS) solutions and transfer solutions used by other entities resulting in the following remaining alternatives.

#### Alternative 1: Purchase Software as a Service Solution; leverage another state's use of that SaaS

Under this alternative, a Software as a Solution (SaaS) CRM solution would be purchased, configured, and customized to meet the CAM Project's detailed requirements. This approach allows relatively quick design, build and implementation plus ongoing flexibility to meet the continuously changing business/regulatory environment at a reasonable cost.

Oregon has the opportunity to leverage requirements for Colorado's Adult Protective Services (CAPS) solution implemented in June 2015 as a starting point for a SaaS solution. Colorado implemented CAPS in June 2015 using Salesforce, a Customer Relationship Management (CRM) SaaS solution. Oregon can leverage CAPS' foundational capabilities, substantially reducing the time to deliver, the cost of implementation, and the exposure to risk for Oregon. DHS and OHA Executive Leadership believe this synthesized approach represents the best fit for Oregon's needs. More details regarding Colorado's solution and the proposed implementation approach are outlined later in sections [5.1.1](#) and [6.2](#) of this document.

Under this alternative, Oregon will leverage Colorado's solution as foundational requirements for Oregon's abuse management toolset, using the services of a Systems Integrator to configure and/or customize the software to meet Oregon's needs. The estimated cost of this alternative through implementation is ~4.7 million dollars with at total estimated cost through 2023 of approximately ~8.4 million dollars.

#### Alternative 2: Implement a Custom Build System

Under this alternative, the Agencies would design, develop, test, and deploy a custom solution for

The Agencies' Centralized Abuse Management needs. This alternative would allow a tailor-made solution that would meet all the functional, technical, and organization requirements. The cost, risks, and timeline to implement are substantially higher than implementing a SaaS solution leveraging Colorado's foundational requirements. The total estimated cost for this alternative through implementation is ~11.9 million dollars with a total estimated cost through 2023 of approximately ~\$17.0 million dollars.

### Alternative 3: Maintain the Status Quo

Under this alternative Oregon would maintain the current status quo with disparate, disconnected systems and highly manual processes and there would be no additional investment in abuse tracking system automation. The requirements and recommendations made by HB4151, SB1515, and various reports and audits would not be met in the foreseeable future. The Agencies' fragmented approach would continue and improvements to current processes would be limited to those that arise naturally through the Agencies' continuous improvement program. The Agencies would continue with ineffective, disconnected, automated and manual systems, which are increasingly difficult to oversee and analyze. The total estimated cost of this alternative through 2023 of approximately ~\$5.2 million dollars.

In light of the settlement that was reached with Oracle in September of 2016, the Agencies were asked to evaluate the appropriateness and feasibility of implementing the CAM solution using Oracle products contained in the negotiated User License Agreement (ULA). The settlement offers Oracle's catalog of products free of charge for the next 5 years and 10 months. However, use of Oracle products would not allow the Agencies to leverage the foundational capabilities of the Colorado CAPS solution due to the fact that Colorado's code is specific to the Salesforce platform. The Colorado solution is the only proven implementation of an Abuse Management System on a CRM platform. An approach using Oracle products would substantially increase the time to deliver a solution and expose Oregon to additional risk as the Agencies would be unable to leverage the work done in Colorado and would be required to develop a solution on an unproven platform from the ground up. Implementation costs would increase to support additional requirements, design, and development efforts. A transfer approach of Colorado's solution will establish a collaborative relationship with Colorado and enable Oregon to continue to benefit from any new developments that Colorado makes to their solution. This continuous collaboration, allowing Oregon the option to use those enhancements free of charge, is dependent on the transfer and use of the CAPS code on the Salesforce platform and could not be utilized with an approach including Oracle products.

### *1.4 Conclusions and Recommendations*

Based on the analysis of the alternatives, DHS and OHA intend to pursue Alternative 1: Implement a SaaS Solution and leverage another state's capabilities with that SaaS. This strategy will help accelerate Oregon's implementation efforts, while reducing risk and shortening the implementation timeline.

Section 6.2, Table 5 (5) of this document sets out a preliminary schedule to implement the Centralized Abuse Management system in two releases. To support the commitments made to the Legislature of an implemented solution within the 2015-2017 biennia and in response to HB4151 and SB1515, the project's scope will be implemented in two releases. A first release is projected to complete by June 2017 and the second release by December 2017. The high-level estimated cost of implementing the system and operating it through December 2017 for both releases is approximately \$4.7 million. The project has been funded for a total of \$5,632,037 which includes \$1,437,494 of general funds, \$3,300,000 of Q bonds and \$894,543 for Qbond

issue and debt service for a total of usable project funds of \$4,737,494. Funds for issue and debt service will not be reported in the funding. Ongoing operating costs post-implementation through June 2023 are estimated at another \$3.0 million, for a total 7-year investment of approximately \$8.4 million. Actual costs may differ depending on per user licensing costs and vendor responses to the planned Request for Proposal (RFP) for System Integrator (SI) services.

## 2. Background & Purpose

### 2.1 Current State of Abuse Management Operations

The Office of Training, Investigations, and Safety (OTIS) is a DHS/OHA Shared Service that provides abuse-related services to the populations served by The Agencies and provides services for some of Oregon's most vulnerable residents, in their own homes or in licensed care facilities.

The Agencies use many different methods to support screening, investigations, referrals, and other abuse management processes. At their core, these processes have very similar steps. They vary depending on: 1) The population served; 2) If the intake/screening/investigating organization is a state organization or contracted party and; 3) Which computer applications and end user tools they have available for their use. There are seven (7) key systems, six (6) of which are state owned and one (1) owned by a local county, and more than 120 local databases and Microsoft (MS) Excel spreadsheets in use at this time. These systems are not integrated, nor do they provide all the essential information required for local workers, local managers, and Central Office oversight.

In 2014, almost 750,000 Oregonians were in one of the nine populations supported by the Agencies. During that same year, the Agencies received over 38,000<sup>2</sup> allegations of abuse of these individuals, resulting in 18,185<sup>1</sup> investigations of which 4,544 were substantiated. This number does not account for an unknown number of allegations screened out at the local office level due to the lack of visibility caused by disconnected processes and systems.

According to the 2014 OTIS Annual Report dated July 2015, "In 2014, there was a 10% overall increase in the number of investigations conducted (compared to 2013)." Over the next ten years, the number of allegations received and screened by The Agencies is expected to increase nearly 60%. This assessment increases the projected 50,414 allegations in 2015 to over 78,500 allegations in 2024, due to predicted growth of vulnerable populations. OTIS is projecting 30,800 investigations by 2024, a nearly 63% increase from the 2015 level of 19,000 investigations.

In 2014, the Oregon State Legislature passed House Bill 4151 (HB4151). Section 4 of HB4151 mandates that for adults 65 and older and for residents of Office of Licensing and Regulatory Oversight (OLRO) licensed facilities, DHS "shall adopt policies and guidelines to plan for the development and standardization of resources and technologies" related to abuse. In summary it mandates the following: 1) Capture of key adult abuse incident and management data; 2) Standardization of procedures and protocols for making and responding to reports of abuse; 3) Standardization of procedures and protocols for investigations of reports of abuse and; 4) Promoting and coordinating communication and information sharing with law enforcement agencies regarding reports and investigations of abuse.

There are five main program areas involved in this project: 1) DHS' Aging & People with Disabilities (APD) Adult Protective Services (APS); 2) OHA's Health Systems (HS) Division; 3) DHS' Developmental Disabilities (DD); 4) DHS' Child Welfare (CW) and; 5) OHA's Oregon State Hospital (OSH) Division. For a comprehensive list of stakeholders, see the Business Case Supplemental Documents Package.

There is a long list of Oregon Revised Statutes (ORSs) and Oregon Administrative Rules (OARs) for the program areas and populations served by this project.<sup>3</sup> Some overarching statutes drive

<sup>2</sup> OAAPI Annual Report 2014 – Published July 2015.

<sup>3</sup> A complete list of ORSs and OARs by population served can be found in Business Case Supplemental Documents Package.

consistent rules for multiple populations and program partners. However, there are also specialized rules depending on the population served. A full analysis of the similarities and differences in these rules has not been performed. It is important to note that many factors impact these ORSs/OARs resulting in frequent changes. In the future, there will be one standard process for all populations served. This standard process will allow for the nuances between the ORSs/OARs in place today.

Federal and State legislation, program rules, processes, terminology, reporting and coding requirements are evolving at a quick pace. The different agencies within the US Department of Health and Human Services (HHS) are working toward more standardization in the adult abuse discipline.<sup>4,5</sup> The disconnected tools in use by DHS and OHA are not modern, sophisticated, or flexible enough to evolve with the changing regulatory environment within the state or across the nation.

## *2.2 Current State of DHS Aging and People with Disabilities Abuse Management Operations*

The DHS Aging & People with Disabilities APS program serves two Oregon population groups: APS Community and APS Facility.

- APS Community consists of approximately 620,000 adults age 65 and older and adults 18-24 with a physical disability who live in their own homes in the community.
- APS Facility consists of approximately 46,000 individuals living in DHS-licensed facilities.

Screening and investigation of these reports of abuse are performed by Aging and People with Disabilities (APD) Field Offices and certain Area Agencies on Aging (AAAs).

In 2014, there were approximately:

- 12,100 allegations of APS Community abuse resulting in approximately 3,300 substantiated abuse cases.
- 4,400 allegations of APS Facility abuse resulting in approximately 950 substantiated abuse cases.

The number of allegations supported is difficult to ascertain because the two APS systems in use lack screening capabilities.

<sup>4</sup> In September 2013, recognizing the lack of consistent national data on adult maltreatment, HHS, the Administration for Community Living (ACL), in partnership with the Office of the Assistant Secretary for Planning and Evaluation (ASPE), began a 2-year effort to design and pilot test a national reporting system based on data from state adult protective services (APS) agency information systems. The project is currently designated as the National Adult Maltreatment Reporting System (NAMRS).

<sup>5</sup> The CDC's National Center for Injury Prevention and Control, Division of Violence Prevention has published "Elder Abuse Surveillance: Uniform Definitions and Recommended Core Data Elements" in January 2016. They indicate in their paper "Longstanding divergences in the definitions and data elements used to collect information on Elder Abuse (EA) make it difficult to measure EA nationally, compare the problem across states, counties, and cities, and establish trends and patterns in the occurrence and experience of EA."



The major computer systems used by APS are: 1) Oregon ACCESS, which is a case management system for APS Community Clients, and; 2) Web723, which is a tool for documenting an APS Facility abuse investigation report. These two systems have poor search capabilities making it difficult for workers to find historical abuse information. As a result, offices must resort to tracking key information on spreadsheets and in Microsoft (MS) Access databases.

Other than the Client Tracking System (CTS) for Lane Council of Governments (LCOG), key system screening functionality does not exist. This means local screeners and investigators are not able to see statewide abuse screening information, and central program management is unable to monitor local screening activity or track historical screening trends. Additionally, the search capability in these systems does not support the sophisticated and time-sensitive needs of the program to respond to queries about specific allegations or overall trends. All notices are manually created in MS Word resulting in considerable duplicate data entry and the potential for human error. LCOG has their own MS Access computer system, which allows for LCOG-wide documentation of intake, screening decisions, investigations, and the generation of notices.

### *2.3 Current State of OHA Health Systems Abuse Management Operations*

The OHA Health Systems Division serves two abuse population groups (within the scope of this project). They are: 1) Individuals in State Operated Secure Residential Treatment Facilities and; 2) Individuals receiving Community Mental Health services.

- State Operated Secure Residential Treatment Facilities serve approximately 120 people.
- Community Mental Health Programs (CMHP) are County based and serve approximately 57,200 people.

Screening and investigations involving adults receiving CMHP services are performed by County CMHP staff, with technical assistance and consultation provided by OTIS. Exceptions include when the alleged abuse involves CMHP staff or occurs in a state-operated Secure Residential Treatment facility; in those cases, OTIS staff perform the screening and investigation.

In 2014, there were approximately:

- 15 allegations of abuse for individuals in State Operated Secure Residential Treatment Facilities resulting in about seven substantiated abuse cases.
- 395 allegations of abuse for individuals receiving Community Mental Health services of which approximately 134 were substantiated.

Allegations and investigations for State Operated Secure Residential Treatment Facilities and Community Mental Health that are received by OTIS, are entered into the OTIS Abuse Database. Not all Community Mental Health allegations that are screened out (not needing investigation), are tracked as there is not a centralized database supporting these programs. Technology tools depend on what tools a particular County CMHP has in place. The key computer system used is the OTIS Abuse Database, which is MS Access and is not accessible to the Oregon Counties. All data entered into the OTIS Abuse Database is after the fact, duplicate data entry, and currently used to capture the investigation data electronically for future analysis.

Investigations for these populations are all performed manually and then typed into MS Word. All notices are manually created in MS Word resulting in considerable duplicate data entry and the potential for human error.

## *2.4 Current State of DHS Office of Developmental Disabilities Services Abuse Management Operations*

The DHS Office of Developmental Disabilities Services (ODDS) program serves two Oregon abuse population groups directly: Community DD Program individuals and In Home Program individuals.

- County-based Community DD Programs (CDDP) and the Stabilization and Crisis Unit (SACU) serve approximately 5,800 adults enrolled in (or previously eligible for) CDDP services. These adults live and receive services in either DHS-licensed settings such as provider group homes, state run group homes or private foster homes. CDDP (County) staff perform screenings and investigations of allegations involving CDDP clients. Screening and investigation of allegations in SACU facilities are performed by OTIS investigators.
- The Community DD Programs (CDDP) and Brokerage Operations serve approximately 13,000 adult individuals with Intellectual/Developmental Disabilities (ODDS) living in their own homes or family homes, or DHS-licensed residential facilities. CDDP (County) staff perform screenings and investigations of allegations involving CDDP clients.

Allegations involving individuals with ODDS living in non-DD licensed facilities are screened by either DD or APS, and are generally investigated by APS as indicated above in APS Facility.

In 2014, there were approximately:

- 1,400 allegations of abuse for Community DD individuals resulting in about 675 substantiated abuse cases.
- 70 allegations of abuse for individuals in Stabilization and Crisis Unit facilities of which approximately 20 were substantiated.

Investigations for these populations are all performed manually and then typed into MS Word. Additionally, all notices are manually created in MS Word, resulting in considerable duplicate data entry. The number of reports of abuse that are reported and subsequently screened in for investigation can only be estimated as they are not all tracked in a key computer system. The key computer systems used are Serious Event Review Team (SERT), Combined On-call Intake (COIN) and the OTIS Abuse Database. SERT is old and ineffective. COIN is used by OTIS for tracking allegations, and the OTIS Abuse Database is used by OTIS for all SERT allegations referred to OTIS for investigation. The number of reports that are screened out for further investigation are also unknown as these are tracked only at each individual CDDP.

## *2.5 Current State of DHS Child Welfare Abuse Management Operations with OTIS Oversight*

The Child Welfare (CW) program serves children with intellectual/developmental disabilities living in DHS-licensed 24-hour residential settings and children in DHS-licensed 24-hour residential facilities that are part of the Child Caring Agencies (CCAs). These Oregon abuse population groups are included within the scope of this project.

County Child Welfare staff at the various CW hotlines perform initial screening of all child abuse referrals. When children identified in an allegation live in a licensed setting, the referral is sent to OTIS (using OR-Kids) for additional screening. After screening, investigations for both populations

are performed by OTIS.

In 2014, there were approximately:

- 85 allegations of abuse for children with intellectual/developmental disabilities living in DHS-licensed 24-hour residential settings resulting in about 46 substantiated abuse cases.
- 131 allegations of abuse of children in DHS-licensed Children's Care Provider Programs with approximately 24 substantiated.

Investigations for these populations are all documented manually and then typed into MS Word. Key information is entered into OR-Kids when the investigation is completed. All notices are manually created in MS Word resulting in considerable duplicate data entry. The computer systems used to process these cases are OR-Kids and the OTIS Abuse Database. All allegations for CW are initially captured in OR-Kids and then entered into the OTIS Abuse Database after the fact. The OTIS Abuse Database is MS Access, therefore it is not available to the County CW screeners across the state.

In 2016, the Oregon State Legislature passed Senate Bill 1515 (SB1515). SB1515 adds young adults aged 18 to 21 years old in Child-Caring Agencies (CCAs) to be included in the age definition of "child in care" and expands the definition of CCA. This additional young adult group is estimated to be less than 250 individuals at this time and are included in the CAM Project as part of the population of children in DHS-licensed Children's Care Provider Programs.

The requirements of SB1515 will also likely lead to a much higher percentage of allegations of abuse in CCAs resulting in an investigation, doubling or tripling the number of CCA-related investigations conducted and documented by OTIS.

### *2.6 Current State of OHA's Oregon State Hospital Abuse Management Operations*

The OHA Oregon State Hospital (OSH) serves one abuse population group (within the scope of this project). Approximately 1,220 individuals live at the Oregon State Hospital.

When alleged abuse occurs in the Oregon State Hospital, OTIS staff perform the screening and investigation.

In 2014 there were approximately 78 allegations of abuse for individuals living at the Oregon State Hospital, of which approximately 19 were substantiated.

Allegations and investigation outcomes for the Oregon State Hospital are entered into the key computer system, OTIS Abuse Database, which is an MS Access application. All data entered into the OTIS Abuse Database is after the fact, duplicative data entry, used to capture the investigation data electronically for future analysis.

Investigations for this population are performed manually and then typed into MS Word. All notices are manually created in MS Word resulting in considerable duplicate data entry.

### *2.7 Current Business Process*

In 2014, seven (7) abuse management processes were documented. At a high level, all seven processes involve screening, investigating, referring, and closing allegations, with associated documentation and notifications. Each of these processes are based on a particular program or group of programs, as well as the individual program OARs, which define and guide them. Detailed information about these current processes can be found in the Business Case

**Table 1 – Key Current Business Processes**

Process	Process Description	Process #
OTIS-Led Investigation	This process documents the intake, screening, investigation, report creation, report distribution, and closure of non-CCP investigations completed by OTIS staff.	BP-100
CCA Investigation	This process documents the intake, screening, investigation, report creation, report distribution, and closure of investigations completed by OTIS staff for the CCP Program.	BP-200
County DD Investigation	This process documents the intake, screening, investigation, report creation, report distribution, and closure of investigations completed by the county CDDP abuse investigator.	BP-300
County MH Investigation	This process documents the intake, screening, investigation, report creation, report distribution, and closure of investigations completed by the county Mental Health (MH) Program.	BP-400
APS Community Investigation	This process describes the intake, screening, investigation, report creation, report distribution, and closure by APD and AAA staff for the APS Community Program.	BP-500
APS Facility Investigation	This process describes the intake, screening, investigation, report creation, report distribution, and closure by APD and AAA staff for the APS Facility Program.	BP-600
Lane Council of Government (LCOG) APS Investigation	This process describes the intake, screening, investigation, report creation, report distribution, and closure for the Lane Council of Government Community and Facility APS investigations.	BP-700

The Agencies' have identified and drafted a standardized future state business process with the assistance of the user community across all in scope programs. This process will be used in the fit gap analysis performed by the SI during execution.

### 3. Problem or Opportunity Definition

#### 3.1 The Business Problem

The lack of a centralized abuse system in place today creates obstacles and challenges for The Agencies' work efforts to support vulnerable Oregonians.

The Agencies are committed to the protection of vulnerable Oregonians and are hampered by abuse data that is often fragmented, incomplete, and/or inaccessible. Additionally, staff are required to utilize multiple disparate systems to make determinations about allegations of abuse slowing

response and increasing risk of error. A centralized system that provides cross program abuse information and supports intake, screening, and investigation activities is critical to increase the efficiency and effectiveness of the staff performing those functions and to further protect Oregon citizens. The limitations of the current environment; lack of coordinated systems and data, gaps in visibility and the lack of a unified tracking and reporting process all lead to the imperative for The Agencies to address this situation by implementing a centralized abuse system to establish a clear and complete picture of abuse.

APS receives staff based on workload and the calculations to determine staff needs depend on forecasting future workload projections. The tools and information available today are challenging, requiring APS to use a workload calculation from four (4) years ago. This means the additional workload to support the increase in population over that time is not being reflected today's calculation. There was an increase in population of approximately 10% last year alone. Lack of up to date information and the inability to forecast have resulted in a lower than necessary staff count, negatively affecting the APS key performance metrics. Visibility in to the activity and movements of alleged and substantiated perpetrators across programs or counties is limited. This lack of information across the state opens the door for potential risk to persons served by the DHS and OHA.

Lack of unified processes has resulted in potential risk of clients falling "through the cracks" as local offices follow inconsistent screening practices and vary in their interpretation of Oregon rules and statues. Further complicating the challenges, for staff that are performing intake, screening, and investigations is that they lack systems to help them perform their jobs effectively and efficiently. Information such as addresses, screening and investigation data is cut and pasted into: 1) Multiple systems; 2) Multiple MS Word letters and; 3) MS Excel spreadsheets and; 4) MS Access databases.

The current intake process may be documented in one of many different systems around the state, and referrals that do not result in investigation are not always tracked with automated tools. As a result, it is difficult to review these referrals for quality control, screening related trends and workload trends. Law enforcement agencies send police reports to field offices in such a volume that staff find it hard to review and screen in/out all the reports in a timely manner. When intakes and referrals are not all documented it's difficult to measure if there are sufficient staff to cover the workload and to measure the true quality of the work being performed including that all reports of abuse are being processed properly without falling "through the cracks".

Recent legislation has increased the number of mandatory reporters and hence the workload for intake and screening of reports of abuse. HB4151, passed in 2014, requires that DHS/OHA send a copy of its letter of determination and investigation report to the state agency responsible for certifying/licensing a substantiated perpetrator in a health occupation. The consistency with which this is done is not known since the processes and systems do not allow for tracking of this information. This increases the workload of the already overloaded investigators doing the work today.

As Oregon's population ages, DHS and OHA are seeing an increased interweaving of clients in community and facility settings. This means clients of one program are often placed in facilities licensed by other programs, or clients are transitioned from one system to another as they age and their health conditions or behavioral needs change. Establishing a centralized abuse management system enables DHS and OHA to integrate abuse data across programs, ensuring critical information in one system is retained helping keep clients safe by providing access to a client's history of abuse.

### 3.2 Current Technology Limitations

There are seven (7) primary data systems<sup>6</sup> used in Oregon today to collect reports of abuse and/or generate investigation reports. There are three (3) key data systems<sup>7</sup> used to analyze investigations and create data analysis reports related to protective services and abuse investigations with OTIS oversight. These systems run on different software, collect different data points, and do not provide a comprehensive centralized data repository for abuse data. Investigation reports for seven of the nine populations are written using MS Word. In addition, more than 120 simple applications and spreadsheets are used in local offices to support abuse processes and manage workload, from receipt of an allegation through completion of an investigation.

The mix of legacy systems and desktop software makes it difficult for employees and management to ensure all allegations are documented and processed appropriately. In most local offices, physical paper files are the only source of complete information about an investigation. This creates the potential for an allegation to go uninvestigated because there is no tool for unassigned referrals.

Following is a summary of the key systems used to collect, report, or analyze abuse or generate investigative reports. Each system has limitations, which make them poor candidates for modifying to meet centralized abuse investigation or reporting. The limitations in many cases are due to the technology platforms lacking the robustness necessary to support large-scale use or they are an aging technology with limited ability to sustain and support. For example, MS Access lacks a robust structured query language, all information is saved into one file, which limits options, slows down reports, queries and forms and security controls are limited. As the volume of user's increases, performance degrades rapidly. Although technically, a MS Access system can support 255 concurrent users, the real-world limit is 10-80 concurrent users.

The Oregon Access (**OR Access**) system's APS module for abuse tracking contains the largest number of investigations (~36,000) of all the systems listed above. ***It does not have intake or screening functionality and has poor search capabilities making it difficult or impossible to determine if a person has an in-progress or past investigation.*** This results in duplicate information as many allegations/investigations are entered multiple times. The system is capable of collecting information that helps support unique identification of people such as Social Security Number, birth date and client master identifier. Less than seven percent of alleged and substantiated perpetrators are uniquely identified with a Social Security Number or date of birth. None has a reference to a person or client master identifier. This makes it impossible to find repeat offenders of abuse. End-users cannot attach documents and/or evidence to the investigations in OR Access. Investigation reports cannot be sent electronically from the system and must be printed, scanned, and attached to an email to send notices. The system does not provide statistics, trends, or other tracking data to local office management to help assess and manage to target quality outcomes. OR Access is not web-based, so it is not available away from the office unless it is downloaded to the investigator's computer or the investigator remotely accesses the system using emulation software (Citrix). OR Access is written in PowerBuilder and has a Sybase backend. PowerBuilder is an older development environment with a very small population of users. This makes it very difficult to find PowerBuilder developers, so supporting OR Access requires in-house training on the technology by OIS. Due to the aging nature of this

<sup>6</sup> Oregon Access (OR Access), Lane Council of Government (LCOG) Client Tracking System (CTS), Web723, SERT (Serious Event Response Team), COIN (Combined On Call and Intake), OR-Kids and the OAAPI Abuse Database.

<sup>7</sup> DHS Data Warehouse, COIN and the OAAPI Abuse Database.

technology and the current issues it carries, OR Access is not a good candidate for future central abuse management use or extensibility.

**Web723** contains the next largest number of investigations (approximately 32,000). It **does not have intake or screening functionality**. As with OR Access, DHS is not documenting all the reports of abuse in this system; only the reports of abuse assigned to investigate are entered. There is a high level of frustration by local office staff with this system as it frequently “crashes” or times out while documenting an investigation and all the data entered is lost. This system does not have the ability to locate past/historical information so all information must be manually entered for each investigation. Many hours of re-entry of information are required due to the instability of this system. End-users cannot attach documents or evidence to the investigations. Only at the end of an investigation, after a supervisor has reviewed the report and all notices have been sent out, an electronic notice is sent to the APD Central Office of Licensing and Regulatory Oversight (OLRO) in Salem confirming that the investigation is complete. Considerable time is spent manually preparing and mailing documents to all the appropriate parties. There are no statistics, trends, or other tracking data available to local office management to help ensure desired quality outcomes are achieved. This application is written in Cold Fusion, an aging technology, and has a DB2 backend. Due to Web723’s instability issues, old technology and limited functionality, it is not a good candidate to extend.

Lane Council of Government’s (LCOG) **Client Tracking System (CTS)** is used for all LCOG APS reports of abuse (~12,700) and investigations (~7,200). LCOG transfers files of information to DHS that are then loaded into the DHS Data Warehouse. Due to periodic issues with these imports, the DHS Data Warehouse does not contain a full set of LCOG data for analysis. LCOGs CTS has relatively good APS functionality but, being designed for a single AAA office, it **does not provide for the statewide 360-degree view of a person needed by DHS and OHA**. It has an MS Access front end with a MS SQL Server backend and hence is not extensible or scalable.

**Serious Event Review Team (SERT)** is used by the DHS Office of Developmental Disabilities Services Community DD programs to notify OTIS that an investigation is needed (approximately 57,000 serious events are stored in the system some of which are reports of abuse). CDDPs use this system to analyze trends such as type of abuse, providers and clients with high numbers of incidents. The County Investigator fills out the form and it is transferred to OTIS. Data from this system is manually re-entered into the OTIS Abuse Database. **Known issues with this system include: It is not user friendly; not searchable or search criteria/results are inconsistent and; the database model is out of date, as it has not been updated in over three years.** Because of the complexities of using this system, not all CDDPs are inputting data here. SERT is currently supported by the Office of Business Intelligence (OBI). It has a ColdFusion frontend and a MS SQL Server backend. It is not extensible or scalable.

**DHS Child Welfare use OR-Kids** to notify the OTIS Investigations Unit of allegations of child abuse initially screened by Child Welfare workers that require OTIS screening and investigation (~88 in 2014). This system has substantial functionality and is a complex system. **The online user interface and data relationships between case, abuse report, people, assessments, allegations, and associated notes are not intuitive from an abuse management perspective.** The OTIS investigation process for children in licensed settings is handled outside of OR-Kids and final information is posted back in OR-Kids upon completion of the investigation. The investigation itself is written independently in MS Word. The front-end application primarily uses JBoss, Java and COBOL. The backend uses MS SQL Server. This system architecture is designed specifically to manage child protective services cases, it does an inadequate job displaying information about abuse incidents related to OTIS investigations. This system is not a good candidate to extend for centralized abuse management. With a core focus on child protective services, modifications to

accommodate the requirements of the Agencies would require significant and expensive modification and could negatively impact the core functionality and purpose of existing system.

**Combined On-Call Intake (COIN)** is used to track reports of abuse made directly to OTIS (~5,000) and screening decisions for many of the populations investigated by the OTIS Investigations Unit. It does not support the investigation process. This system was created internally with MS Access and is not extensible or scalable.

The **OTIS Abuse Database** is used to track key information about investigations (~23,368) for Community DD, Community MH, and OTIS investigators. These investigators use a separate MS Word template to write their investigation reports. Although OTIS offers a recommended format, reports vary somewhat from county to county. CDDP and CMHP investigators send their reports to OTIS via e-mail, where they are reviewed, approved and “data-mined” manually by OTIS staff to populate by re-entering information into OTIS’s Abuse Database. All OTIS-led investigations are also data-mined manually and entered into this database. **This system is filled with duplicated data from other systems and tools (MS Word). This system does not have role-based security, allowing anyone to change any data in the system.** The OTIS Abuse Database is a Microsoft Access database developed internally in 2001. This system is not extensible or scalable for statewide use.

Currently, the Agencies rely on these disconnected data systems to store abuse-related data and to produce reports. Challenges and risks are pervasive because these systems are often unable to provide the critical information being asked for by internal and external partners, including: accurate metrics for Quarterly Business Reviews (QBR), requests for statewide abuse data from media, and sufficiently granulated data reports for the Legislature. The table below illustrates the distribution of the systems by the population served that are used to support abuse management by the Agencies.

**Table 2 – Systems Used by Population Served<sup>8</sup>**

Nbr	Population	Screener / Investigator	
		Tools	OTIS Tools
1	ODDS Individuals Living in DHS-Licensed Stabilization & Crisis Units	SERT (notice of report), MS Word (Investigation Report)	COIN (doc screen in) OTIS DB (doc from MS Word Report)

<sup>8</sup> Additional statistics by population type can be found in the Business Case Supplemental Documents Package.



Nbr	Population	Screener / Investigator	
		Tools	OTIS Tools
2	ODDS Children Living in in DHS-Licensed 24-Hr Residential Settings	OR-Kids (notice of report, outcomes), MS Word (Investigation Report)	OTIS DB (doc from MS Word Report)
3	Children in DHS-Licensed Children's Care Provider Programs	OR-Kids (notice of report, outcomes), MS Word (Investigation Report)	OTIS DB (doc from MS Word Report)
4	Adults at the Oregon State Hospital	MS Word (Investigation Report)	COIN (doc screen in), OTIS DB (doc from MS Word Report)
5	Adults in State Operated Secure Residential Treatment Facilities	MS Word (Investigation Report)	COIN (doc screen in), OTIS DB (doc from MS Word Report)
6	Adults Receiving Community Mental Health Services	MS Word (Investigation Report)	OTIS DB (doc from MS Word Report)
7	Individuals Living in DHS-Licensed Facilities	Web723 (Investigation Report) or LCOG's CTS (Screen In/Out & Investigation Report)	Web723, DHS Data Warehouse
8	Adults 65+ & Adults 18-64 with a Physical Disability	OR Access (Investigation Report) or LCOG's CTS (Screen-In/Out & Investigation Report)	OR Access, DHS Data Warehouse
9	Adults Enrolled or Previously Eligible for a Community DD Program	SERT (notice of report), MS Word (Investigation Report)	COIN (doc screen in), OTIS DB (doc from MS Word Report)

Consultants and Task Forces have looked numerous times at the abuse management technology issues for the populations served by The Agencies. The many challenges associated with the current systems are evident not only to individuals within DHS, OHA and OTIS, but have been brought to the attention of the Agencies by external entities as well, most notably in the following instances:

- DHS Consultant Public Knowledge report dated 2005.
- McKinsey Study Recommendation dated 2008.
- Oregonian Article dated March 26, 2011.
- Adult Safety and Protection Team Report dated August 4, 2011.
- Resident Safety Review Council Report to Legislature dated February 2013.
- DHS Elder Abuse Prevention Audit (12-013).

### 3.3 The Opportunity

DHS and OHA share an imperative of keeping vulnerable adults safe by investigating allegations of abuse in a timely manner and remediating as needed. Implementing a centralized web-based data system to collect all reports of abuse; screen, refer and investigate those reports of abuse; and ensure all appropriate agencies/parties are notified of the investigation outcome directly supports DHS's commitment to "improve systems,

processes and culture to ensure that safety is our number one priority.”<sup>9</sup> This will significantly improve DHS’ ability to achieve its mission to assist Oregonians in achieving safety, health and independence.

### *3.3.1 Alignment with 2014’s Oregon House Bill 4151 (HB4151)*

Development of this system is in direct alignment with HB4151 which states “The Department of Human Services shall adopt policies and guidelines to plan for the development and standardization of resources and technologies” related to abuse of vulnerable adults age 65 and above or living in an DHS-licensed facility. The CAM Project will address HB4151 through the following capabilities:

- 1) Create a centralized system that standardizes data for the nine (9) population groups served by OTIS and its program partners called out in HB4151.
- 2) Create a centralized database of reports of abuse.
- 3) Provide storage of photographs for purposes of preserving evidence of the condition of the resident at the time of the investigation.
- 4) Create a centralized method of notice management (sending and receiving notices) to improve communications with law enforcement.
- 5) Create a centralized and standardized method of sending notices to health care licensing/certifying agencies.
- 6) Create a centralized and standardized method for the DHS Background Check Unit (BCU) to augment their background checks by viewing information in the new system for persons who present a risk of harm to another person.
- 7) Create a centralized and standardized method for DHS and OHA organizations that do not utilize the Background Check Unit (BCU) to view information in the new system for persons who present a risk of harm to another person.

### *3.3.2 Alignment with 2016’s Oregon Senate Bill 1515 (SB1515)*

Development of this system is in direct alignment with SB1515. This Senate Bill specifies approximately 16 types of abuse related notices, some of which result in multiple notices depending on the situation. A robust notice management system will support generation, tracking, storage, management, and quality control of notices. The planned system’s flexibility will support screeners and investigators to comply with changing mandatory requirements more efficiently.

### *3.3.4 Alignment with the Strategic Technology Plan*

The DHS/OHA Strategic Technology Plan (STP) includes a number of strategies that the Centralized Abuse Management Project will support.

The table below summarizes the various components of the STP that a centralized abuse system will satisfy.

<sup>9</sup> Clyde Saiki, DHS Director’s email February 8, 2016.

Business Automation	<ul style="list-style-type: none"> <li>• Work queues to improve work management at all levels in the organization.</li> <li>• Sophisticated searches to research abuse history.</li> <li>• Unification of processes and activities across programs by providing one tool to document reports of abuse, screening decisions, investigations, and notices.</li> <li>• Allow for easy transfer/referring out of reports of abuse between programs and program partners.</li> <li>• Reducing dependency on paper processes by allowing for electronic document storage and electronic notices.</li> <li>• Electronic document storage.</li> <li>• Reduce duplication of work.</li> <li>• Capture data once and reuse it.</li> <li>• Provide real-time, statewide, centralized data for reporting.</li> </ul>
Comprehensive View of our Clients	<ul style="list-style-type: none"> <li>• Supports the use of a master person record.</li> </ul>
Enable Connectivity Anytime, Anywhere, in Multiple Ways	<ul style="list-style-type: none"> <li>• Provide workers a real-time portal to perform their work anytime, anywhere, 24/7.</li> <li>• Provide the public a portal to report abuse anytime, anywhere, 24/7.</li> </ul>
Trusted Source for Health & Human Service Data	<ul style="list-style-type: none"> <li>• Reduce data duplication and entry into multiple systems using a single system for the Agencies for abuse management.</li> <li>• Trusted source for verified person data.</li> <li>• Trusted source for reports of abuse, screening decisions and abuse investigations.</li> <li>• Improve data access and sharing across programs.</li> <li>• Role based data access and security to improve data protection and compliance.</li> </ul>
Dynamic Needs Supported by Seamless Technology Services	<ul style="list-style-type: none"> <li>• Industry best practices and standards based modular architecture and design (e.g., Service Oriented Architecture (SOA), Enterprise Service Bus (ESB) etc.) to leverage existing functionality and expose functionality through web services.</li> <li>• Highly configurable platform that is responsive to evolving business needs.</li> <li>• Extensible platform allows for standard interfaces with other modern enterprise applications.</li> </ul>

### 3.4 Project Objectives

High-Level Goals of the new system are to:

- 1) **Reduce abuse risk to vulnerable Oregonians and reduce liability abuse exposure for the State:** Improve DHS, OHA, and OTIS visibility into all cases for which they have oversight regardless of program, facility, population, policy, or location thus reducing risk to Oregonians, who may have otherwise fallen through the cracks. Provide a 360-degree view of a person so trends in victims and/or perpetrators can be found and uniquely

identified statewide across programs. Improve victim safety by improving communications between stakeholders<sup>10</sup> including Oregon State health certification/licensing agencies.

- 2) **Increase abuse case investigations productivity and efficiency:** Increase staff productivity through improved processes that minimize duplication of data entry. Move away from the need for paper files to a new paperless system, which allows information sharing with the right people at the right time. Provide staff tools for proactive self-management of workload and outcomes by staff and management in local offices and each program's central office. Provide abuse reporters the ability to enter their allegations of abuse through the Internet.
- 3) **Support program variation and frequent changes:** Accommodate similarities and differences in programs and respond quickly to frequent legal and policy changes.
- 4) **Develop capacity for projected increases in abuse-related workload:** Improve the ability to handle and support the anticipated high volume of abuse allegations, referrals, investigations, notices, and related data over the next ten years.
- 5) **Identify and track abuse across a person's lifespan:** Identify abuse statewide across programs, connect abuse across the lifespan of a person regardless of their role in the incident (victim, perpetrator, witness etc.), and ensure that a client's history of abuse informs protective services.
- 6) **Implement a web based and easy-to-use technology system:** Implement a system that will: 1) Support and integrate the screening, investigation, review, reporting and notice processes regardless of the DHS/OHA program that is being administered and; 2) Function well regardless of the supported desktop browser technologies used by the state and their program partners (counties, AAAs, brokerages etc.).
- 7) **Produce standardized auditing and analysis information:** Standardize the collection of all abuse-related data for purposes of auditing, analysis, reporting and forecasting. This will be achieved through use of common terminology and definitions that will be determined through a cooperative effort of OTIS and its partners and aligned with developing national abuse data collection methodologies.
- 8) **Provide accurate data and reporting:** Create the ability to report on core data and metrics to provide effective services and measurable outcomes to program partners, and to assure that abuse investigations are being conducted effectively and prevention efforts are being targeted appropriately.
- 9) **Enable mobile technology:** Enable the use of mobile technology in the investigation process to improve efficiencies, especially related to safety and response times when investigators are in the field.

#### *3.4.1 Key Benefits of the Centralized Abuse Management System*

Key benefits of the new system include:

- Provides the Agencies with one comprehensive multi-program system for abuse management documentation and inquiries so that risk to the safety of Oregonians and liability to the State are reduced.
- Real-time, online documentation of initial reports of abuse and the resulting screening

<sup>10</sup> See Business Case Supplemental Documents Package for a comprehensive list of key stakeholders.

decisions to ensure all reports of abuse that need investigation are screened in and the rationale and other steps taken (such as referring to others) can be supervised and monitored.

- Real-time, online documentation of all investigations including notices, and storage for that information in a centralized database so that the information is safe and accessible by local office staff and management, program Central Office, OTIS, and the DHS Background Check Unit.
- Increases productivity and efficiency through reduction in duplicate data entry and manual work.
- Improves decision making and preventive actions because, over time there is one place to find a:
  - Perpetrator and their history of abuse for one or more programs across the entire state of Oregon.
  - Victim and their history of abuse for one or more programs across the entire state of Oregon.
  - DHS-Licensed Facility and the history of abuse at that facility for one or more programs across the entire state of Oregon.
- Standardizes methods and data allowing for improved oversight and analysis.

Key functionality of the new system includes:

- Dashboards for workers that enhance their ability to self-manage their work within mandated response times.
- A business rules engine that allows for easy modifications by The Agencies for specific needs and new mandates.
- Evidence, photos, and other document attachments.
- Mailing address validation.
- Automated notice generation.
- Role based security.
- Single sign-on with Agency Active Directory.

## 4. High Level Requirements and Key Assumptions

Following is a brief overview of the high-level requirements and some key assumptions for this initiative.

### 4.1 High Level Requirements

Following are the most critical requirements for a centralized abused management solution:

Worker Dashboard: Provide screeners, investigators, supervisors, and reviewers dashboards listing incidents and investigations that can be filtered and sorted to fit their needs. For example: to filter by the incidents needing response today or to sort for the last incident that the worker updated.

Comprehensive Search: Provide users of the system sophisticated, comprehensive search, filter, and sort capability to assist in finding past victims, perpetrators and/or incidents. For example: searches for people across program by name and/or address and/or social security number.

Portals: for Screeners, Investigators, Supervisors and Reviewers. Provide screeners the ability to enter abuse complaints received by phone, email, or mail, update complaints, which could not be completed in a contiguous timeframe. Provide investigators the ability to enter and track required information for an investigation. Provide Supervisors and Reviewers the ability to review and comment on screening decisions and draft investigation reports.

Business Rules Maintenance: Provide System Administrator(s) the capability to maintain business rules separate from system code. For example: allow the System Administrator to update Oregon Administrative Rules and definitions viewed and selected by workers along with field selection values.

Interfaces: Integrate with the existing Master Client Index including inbound Interfaces from the Aspen provider database and a regularly scheduled data export to the DHS data warehouse and QMDB/Q2.

Data Warehouse: Provide a data warehouse for running queries, mandated reports, and performing data analysis without impacting performance of end users. Provide a full set of data for running extracts to be used by other systems such as QMDB for DHS.

Workload Management: Support for monitoring and projecting workload by worker, by program, by local office, and by program within an office. Support for assigning, pausing, and restarting work on individual and groups of reports of abuse and/or investigations.

Document Management: Support for capturing, storing, and retrieving images and other electronic documents related to reports of abuse and investigations. Support for scanning paper documents. Support for uploading of documents through the online abuse complaint and the worker portals. Support the use of template documents for communications.

Notice Management: Support for worker-driven and system-driven notices to Complainants, Perpetrators, Providers, Various Law Enforcement Agencies, Oregon State Health Occupation licensing/certifying/authorizing organizations, and referral partners. Support the use of templates for notices that can be sent via secure email, fax, and/or the United States Postal Service.

Reporting: Support for the creation of reports required for investigation reporting, protection and intervention process measures, and analysis of service equity in abuse investigations.

Identity and Access Management: Support for the integration with Active Directory for authenticating workers who are state employees or program partners such as Area Agency on

Aging staff and Counties who access the system on the behalf of a DHS program.

Data Security: Protection of data, whether at rest, in transmission, in display, or in reports consistent with federal, state and agency data privacy, security and retention laws, rules and policies.

Disaster Recovery: Ensuring that no data is lost is critical to the safety of our clients. The Recovery Point Objective (RPO) for this project is zero data loss in the event of a disaster. The Recovery Time Objective (RTO) is a maximum of 24 hours that the system can be unavailable in the event of a disaster or system problem.

#### *4.2 Detailed Requirements*

The project team developed both high-level business requirements and detailed business requirements. These two requirements documents will provide a Systems Integrator (SI) sufficient context regarding Oregon's business needs to respond to Oregon's planned Request for Proposal (RFP) for a SI. The selected SI's expertise will be leveraged to help refine Oregon's preliminary detailed business requirements, which will increase the probability of project success. Oregon will align requirements as closely as possible to Colorado's design while still addressing Oregon's unique, mission-critical business needs. The detailed business requirements will be reviewed with subject matter experts including DHS/OHA field staff to ensure they are complete and correct.

The Systems Integrator will use Oregon's detailed requirements to conduct a Fit-Gap Assessment with the potential solution to establish additional functional and technical design specifications. This approach leverages the proven model implemented in Colorado to guide Oregon's efforts.

#### *4.3 Fit-Gap Analysis*

Fit-Gap analysis will compare Oregon's rules, policies and procedures to the Colorado System and identify how the Colorado System meets respective functionality for Oregon out of the box. The goal of analysis is to identify how the Colorado Solution meets the respective needs of the Agencies. Gaps where system functionality is not present and cannot be resolved through a change to process or policy will be prioritized along with a defined approach to address them. This fit-gap effort identifies the gaps that will identify the need for process changes, software configuration changes and/or customizations required.

The following diagram describes the activities to be conducted during the Fit-Gap Analysis. This information is more fully documented in the planned RFP.



#### 4.4 Assumptions and Constraints

The following constraints are factors in the Alternatives Analysis:

- Project funding was approved in SB5507A Enrolled comprised of:
  - \$1,437,494 in General Funds (GF);
  - \$3.3 million in Q Bonds;
  - \$894,543 for Q Bond issuance and debt service.
- Core functionality for adult abuse report intake, screening and investigation must be implemented by June 30, 2017. The initial release of the Centralized Abuse Management solution will not automate all tasks, so duplicate data entry will not be resolved until Release 2.
- HB4151 requires Oregon have one central statewide solution for APS.

The following assumptions are factors in the Alternatives Analysis below:

- The Oregon Legislature, which approved dollars in SB5507A for this project, will un-schedule funds to proceed with this project.
- Population growth is expected to average 10% per year for the populations served in this project.
- The solution will meet 80% or more of agency functional requirements and 90% of non-functional (technical and security) requirements.
- The solution must be easily adaptable to satisfy ongoing process and requirement changes such as those driven by HB4151 and SB1515.
- The selected alternative must support the DHS/OHA Strategic Technology Plan.
- Historic abuse information will be accessible to the DHS data warehouse sometime after the core system is implemented.
- The project will issue a competitive bid Request for Proposal (RFP) for a Systems Integrator (SI) to plan, design, implement and maintain the new system.
- Training will be provided by the System Integrator (SI) to OTIS Program area trainers who will then train staff statewide.



- Solution implementation and ongoing maintenance and operations will be provided by a 3<sup>rd</sup> party vendor with oversight from state employees.
- Risk tolerance for this project is moderate based on the timeline, volume of work, and funding available.
- The system can be used and supported in all required locations including but not limited to:
  - DHS and OHA programs, offices, county, and local partners.
  - DHS's Background Check Unit.
  - DHS's Public Relations Unit

## 5. Alternatives Analysis

### 5.1 Alternatives Identification

After a preliminary business case proposed development of a customized solution, the Agencies invested significant efforts to assess other alternatives to compare against custom development. A team comprised of program and technology members conducted in-depth market research. The market research included detailed interviews with 18 states to discover their abuse management solutions. This market research yielded two potentially viable solutions utilized by other states and two used in Oregon. The team did further in-depth analysis of capabilities of these four options against functional and technical requirements and conducted customer demos and on-site visits. Detailed information from the in-depth analysis and site visits can be found in the Business Case Supplemental Documents.

Information gained during customer demos and site visits eliminated some alternatives under early consideration identified from the project's initial market research including Commercial off the Shelf (COTS) solutions and transfer solutions used by other entities.

COTS solutions available in the marketplace such as Harmony, which could address Oregon's requirements primarily, accommodate only one program - Adult Protective Services. The relevant vendor supported COTS solutions require significant customization, including underlying architecture modification, to meet the Agencies' needs. A primary benefit of COTS solutions is that the licensing vendor provides regular regulatory and business functionality updates/upgrades to meet changing needs. The extent and complexity of Oregon's level of required modifications to a COTS negates those benefits, as each release would require re-customization for Oregon. The viable COTS solutions reviewed were only supported by the vendor that owns and licenses the software. In this situation, if the state were not satisfied with the licensing vendor, there would not be options to utilize an alternate vendor to support the system. Many states reported issues getting modifications made to their vendor-licensed software that involved many months of delay to get vendors to address their legal, regulatory and efficiency improvements. Oregon must be able to respond to effectively to the rapidly changing regulatory and business environment. This makes the use of the relevant COTS solutions high risk for Oregon.

Transfer solutions used by other states consist primarily of large, monolithic systems such as the Statewide Automated Child Welfare Information Systems (SACWIS), outdated home-grown state systems used for Adult Protective Services over the last 10-20+ years, or small County/AAA applications that cannot accommodate the number of statewide users required by the CAM Project. SACWIS systems have high implementation costs - \$50 million and up, with ongoing annual support costs of \$20 million or more. Abuse tracking and management is a small piece of functionality in the SACWIS systems. Removing this functionality represents significant expense, leaving it in makes modifications and maintenance cost prohibitive. The general architecture of SACWIS reviewed by the team is old and focuses on the family rather than the abused person. For these reasons, SACWIS transfer solutions were removed from consideration.

Smaller, custom developed solutions such as the Lane County (LCOG) solution were determined not to be viable options for Oregon to consider transferring as a starting point for its statewide solution as they lacked the scalability and functionality necessary to meet Oregon's functional and technical requirements. Most are built using MS Access or other software that is not designed to support the level security or the number of concurrent users that Oregon requires.

As part of Oregon's due diligence, alternate CRM solutions, including MS Dynamics were

considered at the request of the Agencies. MS Dynamics was a late emerging option brought forward after robust analysis of other solutions had already been completed. After consideration, the project team did not find MS Dynamics offered substantial capabilities beyond those in more thoroughly assessed alternatives and the cost model was not as viable as other options. Ultimately, The Agencies' Executive Leadership determined Salesforce to be the preferred CRM alternative over MS Dynamics as it enables Oregon to build upon existing foundational capabilities established by Colorado's adult protective services system.

The following alternatives emerged from the analysis completed by the project team and based off the recommendations of The Agencies' Executive Leadership.

1. Purchase a Software as a Service Solution; leverage another state's use of the SaaS.
2. Implement a Custom Build Solution.
3. Maintain the Status Quo.

Project analysis of these alternatives are as follows:

#### Alternative 1: Purchase Software as a Service Solution; leverage another state's use of that SaaS

Under this alternative, a SaaS CRM solution would be implemented, configured, and customized to meet the CAM Project's detailed requirements. This approach allows relatively quick design, build and implementation plus ongoing flexibility to meet the continuously changing business/regulatory environment at a reasonable cost.

Oregon investigated two CRM options – Microsoft Dynamics and Salesforce. While each of these CRM solutions have capabilities that can meet Oregon's needs; Salesforce is considered the front-runner option as it provides Oregon the opportunity to leverage Colorado's proven Adult Protective Services (CAPS) which was configured using the Salesforce SaaS solution and implemented in June 2015. The Colorado capabilities can be utilized by Oregon as foundational requirements reducing implementation time substantially. This strategy, in concert with procuring a SaaS and services of a Systems Integrator will help accelerate Oregon's implementation efforts, while reducing risk and shortening the implementation timeline. DHS and OHA Executive Leadership believe this synthesized approach represents the best fit for Oregon's needs. More details regarding Colorado's solution and the proposed implementation approach are outlined later in this document.

#### Alternative 2: Implement a Custom Build System

Under this alternative, the Agencies would design, develop, test, and deploy a custom solution built from the ground up for APS, HS, DD, CW, and OSH Centralized Abuse Management needs. This alternative would allow a tailor-made solution that would meet all the functional, technical and organization requirements. The costs to develop a custom system are substantially higher than procuring a SaaS solution and carry significantly higher risks and a much longer timeline to implement compared to Alternative 1.

#### Alternative 3: Maintain the Status Quo

Under this alternative Oregon would maintain the current status quo with disparate, disconnected systems and highly manual processes and there would be no additional investment in abuse tracking system automation. Improvements to current processes would be limited to those that arise naturally through the Agencies' continuous improvement program. The Agencies would continue with ineffective, disconnected automated and manual systems, which are difficult to oversee and analyze. The centralized abuse tracking needs of HB 4151 would not be met.

The chart below outlines the estimated Total Cost of Ownership for alternatives:

**TOTAL-COST-OF-OWNERSHIP-ANALYSIS¶**

**Comprehensive-Cost-Model-for-all-Scenarios¶**

¶	¶	Project-and-Implementation¶	Operations,-Maintenance,-Ongoing-Support¶
Personal-Services¶	Salaries-&-Benefits¶	¶	<ul style="list-style-type: none"> <li>• → State-Perm-Staff¶</li> <li>• → State-Temp-Staff¶</li> <li>• → State-LD-Staff¶</li> </ul>
Services-&-Supplies-&¶	State-Data-Center¶	¶	<ul style="list-style-type: none"> <li>• → Consulting-Services¶</li> <li>• → Hosting¶</li> <li>• → Storage¶</li> <li>• → Network¶</li> </ul>
	Software¶	• → Software-Purchase-/Upgrades¶	• → Software-License-Maintenance¶
	Hardware¶	• → Hardware-Purchase-/Upgrades¶	• → Hardware-Ongoing-Maintenance¶
	IT-Professional-Services¶	• → Project- <u>Devel</u> /Implementation¶	• → Project- <u>Devel</u> /Implementation¶

*5.1.1 Alternative 1 – Implement a Software as a Service Solution and leverage another state’s proven capabilities with that SaaS*

**Cost**

The total cost of implementing and supporting this alternative and operating it the proposed solution starting July 2016 through June 2023 is estimated to be ~\$8.4 million. (See details of this estimate in Appendix A.) Compared to the Custom Build alternative, this alternative minimizes costs of Fit-Gap analysis, design, configuration, customization, testing, training, and rollout by using a Customer Relationship Management platform based on the successful Colorado APS abuse management solution. This alternative requires a per-person and/or per device Salesforce licensing cost over the life of the solution.

Alternative 1 - Salesforce CRM					
Totals include FY 2016-17 through FY 2022-23					
		Through Dec 2017 Project and Implementation	Jan 2018 through June 2023 Operations, Maintenance, Ongoing Support	Total	%
Personal Services	Salaries & Benefits	\$1,554,538	\$80,303	\$1,634,840	19.4%
Services & Supplies & Capital Outlay	State Data Center	\$0	\$0	\$0	0.0%
	Software	\$1,157,814	\$3,089,932	\$4,247,746	50.5%
	Hardware	\$20,000	\$0	\$20,000	0.2%
	IT Professional Services	\$1,479,500	\$614,499	\$2,093,999	24.9%
	Contingency	\$421,185	\$0	\$421,185	5.0%
	<b>Total</b>	<b>\$4,633,037</b>	<b>\$3,784,733</b>	<b>\$8,417,770</b>	
	<b>%</b>	<b>55.0%</b>	<b>45.0%</b>		<b>100.0%</b>

**Benefits**

Alternative 1 supports the functional and non-functional requirements associated with Centralized Abuse Management for the Agencies. The system will implement much faster, with lower risk and less cost than building a custom solution. This is demonstrated Colorado, who implemented their initial release of the Salesforce SaaS within 6 months. Colorado’s current system provides a proven APS model for Oregon to leverage as a starting point for the centralized abuse

management solution. Oregon's plan is to pursue procurement of Salesforce as the SaaS as its capabilities and the ability to leverage Colorado's requirements will accelerate Oregon's initiative.

Salesforce provides an easy-to-use capability for the business to administer templates, list values, and perform ad hoc reporting. This SaaS allows for program-specific uniqueness through configuration of program specific data integrity rules. Configuration capability of Salesforce will allow program variations when necessary and the ability to make frequent changes quickly to accommodate the rapidly changing regulatory environment. Configuration supports the use of templates and rules for distribution of notices making it easier to generate and distribute notices. Salesforce has interface/integration tools, which will quickly and easily interface the new system with legacy extracts and systems such as the Agencies' provider information and client master index.

All reports of abuse, response times and screening decisions will be entered in real-time into the system. Reporters of abuse will be able to submit their reports on-line via the Internet. Screeners, investigators, and others with a need to know will be able to research past screenings and investigations (including historical system investigation data created prior to implementation) to assess if ongoing or past reports of abuse and investigation outcomes play a role in the current situation. Screeners, investigators, supervisors, reviewers, and others will have dashboards to assist them in managing their work/workload. All data about an investigation will be kept online rather than in field office files making management, oversight and prevention planning more effective.

In "Magic Quadrant for the CRM Customer Engagement Center" May 2016, Gartner reports Salesforce to be the leader in both their Ability to Execute and Completeness of Vision for their CRM.<sup>11</sup> They also said that Salesforce "appeared as the leading vendor on shortlists for Business to Business (B2B) customer service and support solutions seen by Gartner six times as often as the nearest rival." "Salesforce's enormous influence in the market has attracted a global list of key system integrators and over 600 complementary software providers."

## Risks

The top risks of this alternative are:

- 1) Implementing an enterprise information technology solution within a relatively short timeline that spans multiple programs and agencies located across the state.
- 2) Significant policy and procedure changes will be required for the Agencies as more standardization is put in place.
- 3) Integration may be more difficult between Salesforce and legacy systems than anticipated.
- 4) Acquisition of funding to ensure reductions in manual work arounds and duplicate data entry beyond the 2015-17 biennium may be a challenge.
- 5) System will need to adhere to security requirements for Level 3 data. Project will need to ensure that all these requirements are met utilizing a SaaS solution.
- 6) This alternative is dependent on the acquisition of the code/configuration of Colorado's system.

<sup>11</sup> Critical capabilities and features included: "Case management/problem/service resolution (and control of customer master data); A knowledge management solution; a full customer self-service suite, with support for Web and mobile channels; Real-time decision-making and predictive analytics support for agents; an adaptive business rule engine; Enterprise feedback management."

## 5.1.2 Alternative 2 – Implement a Custom Build Solution

### Cost

The total cost of implementing this alternative and operating it through June 2023 is estimated to be ~\$17 million. (See Appendix A for details.) This alternative incurs the full cost of analysis, design, development, testing, training, and rollout. The cost is unknown for Enterprise Technology Services/State Data Center (ETS/SDC) to develop and implement a process to ensure no data loss in the event of a disaster or event causing the production server/system to go down. This alternative will typically require only server-based software and developer tool licensing as opposed to user or end user device licensing costs.

#### Alternative 2 - Build

Totals include FY 2016-17 through FY 2022-23

		Through June 2019 Project and Implementation	July 2019 through June 2023 Operations, Maintenance, Ongoing Support	Total	%
Personal Services	Salaries & Benefits	\$3,326,881	\$258,998	\$3,585,879	21.2%
	State Data Center	\$139,056	\$86,400	\$225,456	1.3%
Services & Supplies & Capital Outlay	Software	\$70,000	\$10,000	\$80,000	0.5%
	Hardware	\$20,000	\$0	\$20,000	0.1%
	IT Professional Services	\$5,056,789	\$4,052,172	\$9,108,961	53.7%
	Contingency	\$1,722,545	\$0	\$1,722,545	10.2%
	Indirect	\$1,550,291	\$661,135	\$2,211,426	13%
	<b>Total</b>	<b>\$11,885,562</b>	<b>\$5,068,705</b>	<b>\$16,954,267</b>	
	<b>%</b>	<b>70.1%</b>	<b>29.9%</b>		<b>100.0%</b>

### Benefits

This alternative could achieve all the Agencies functional, technical, and organizational requirements.

### Risks

The top risks of Alternative 2 - Build are:

- 1) Implementing an enterprise information technology solution that spans multiple programs and agencies located across the state in a longer timeframe than suits the State's sense of urgency. This alternative is estimated to be designed and implemented in a 2 ¼ to 2 ½ year timeline.
- 2) Significant policy and procedure changes will be required for the Agencies as more standardization is put in place.
- 3) Availability of funding at the level required to support completion of the project.
- 4) Creation of a new ETS/SDC custom process/design/implementation to ensure there would not be any loss of data during a disaster or event causing the production server/system to go down. This is not a proven ETS/SDC capability for non-mainframe applications so the costs to establish are unknown and the desired results could take longer than expected.
- 5) Setup disaster recovery for zero data loss with an outside vendor, then test for potential cut over to should a disaster occur at ETS/SDC.

### 5.1.3 Alternative 3 – Maintain the Status Quo

#### Cost

Maintaining the status quo and not implementing an integrated solution will cause DHS and OHA to incur additional expenses over time. That estimated total cost through June 2023 is approximately ~\$5.2 million (see Appendix A for details). This additional cost will be driven by increasing workloads due to aging populations and increased regulatory requirements leading to the need to add more staff to manage the demand in the field and meet key performance measure goals.

#### Alternative 3 - Do Nothing

		Through Dec 2017 Project and Implementation	Jan 2018 through June 2023 Operations, Maintenance, Ongoing Support	Total	%
Personal Services	Salaries & Benefits	\$1,047,589	\$4,136,675	\$5,184,264	100.0%
Services & Supplies & Capital Outlay	State Data Center	\$0	\$0	\$0	0.0%
	Software	\$0	\$0	\$0	0.0%
	Hardware	\$0	\$0	\$0	0.0%
	IT Professional Services	\$0	\$0	\$0	0.0%
	<b>Total</b>	\$1,047,589	\$4,136,675	\$5,184,264	
	<b>%</b>	20.2%	79.8%		100.0%

#### Benefits

There is no up-front investment required to continue maintaining the status quo.

#### Risks

The top risks of Alternative 4 – Maintain the Status Quo are the continuation of current state risks:

- 1) Safety risks to Oregonians that are reported as abused. The reports of abuse may be hand written (if documented at all) and stored in paper/personal computer files in 140 or more locations across the state. This fragmentation of data makes it difficult to oversee the quality of screening decisions regarding reports of abuse and hence leaves Oregonians at risk.
- 2) Safety risks to Oregonians when an alleged or substantiated perpetrator applies for certification, licensing or authorization from an Oregon state, DHS or OHA organization. Communications from investigators to the certification, licensing and authorization organizations are inconsistent so the certification, licensing or authorization organization may not be aware they are approving an alleged or substantiated perpetrator.
- 3) Safety risks to Oregonians when an alleged or substantiated perpetrator requests employment from a DHS, OHA, and program partner or provider organization. Communications from investigators to the Background Check Unit (BCU) are inconsistent across all the programs and program partners so BCU may not be aware they are approving an alleged or substantiated perpetrator to work with Oregonians.
- 4) Risks that field staff are unable to effectively manage their own workload and for staff/management to prevent cases from being lost or potentially left unresolved due to

insufficient tools for tracking work.

- 5) Risk of increasing field staff frustration as they spend more time on duplicate data entry, manual creation, and distribution of notices instead of performing actual investigations because both population sizes and requirements for additional notices increase the workload.
- 6) Risk of expensive lawsuits resulting from the risks to Oregonians.



### 5.2 Cost Comparison

The Oregon Legislature has approved the use of ~\$1.4 million in General Funds and ~\$3.3 million in Q Bonds (plus issuance and debt service) to be used during the 2015-17 biennium.

The following Table summarizes the cost information from the preceding section.

**Table 3 – Cost Summary**

Alternative	Cost
<b>Alternative 1 – SaaS</b>	~\$ 8.4 Million
<b>Alternative 2 – Build</b>	~\$17.0 Million
<b>Alternative 3 – Maintain the Status Quo</b>	~\$ 5.2 Million

### 5.3 Benefit Comparison

The following table summarizes the benefits information from the preceding section.

Benefit Area	Alternative 1 Salesforce	Alternative 2 Build	Alternative 3 Status Quo
Comprehensive multi-program system	Good	Good	n/a
Proven Model	In Colorado	No	Yes
Meets functional and non-functional requirements	Good	Good	Poor
Speed to implement	Fast	Slow	n/a
Speed to integrate with legacy data	Fast-Moderate	Moderate	n/a
Up-front investment	Low	High	n/a
Maintenance & operations investment	Medium	Medium	n/a
End user ad hoc reporting	Easy	Somewhat Difficult	Very Difficult
Supports DHS/OHA Strategic Technology Plan	Yes	Yes	No
Reduce risk to Oregonians & liability for State	Good	Good	Poor
Increase productivity and efficiency	Good	Good	Declines over time as expectations increase
Support program variation & frequent changes	Good	Average	Poor
Support growing workload	Good	Good	Poor
Identify & track abuse across lifespan	Good	Good	Poor
Identify & track abuse at facilities	Good	Good	Poor
Produce standardized info for audit and analysis	Good	Good	Poor
Web-based & easy-to-use	Good	Good	Poor

Benefit Area	Alternative 1 Salesforce	Alternative 2 Build	Alternative 3 Status Quo
Supports HB4151	Good	Good	Poor
Supports SB1515	Good	Average	Poor
Decommissions Systems	COIN, LCOG CTS, OTIS Abuse Database, SERT, Web723	COIN, LCOG CTS, OTIS Abuse Database, SERT, Web723	None

#### 5.4 Risk Comparison

Below is a high-level risk comparison table. Please see “CAM Project Risk Assessment – Stage Gate 2” for a more detailed description of the principal risks facing the project.

Risk Area	Alternative 1 Salesforce	Alternative 2 Build	Alternative 3 Status Quo
Technology	Low	High	Medium
Policy	Low	Medium	High
Operational	Low-Medium	High	High
People	Medium	Medium	High
Overall	Low-Medium	High	High

Each of the active alternatives has the risks associated with multi-Program (enterprise) information technology projects involving complex state program and partner relationships.

- Alternative 1 (SaaS) is the least risky because it leverages Colorado’s APS system built using Salesforce and utilizes a platform which allows for rapid configuration and customization as needed.
- Alternative 2 (Build) is a larger project with inherently higher risks than Alternative 1. Risk is driven in part by the significantly longer duration and the higher demand over that duration on Program participation than Alternative 1.
- Alternative 3 (Status Quo) has the highest risk of all the alternatives. It continues the current state where statewide centralized oversight is very difficult, and workers continue with paper files and severely inadequate or no application system to support their needs.

## 6. Conclusions and Recommendations

### 6.1 Conclusions

Both Alternative 1 and 2 would address the opportunity described in Section 3.2 above and they fulfill the objectives listed in Section 3.3. The cost to implement Alternative 1 is less than half of Alternative 2 with significantly lower risks and a much shorter implementation timeline.

**Table 4 – Cost, Benefits, Risks Summary**

	Project Cost	Project Benefits	Overall Risk
<b>Alternative 1 SaaS</b>	~\$ 8.4 Million	All requirements, quick to implement	Low - Medium
<b>Alternative 2 Build</b>	~\$17.0 Million	All requirements	High
<b>Alternative 3 Status Quo</b>	~\$ 5.2 Million		High

### 6.2 Recommended Action and Schedule

The Agencies recommend Alternative 1 – Purchase Software as a Service Solution; leverage another state’s use of that SaaS. This approach will procure Salesforce, a SaaS CRM solution and leverage Colorado’s APS solution’s capabilities as the basis for Oregon’s solution. Colorado’s solution is built on the Salesforce platform.

To support this approach, the state will need to ensure that security standards adhere to Oregon’s SaaS Cloud Policy requirements and the terms and conditions contract will reflect those standards.

The recommended approach is significantly lower risk and approximately half the cost of Alternative 2 – Build, while still providing equivalent benefits.

The recommended alternative aligns well with the DHS/OHA Strategic Technology Plan including progress in pursuit of automating workflows, decision-making, and business rules while reducing manual, paper-based processes. It moves the state closer to the “360-degree view of a person” goal.

DHS requests Stage Gate 2 approval. Stage gate and legislative approval was received by DHS in 2014 for project initiation. In 2015, DHS received approval for additional research on solutions currently in use by other States for abuse management. DHS plans to seek approval to move to the detailed project planning phase (Stage Gate 3) to procure the Systems Integrator for implementation of the selected SaaS.

Funding for this initiative is provided by the legislatively approved use of ~\$1.4 million in General Funds and ~\$3.3 million in Q Bonds (plus issuance and debt service) to be used during the 2015-17 biennium. DHS is pursuing several funding options to close the financing gap between currently earmarked funds and the total expected cost. These include 1) Obtaining grant funding through ACL12; 2) Obtaining approval for a Policy Option Package (POP) for future

<sup>12</sup> APD has applied for but not received approval for grant funding. The US Department of Health and Human Services (HHS) Administration for Community Learning (ACL) released a Funding Opportunity Announcement for grants to states to strengthen their Adult Protective Services (APS) systems statewide. Due date for applications is 05/31/2016 and APD intends (pending approval) to

enhancements and to also cover the first two years of licensing for maintenance and operations of the new system.

The table below reflects the high level proposed project schedule for Alternative 1 – a SaaS including the reuse of Colorado’s Salesforce code set and functionality. If Alternative #1 is approved, all core requirements are planned to implement by December 2017.

**Table 5 – Tentative Project Schedule**

The following chart lays out a preliminary schedule for the project. A more detailed project schedule will be prepared during the project planning phase and the project schedule will require re-baselining after the Fit/Gap Analysis. The chart is duplicated in Appendix B, where it is more legible.

<b>Centralized Abuse Management Project Preliminary Schedule</b>																		
(Revised 10/24/2016)	2016						2017											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Project Management	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
QA Oversight	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Stage Gate 2 Submission			■															
Stage Gate 2 Review/Approval				■														
Prepare Stage Gate 3 Docs				■	■													
Stage Gate 3 Submission					■													
Stage Gate 3 Review & Approval						■												
RFP/Contract SI Vendor	■	■	■	■														
Establish Project Team			■	■														
Finalize Requirements					■													
Fit-Gap Analysis						■												
Refine Project Plan							■											
Release 1 Design							■	■										
Release 1 Development								■	■									
Release 1 S/T									■	■								
Release 1 UAT										■	■							
Release 1 Training and Rollout											■	■						
Plan Ops & Maintenance										■	■	■						
Release 2 Finalize Requirements												■	■					
Release 2 Fit Gap Analysis													■	■				
Release 2 Design													■	■				
Release 2 Development														■	■			
Release 2 S/T															■	■		
Release 2 UAT																■	■	
End to End Regression																	■	■
Release 2 Training & Rollout																		■
Update Ops & Maintenance																		■
Warranty																		■
Prepare Stage Gate 4																		■
Review & Approve Gate 4																		■
Project Close																		■

**6.3 Consequences of Failure to Act**

Given the current degree of manual processing and the projected growth in work, failure to act will result in continued poor program performance regarding key performance measures including timeliness of screening decisions and response times for investigations. Doing nothing will continue to grow the problems that impact the safety of Oregonians, including: 1) Workloads of screeners and investigators in the field; 2) Communications between investigators and certifying, licensing and authorizing organizations; 3) Client and other interested party discontent, and; 4) The potential for new lawsuits.

Failure to act on this effort means that the eventual satisfaction of the needs of the Programs and OTIS will come at higher risk to Oregonians and liability to the State.

apply for the full amount of this grant to support the costs of this project. This grant opportunity is for approximately \$412,000 over two years.

## 7. Business Case Checklist

### 7.1 Checklist for the Completed Business Case

- Has the case clearly defined what the case is about, the purpose for the proposed solution, what business problems the proposed solution attempts to solve, and the scope of the proposal?
- Has the cash flow, the flow expenditures, and the intake of financial benefits been presented over a common time period for the case, for each alternative action considered (including the “status quo”/current state alternative).
- Are the assumptions and methods for assessing the proposal’s impacts clearly defined, understandable, and acceptable? Do not forget risk impacts!
- Does the business case include the non-financial costs and benefits?
- Are the factors critical to the success of the proposal clearly defined?
- Are there critical success factors that can be managed? Is there a risk analysis that identifies and measures the relevant risks to the proposal?
- Are recommendations and conclusions based on a clear comparison of alternatives in terms of contributions to business objectives, problems solved, financial outcomes, and risks?
- Does the case clearly identify the estimated timeframes, costs, and implementation strategy required to successfully deliver the recommended solution?
- Does the case clearly express to consequences of failure to act on the recommended alternative?

## 8. Appendixes and References

### 8.1 Appendix A Cost Worksheets

#### 8.1.1 Cost Worksheet for Alternative 1 – Salesforce

##### PROPOSAL CASH FLOW

Discount Rate: 3%

	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	TOTAL
<b>BENEFITS / GAINS</b>								
Notification/Distribution	\$0	\$97,430	\$198,756	\$202,732	\$206,786	\$210,922	\$215,140	\$1,131,766
Duplicate Data Entry	\$0	\$211,066	\$430,574	\$439,186	\$447,969	\$456,929	\$466,067	\$2,451,791
Reporting	\$0	\$26,830	\$54,734	\$55,828	\$56,945	\$58,084	\$59,246	\$311,667
System Limitations	\$0	\$10,413	\$21,243	\$21,668	\$22,102	\$22,544	\$22,995	\$120,965
<b>TOTAL BENEFITS/GAIN</b>	<b>\$0</b>	<b>\$345,739</b>	<b>\$705,308</b>	<b>\$719,414</b>	<b>\$733,802</b>	<b>\$748,478</b>	<b>\$763,448</b>	<b>\$4,016,189</b>
<b>Personal Services Costs (Salaries &amp; Benefits)</b>								
<b>Perm Employees</b>								
Total Personal Service Costs	(\$893,125)	(\$693,174)	(\$9,143)	(\$9,417)	(\$9,700)	(\$9,991)	(\$10,290)	(\$1,634,840)
<b>Services &amp; Supplies/Capital Outlay Costs</b>								
<b>State Data Center Costs</b>								
None	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Software Costs</b>								
Licensing (\$900/full user/year x 429 Users)	(\$386,100)	(\$393,822)	(\$401,698)	(\$409,732)	(\$417,927)	(\$426,286)	(\$434,811)	(\$2,870,377)
Licensing (\$450 /casual user/year x 288 Users)	(\$129,600)	(\$132,192)	(\$134,836)	(\$137,533)	(\$140,283)	(\$143,089)	(\$145,951)	(\$963,483)
Administrator Licenses (5 ea. at \$1000/yr.)	(\$5,000)	(\$5,100)	(\$5,202)	(\$5,306)	(\$5,412)	(\$5,520)	(\$5,631)	(\$37,171)
Middle are for Integration (1 @50K)	(\$50,000)	(\$51,000)	(\$52,020)	(\$53,060)	(\$54,122)	(\$55,204)	(\$56,308)	(\$371,714)
Miscellaneous Softw are for 10 computers	(\$2,500)	(\$2,500)	\$0	\$0	\$0	\$0	\$0	(\$5,000)
<b>Hardware Costs</b>								
10 computers @ \$2000 each	(\$20,000)	\$0	\$0	\$0	\$0	\$0	\$0	(\$20,000)
<b>IT Professional Services</b>								
SI Consulting Services	(\$570,000)	(\$380,000)	\$0	\$0	\$0	\$0	\$0	(\$950,000)
SI Consulting Services - Ongoing Maint. & Support	\$0	(\$95,000)	(\$97,850)	(\$100,786)	(\$103,809)	(\$106,923)	(\$110,131)	(\$614,499)
QA Consulting Services	(\$353,000)	(\$176,500)	\$0	\$0	\$0	\$0	\$0	(\$529,500)
Contingency Cost @ 10%	(\$240,933)	(\$180,253)	\$0	\$0	\$0	\$0	\$0	(\$421,186)
<b>TOTAL COSTS</b>	<b>(\$2,650,258)</b>	<b>(\$2,109,541)</b>	<b>(\$700,749)</b>	<b>(\$715,834)</b>	<b>(\$731,253)</b>	<b>(\$747,013)</b>	<b>(\$763,122)</b>	<b>(\$8,417,770)</b>
Accumulated Total Costs	(\$2,650,258)	(\$4,759,799)	(\$5,460,548)	(\$6,176,382)	(\$6,907,635)	(\$7,654,648)	(\$8,417,770)	(\$8,417,770)
<b>Cash Flow Summary</b>								
Benefits/Gains	\$0	\$345,739	\$705,308	\$719,414	\$733,802	\$748,478	\$763,448	\$4,016,189
Costs	(\$2,650,258)	(\$2,109,541)	(\$700,749)	(\$715,834)	(\$731,253)	(\$747,013)	(\$763,122)	(\$8,417,770)
<b>Net Cash Flow</b>	<b>(\$2,650,258)</b>	<b>(\$1,763,802)</b>	<b>\$4,559</b>	<b>\$3,580</b>	<b>\$2,549</b>	<b>\$1,465</b>	<b>\$325</b>	<b>(\$4,401,581)</b>
Cumulative Net Cash Flow	(\$2,650,258)	(\$4,414,059)	(\$4,409,501)	(\$4,405,921)	(\$4,403,372)	(\$4,401,906)	(\$4,401,581)	(\$4,401,581)

## 8.1.2 Cost Worksheet for Alternative 2 – Build

### ALTERNATE PROPOSAL CASH FLOW

Discount Rate: 3%

	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	TOTAL
<b>BENEFITS / GAINS</b>								
Notification/Distribution	\$0	\$0	\$194,859	\$198,756	\$202,732	\$206,786	\$210,922	\$1,014,055
Duplicate Data Entry	\$0	\$0	\$422,132	\$430,574	\$439,186	\$447,969	\$456,929	\$2,196,790
Reporting	\$0	\$0	\$53,661	\$54,734	\$55,828	\$56,945	\$58,084	\$279,251
System Limitations	\$0	\$0	\$20,827	\$21,243	\$21,668	\$22,102	\$22,544	\$108,384
<b>TOTAL BENEFITS/GAIN</b>	<b>\$0</b>	<b>\$0</b>	<b>\$691,478</b>	<b>\$705,308</b>	<b>\$719,414</b>	<b>\$733,802</b>	<b>\$748,478</b>	<b>\$3,598,480</b>
<b>Personal Services Costs (Salaries &amp; Benefits) Perm Employees</b>								
Total Personal Service Costs	\$ (1,200,121)	\$ (1,214,536)	\$ (912,224)	\$ (63,234)	\$ (64,244)	\$ (65,255)	\$ (66,265)	(3,585,879)
<b>Services &amp; Supplies/Capital Outlay Costs</b>								
<b>State Data Center Costs</b>								
Consulting Services: 5 servers @ \$,2500 ea	(\$7,500)	(\$2,500)	(\$5,000)	\$0	\$0	\$0	\$0	(\$15,000)
Consulting Services for Disaster Recovery	\$0	\$0	(\$77,256)	\$0	\$0	\$0	\$0	(\$77,256)
Hosting: \$300/month per server	(\$10,800)	(\$14,400)	(\$21,600)	(\$21,600)	(\$21,600)	(\$21,600)	(\$21,600)	(\$133,200)
Network	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Software Costs</b>								
SW Purchase/Upgrade - Development Tools	(\$50,000)	\$0	\$0	\$0	\$0	\$0	\$0	(\$50,000)
SW License Maintenance (10% during Impl and half that after)	(\$5,000)	(\$5,000)	(\$5,000)	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)	(\$25,000)
Miscellaneous Software for 10 computers	(\$5,000)	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,000)
<b>Hardware Costs</b>								
10 computers @ \$2000 each	(\$20,000)	\$0	\$0	\$0	\$0	\$0	\$0	(\$20,000)
<b>IT Professional Services</b>								
SI Consulting Services	(\$1,128,250)	(\$1,974,099)	(\$483,691)	\$0	\$0	\$0	\$0	(\$3,586,039)
SI Consulting Services - Ongoing Maint. Support	\$0	\$0	\$0	(\$358,604)	(\$369,362)	(\$369,362)	(\$369,362.05)	(\$1,466,690)
Independent Quality Assurance	(\$353,000)	(\$353,000)	(\$264,750)	\$0	\$0	\$0	\$0	(\$970,750)
3rd Party for Disaster Recovery Services Build*	\$0	\$0	(\$200,000)	\$0	\$0	\$0	\$0	(\$200,000)
Disaster Recovery Services (\$50,000 per mo.)	\$0	\$0	(\$300,000)	(\$618,000)	(\$636,540)	(\$655,636.20)	(\$675,305)	(\$2,885,481)
Contingency @ 20%	(\$555,934)	(\$712,707)	(\$453,904)	\$0	\$0	\$0	\$0	(\$1,722,545)
Indirect Costs (15%)	(\$500,341)	(\$641,436)	(\$408,514)	(\$159,591)	(\$164,137)	(\$167,153)	(\$170,255)	(\$2,211,426)
<b>TOTAL COSTS</b>	<b>(\$3,835,946)</b>	<b>(\$4,917,678)</b>	<b>(\$3,131,938)</b>	<b>(\$1,223,529)</b>	<b>(\$1,258,383)</b>	<b>(\$1,281,506)</b>	<b>(\$1,305,287)</b>	<b>(\$16,954,267)</b>
<b>Cash Flow Summary</b>								
Benefits/Gains	\$0	\$0	\$691,478	\$705,308	\$719,414	\$733,802	\$748,478	\$3,598,480
Costs (w/Indirect)	(\$3,835,946)	(\$4,917,678)	(\$3,131,938)	(\$1,223,529)	(\$1,258,383)	(\$1,281,506)	(\$1,305,287)	(\$16,954,267)
<b>Net Cash Flow</b>	<b>(\$3,835,946)</b>	<b>(\$4,917,678)</b>	<b>(\$2,440,460)</b>	<b>(\$518,221)</b>	<b>(\$538,970)</b>	<b>(\$547,704)</b>	<b>(\$556,809)</b>	<b>(\$13,355,787)</b>
Cumulative Net Cash Flow	(\$3,835,946)	(\$8,753,624)	(\$11,194,084)	(\$11,712,305)	(\$12,251,275)	(\$12,798,978)	(\$13,355,787)	(\$13,355,787)

8.1.3 Cost Worksheet for Alternative 3 – Maintain the Status Quo

	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	Grand Total
<b>COST OF INEFFENCIES</b>								
Notification/Distribution	\$194,859	\$200,705	\$204,719	\$208,813	\$212,990	\$217,250	\$221,595	\$1,460,930
Duplicate Data Entry	\$422,132	\$434,796	\$443,491	\$452,361	\$461,409	\$470,637	\$480,049	\$3,164,875
Reporting	\$53,661	\$55,270	\$56,376	\$57,503	\$58,653	\$59,826	\$61,023	\$402,312
System Limitations	\$20,827	\$21,452	\$21,881	\$22,318	\$22,765	\$23,220	\$23,684	\$156,147
<b>TOTAL COSTS</b>	<b>\$691,478</b>	<b>\$712,223</b>	<b>\$726,467</b>	<b>\$740,996</b>	<b>\$755,816</b>	<b>\$770,933</b>	<b>\$786,351</b>	<b>\$5,184,264</b>



8.2 Appendix B – Tentative Project Schedule

<b>Centralized Abuse Management Project Preliminary Schedule</b>																		
(Revised 10/24/2016)																		
	<b>2016</b>						<b>2017</b>											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Project Management	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
QA Oversight	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Stage Gate 2 Submission			■															
Stage Gate 2 Review/Approval				■														
Prepare Stage Gate 3 Docs				■	■													
Stage Gate 3 Submission					■													
Stage Gate 3 Review & Approval						■												
RFP/Contract SI Vendor	■	■	■	■														
Establish Project Team			■	■														
Finalize Requirements					■													
Fit-Gap Analysis					■													
Refine Project Plan						■												
Release 1 Design						■	■											
Release 1 Development							■	■										
Release 1 S/T								■	■									
Release 1 UAT									■									
Release 1 Training and Rollout										■	■							
Plan Ops & Maintenance									■	■	■							
Release 2 Finalize Requirements											■							
Release 2 Fit Gap Analysis											■	■						
Release 2 Design											■	■						
Release 2 Development												■	■	■				
Release 2 S/T													■	■	■			
Release 2 UAT																■	■	
End to End Regression																	■	■
Release 2 Training & Rollout																		■
Update Ops & Maintenance																■	■	■
Warranty													■	■	■	■	■	■
Prepare Stage Gate 4																	■	■
Review & Approve Gate 4																	■	■
Project Close																		■

### 8.3 Appendix C – History and Future of the CAM Project

#### History of Project

##### **Minimum Viable Product (Colorado Transfer Solution)**

The original vision and contracted work was to use Colorado's solution with minimal alterations to provide a solution for APD and ODDs. In March 2017, the Executive Steering Committee approved a change to the underlying data model from a one to one relationship to a one to many relationship for victims in investigations and to associate Allegations/Abuse Types to victims and alleged perpetrators. The Contract value was increased by \$318,000 to \$1,875,200 through Amendment 1. The initial pilot date was moved to December of 2017 and the scheduled project closing date was extended from March of 2018 to August of 2018.

It was planned that this "Phase 1" product would be followed by a Phase 2 that met the needs of Mental Health. Child Welfare was removed from scope after a recognition the existing Child Welfare system was recognized as the system of record.

On June 16, 2017, Amendment 2 was executed allowing the DDI vendor to use off-shore resources from its parent company. The Contract value remained unchanged.

##### **Build 2 for Go-Live**

We quickly learned that the project team had not been adequately resourced for the size and complexity of the project, with shortages identified for full-time business subject matter experts, business analysts, and test leads.

In addition, the initial approach of using only high-level requirements resulted in insufficient deliverables and discrepancies between what the Vendor was delivering and what the State ultimately wanted.

The project also experienced a resource turn-over during this time with the departure of the Senior Project Manager, Project Director, and Business Transition Analyst. The project team had little visibility into the system until Build 2 was delivered in August, and it soon became clear that the system was missing key security features, key functionality did not work as expected, and very little progress had been made on organizational change management deliverables, due to the Vendor's relative inexperience in this area. In September 2017, The Executive Steering Committee decided a full re-boot of the project was required.

##### **Build 3 and 3.1 for APD**

A new (interim) Project Director was brought in and empowered to hire additional resources and solicit more participation by business partners. The project began a reassessment of the requirements in October of 2017.

In February of 2018 ODDS decided to delay implementation of the system for the ODDS program providing additional time for the program to work with their CDDP and Brokerage partners to prepare for the implementation of the system. This allowed APD to proceed with a greater focus on refining requirements and organizational change management activities.

In April 2018 the schedule was re-baselined, calling for an initial Pilot in July followed by a set of enhancements based on the resulting learnings (called 3.1) and three additional rollouts to different regions in October, November, and December of 2018. Contract Amendment 3 was

executed to support the enhancements and schedule. The Contract value was increased by \$1,123,800 to \$2,999,000.

On July 3, 2018 Contract Amendment 4 was executed. This amendment revised contract terms and conditions (UAT, Stabilization and Acceptance), included a definition for minor system enhancements (refinements), added language to the Statement of Work to clarify Agency expectations and additional deliverables to accurately reflect contractor support requirements during system implementation. The Contract value was increased by \$443,600 to \$3,442,600.

Pilot for APD started in July 2018 and the subsequent roll-outs to complete statewide implementation in October, November, and December completed as scheduled. Feedback from the roll-outs was positive and the APD implementation has been very positive.

### **Builds 3.2 APD and 4 ODDS & MH**

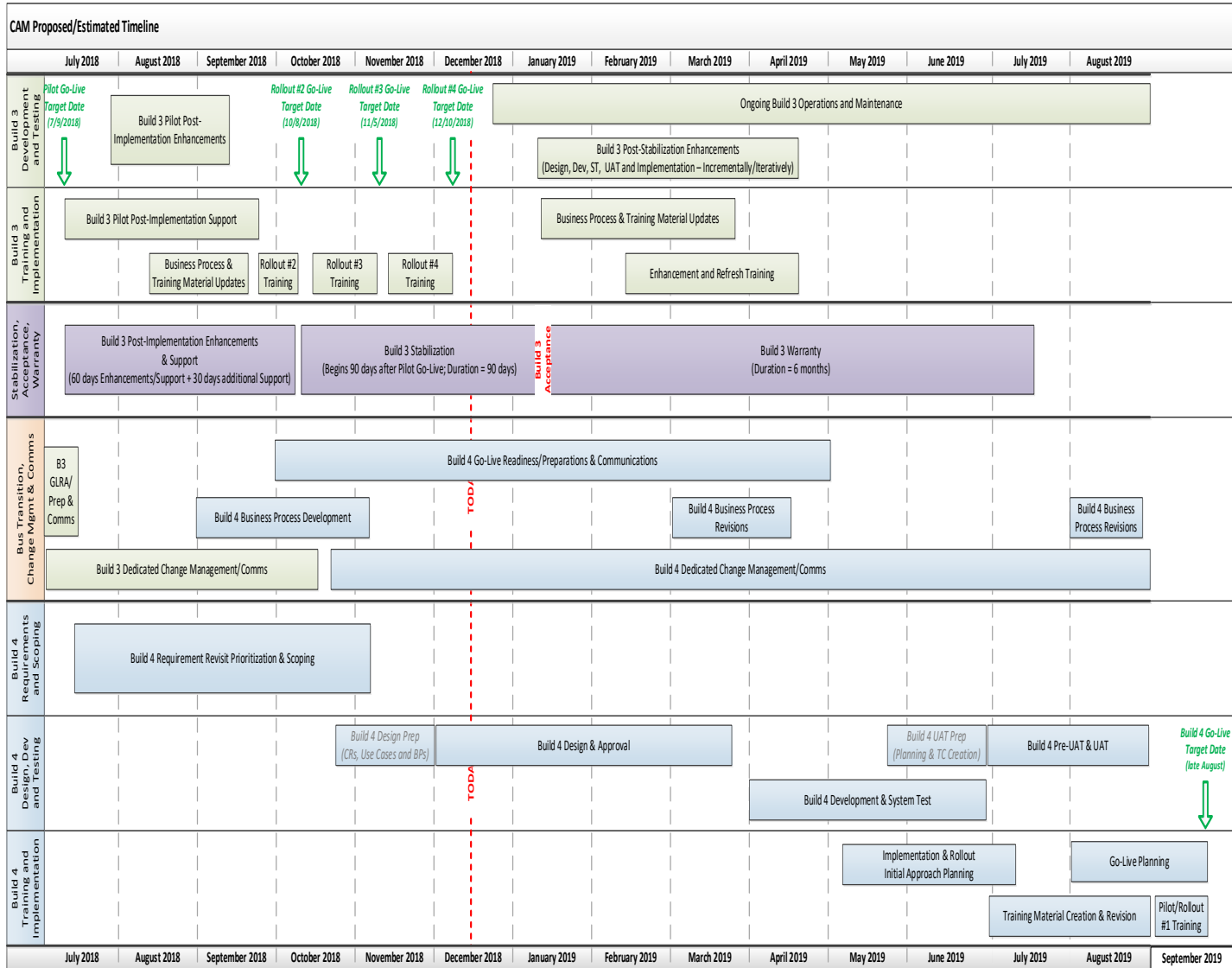
On September 10, 2018, the Executive Steering Committee approved the schedule for Build 3.2 for APD enhancements and Build 4 for functionality for ODDS and MH implementation. Build 3.2 enhancements are scheduled for the first quarter of 2019 and Build 4 Pilot in September 2019. Like the APD implementation, three subsequent roll-outs for statewide implementation are planned for January, February, and March of 2019 with project close out in the 2<sup>nd</sup> quarter of 2019.

On November 16, 2018, the ESC approved a new baseline budget which included full funding for Amendment 5, additional Covendis resources, and O&M for the 2017-19 biennium. On November 30, 2018, contract Amendment 5 was executed. The contract value was increased by \$2,853,400 to \$6,296,000. To support O&M in the 2019-21 biennium, a POP was developed and approved.

Key functionality intended for Build 4 includes

- Serious Incidents (SERT replacement)
- Death Review
- Role and Profile changes for DD/MH
- Intake/Investigation changes for DD/MH
- Support for Mental Health requirements

# New Baseline Schedule



# Re-Baseline History

Reason for Change	Planning End Date	Go Live / Implementation Date	Project Closing End Date	Scope Change	Budget Change	Baseline Change Approval Date	Baseline Approved By
Original Baseline – Phase 1 Planning	N/A	N/A	N/A	N/A	\$500,000	N/A	N/A
Extended Phase I to include site visits.	N/A	N/A	N/A	No change	\$397,642 of \$4,737,494 allocated		ESC
Expansion of project to include procurement, design, development,	N/A	Projected 1 <sup>st</sup> release, 06/30/2017	N/A	Expansion of project to include procurement, design,	No change	04/11/2016	ESC

Reason for Change	Planning End Date	Go Live / Implementation Date	Project Closing End Date	Scope Change	Budget Change	Baseline Change Approval Date	Baseline Approved By
and implementation of solution.		2 <sup>nd</sup> release, 02/31/2017		development, and implementation of solution.			
Schedule and budget rebaseline to support agreements made in contract negotiations.	2/24/2017	<b>Phase I</b> Pilot: 06/15/2017 Rollout 2: 09/15/2017 Rollout 3: 10/15/2017 Rollout 4: 11/15/2017	03/30/2018	<b>Phase I</b> Limited to APD and ODDS programs. Limited to Colorado transfer functionality and necessary changes to work for Oregon.	No Change	01/25/2017	ESC
Budget to add funds from BCU grant	N/A	N/A	N/A	N/A	Add \$1,000,000 to budget for a total of \$5,737,494	05/15/2017	ESC
Schedule and budget to support Oregon specific data model	N/A	<b>Phase I</b> Pilot: 12/4/2017 Rollout 2: 03/2018 Rollout 3: 04/2018 Rollout 4: 05/2018	08/31/2018	N/A	N/A	05/26/2017	ESC
Conformance with budget management decisions and POP approval.	N/A	N/A	N/A	N/A	Added 20% allocation and 10% contingency to projected cost. Added federal grant and POP 102 funding for a total approved budget of \$7,640,088.	07/18/2017	ESC
An additional requirements, design, and development cycle, Build 3, was added to address missed functionality and include time to restructure the project to place more rigor around requirements and design as well as filling vacant roles.		07/09/2018 APD only	06/30/2019	The overall scope remained the same. Instead of rolling out all 3 programs at the same time, the decision was made to start roll-out to APD first with a subsequent roll-out to ODDS and Mental Health in 2019.	No change	04/09/2018	ESC
Builds 3.2 and 4 schedules proposed (aka Option 4)		1Q and 3Q 2019 ODDS and MH	6/30/2020	No change	No change	9/10/2018	ESC
Funding for Amendment 5 and O&M for 2017-19 biennium		No change	No change	No change	Added \$3,859,912 GF for a total	11/16/18	ESC

Reason for Change	Planning End Date	Go Live / Implementation Date	Project Closing End Date	Scope Change	Budget Change	Baseline Change Approval Date	Baseline Approved By
					of \$11,500,000		

# DHS/OHA

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## ONE IE & ME Project Business Case

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Department of Human Services

Oregon Health Authority

ONE Integrated Eligibility & Medicaid Eligibility Project (ONE IE & ME)

## Version Log

Version	Description	Author	Date
1.0	Initial Draft	Karl Olmstead	11/24/2015
1.1	Revised based on feedback from Ed Arabas	Karl Olmstead	12/15/2015
1.2	Revised Draft preparing for Stage Gate 3 Submission Incorporated changes from Sarah's review	Karl Olmstead	7/9/2016
1.3	Updated high-level requirements language. Finished M&O strategy section	Karl Olmstead	7/10/2016
1.4	Swapped in high-level requirements language to align with final SOW; expanded risk section and revised M&O strategy per SM	Karl Olmstead	7/12/2016
1.5	Added financial table attachment; revised cost numbers and narrative elsewhere; cleaned up for submission for QC review	Karl Olmstead	7/13/2016
1.6	Final edits; labeled final draft; awaiting final financial numbers only.	Sarah Miller	7/21/2016
2.0	Version for Stage Gate 3 Submission	Karl Olmstead	7/22/2016
2.1	General updates from Wayne Haddad	Rick Schlachter	3/31/2017
2.2	Re-baseline updates	Rob Midtun	7/7/2017
2.3	Updates from PMO, IPD, and 2017 federal IAPDU submission.	Rob Midtun	8/2/2017
2.4	Updates from Management Team review	Rob Midtun	8/18/17
3.0	Updated to incorporate System Integrator Amendment #4 and Quality Assurance Amendment #3; Revalidates Stage Gate 3 Authorization	Tony Black	2/2/18

## SIGN-OFF

Version	Role	Name	Comments	Date
3.0	Governance	Exec Steering Committee	Approvals via email	2/12/2018



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# 1 Business Case Executive Summary

## 1.1 Overview

The purpose of the Oregon Department of Human Services (DHS) OregONEligibility Integrated Eligibility & Medicaid Eligibility (ONE IE & ME) Project or, the “Project,” is to extend the Modified Adjusted Gross Income (MAGI) Medicaid enrollment and eligibility determination functionality to include Non-MAGI Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment-Related Day Care (ERDC). Combining these disparate systems into a single, integrated solution, will create a seamless end-to-end service offering with multiple access methods for eligible enrollees. This new system will also provide checks and balances to ensure that Oregonians who qualify for benefits receive accurate and timely payments, and to ensure that those who don’t qualify for services do not receive benefits.

This business case update is intended to articulate changes in Project scope, schedule, and budget to inform the Project Team, governing bodies, stakeholders, and decision-makers of changes that deviate from prior versions of this document.

The last iteration of the Project schedule indicated completion of design, development, and implementation (DDI) on Non-MAGI Medicaid, SNAP, TANF, and ERDC in June 2019. This update describes an extension of this timeline to commence Pilot implementation in late August 2019. The Pilot implementation will be deployment of the new system to both Jackson and Josephine Counties, followed by a statewide roll-out in three waves that will be completed in late July 2020. This added duration of the Project was the combined result of extending System Integration Testing (SIT) from two months to five months, extending User Acceptance Testing from four months to six months, extending the Pilot phase from three months to five months, adding a one-month stabilization period after each of the three roll-out waves, and increasing the number of data conversion mock runs from three to five.

As many of the System Integrator (SI) Deliverables were shifted from the 17-19 biennium to the 19-21 biennium, the Project Team is estimating an ending balance for this biennium to be approximately \$30 million, with a Project spend of approximately \$165 million vice the budgeted \$195 million. The Project Team is estimating the need for \$144 million in the 19-21 biennium for data conversion, testing, and implementation, and an additional \$44 million for Maintenance and Operations (M&O) and enhancements after Project close.

With the expiration of the OMB A-87 cost allocation exception in December 2018, the Team is projecting the Federal portion of this \$188 million for the 19-21 biennium to be approximately \$134.8 million. If approved, the State funding will consist of approximately \$39.2 million in bond sales and approximately \$15.6 million General Fund.

## 1.2 Background

In January 2015, a project was initiated to modernize MAGI Medicaid eligibility determinations and enrollment. This was called OregONEligibility, or simply the “ONE” system. This system development was approached by utilizing code similar in desired functionality from the State of Kentucky, which they call *kynect*.

In June 2015 during the ONE system Design, Development, and Implementation (DDI), House Bill (HB) 2219 was signed into law. This bill directed DHS to convene a work group with staff

from human service agencies, including: The Housing and Community Services Department, the Oregon Health Authority, the Department of Education, the Employment Department, the Office of Child Care (inside the Early Learning Division), and the Higher Education Coordinating Commission, as well as, the State Chief Information Officer and other individuals who the department deemed necessary. The work group was to study how to create a consolidated application process for residents of the state to apply for and obtain assistance in accessing food, housing, medical care, education, employment services, child care and other social services. The work group was tasked with developing and submitting a recommendation to the Legislative Assembly by September 15, 2016.

In December 2015, the ONE system was placed into production. Also in December 2015, version 1.1 of this business case was submitted to the Office of the State CIO (OSCIO) and to the Legislative Fiscal Office (LFO). It was this version of the business case that received Stage Gate 2 endorsement to continue planning to extend the functionality of the ONE system to include Non-MAGI Medicaid, SNAP, TANF, and ERDC programs. A copy of business case v1.1 is attached as Appendix D.

In August 2016, an update to this business case, version 2.0, was submitted to the OSCIO and LFO, and was used to obtain Stage Gate 3 approval to commence execution of the new ONE IE & ME Project. Again, the software development methodology was to capitalize on additional code from the State of Kentucky they had used to assimilate similar programs. Kentucky called this integrated eligibility system *benefind*, which they have shared with the State of Oregon. A copy of business case v2.0 is attached as Appendix E.

Also in August 2016, the Project Team reported back to the Legislative Assembly on HB 2219 with recommendations including the development of a single application for financial eligibility for the Department of Human Services (DHS) and Oregon Health Authority (OHA) programs. Consolidating the application process for multiple programs among two large state agencies was an incremental step in the vision towards a single application for all health and human service programs. A copy of this report is attached as Appendix F.

In late 2016 and early 2017, the pace of the Project slowed while there were leadership changes at the Director level in both DHS and OHA, and with the Independent Project Director (IPD). In March 2017, a Memorandum of Understanding (MOU) was signed by Agency Directors and by the State CIO to jointly govern the Project as the Joint Governance Board (JGB). In May 2017, the Project Team received go-forward authorization from the Executive Steering Committee (ESC) and the JGB. It was soon thereafter that negotiations commenced to update SI and QA contracts. These Amendments are now complete (pending federal approval of the QA Amendment) and the Team has re-baselined the Project's scope, schedule, and budget accordingly. These Amendments effectively pushed the Production Pilot and roll-out to September 2019, completing implementation across the State in July 2020.

### **1.3 Problem Definition**

This Project is about serving the most vulnerable of Oregonians in their times of need. Oregon, like most of the nation, has continued to work through the cyclical nature of recessions and budgetary uncertainty. Most of the financial benefits DHS and OHA provide to Oregonians is off-cycle. When the State is in a recession and budgets are tight, DHS and OHA often require more funding to provide safety net and stabilization services for Oregonians. This balancing can place strain on any system.

Oregon is also continuing to grow both in age and in the general population served. Since 2010, Oregon has experienced a 3% per year growth rate over the national average in the population over the age of 65. Oregon's total population has grown by 1.6%. Like previous years, the majority of this growth (88%) is coming from people moving or migrating to Oregon.

DHS and OHA have seen policy shifts with the implementation of MAGI Medicaid, Cover All Kids, and other program policy changes which continue to provide opportunities for more individuals to receive services. In parallel with this population growth, the complexity of the rules and those served continues to grow. DHS and OHA serves over a million Oregonians through Medicaid, which has multiple programs with different rules about how to determine income, what sources to use, what to include, what to look at, and when to look at it. Family dynamics continue to change, with more and more multi-generational family groups and cases where parents and children can be in multiple households and geographic locations.

DHS and OHA staff currently use multiple systems for eligibility determination for Medicaid, SNAP, TANF and ERDC benefits. Eligibility data are often duplicated within multiple, disparate systems and are not easily shared between these systems. As such, eligibility determinations are not made in a standardized and timely manner and, in some cases, an individual's data needs to be manually entered in more than one system. There are currently few checks and balances across systems to ensure those who are eligible for benefits receive them and, conversely, those who are not eligible don't receive benefits. Some of the systems were designed and implemented in the 1970s and early 1980s. Many have been repeatedly modified from their original format to address the vast number of eligibility, service authorization and payment changes that have occurred over the decades following initial release. Business process improvements have been stifled because of keeping these antiquated systems operational and in compliance with policy changes.

These factors lead to issues with accuracy and access. Oregonians today must go to multiple offices to apply for the same benefits. They provide verifications to multiple sources and are often confused about who needs what, who has shared what, and what their next steps are. While Oregon has continued to remain below the national average for errors in traditional Medicaid systems and the SNAP program, there have been increasing quality control issues causing public discussions on the accuracy of Medicaid determinations. The latter has been an issue of trying to coordinate between IT systems and various agencies to solve who is providing which services and where an individual is being served, causing issues around capitation and reimbursement.

Over the last two years, DHS leadership have heard from staff, advocates, and community members the words, "I don't know". This includes families in crisis looking for services, who cannot answer a question about who they are working with. They receive letters from multiple local offices and messaging from various systems, all directing them to either call, come in, or go on-line. This leaves Oregonians confused, unsure of benefits, afraid of failing or taking the necessary steps to become more self-reliant, or to leave an abusive situation because they don't know what is available, who to talk to, or where to go for help. Staff have also complained about having to say, "I don't know." During the roll-out of MAGI Medicaid, over 1,000 Oregonians a month would come into DHS offices to ask about their MAGI benefits. Some Workers couldn't see into the ONE system, and many of them had their access to MMIS removed because they were not considered a covered entity. This created a system where

workers would have to say, “I don’t know,” and place the Oregonian on hold for long periods of time, or needing to fax information to the branch processing MAGI Medicaid.

#### 1.4 Opportunity Definition

The ONE system is currently being used to process eligibility determinations for MAGI Medicaid. Oregon has taken the opportunity to extend ONE for eligibility determinations of additional programs by utilizing updated code from the State of Kentucky called *benefind*. Additionally, the Office of Management and Budget (OMB) circular A-87 exception to cost allocation rules was extended by CMS from December 2015 to December 2018. This provides the State of Oregon the opportunity to provide enrollment and eligibility determination services with a single, integrated system utilizing enhanced federal funding for much of the Project cost.

	6-Year TCO			Funding Sources		
	DDI	M&O	Total	Federal	State GF	Bonds
15-17 Actuals	33.6	0.0	33.6	28.5	0.5	4.6
17-19 Projected Actuals	164.7	0.0	164.7	148.0	2.3	14.4
19-21 Budgeted	146.0	43.6	189.6	134.8	15.6	39.2
<b>Total Project Cost</b>	<b>344.3</b>	<b>43.6</b>	<b>387.9</b>	<b>311.3</b>	<b>18.4</b>	<b>58.2</b>

DHS and OHA serves over 1 million Oregonians through the Medicaid program. These agencies also serve over 308,000 kids, over 81,000 Children’s Health Insurance Program (CHIP) kids, over 20,000 Foster Medical kids, over 128,000 aged, blind, or disabled Oregonians through traditional Medicaid, and an additional 420,000 adults or parent-caretaker relatives through MAGI Medicaid. On top of this is an additional 41,000 Citizen/Alien-Waved Emergency Medical (CAWEM) individuals, and over 150,000 Oregonians receiving assistance with their Medicare through a Medicare Savings Program, including Dual Eligible individuals. Each of these systems are requiring more complex logic to determine what information to accept and when. This requires worker intervention at an increasing rate.

Beyond Medicaid, there is SNAP, TANF, and ERDC which serve approximately 400,000 Oregonians. In a calendar year, DHS and OHA will serve approximately 1.6 million Oregonians, with individuals coming on and off programs, processing around 2.1 million applications each year. Over 65% of these individuals are applying for multiple programs.

Applicants must apply to multiple offices with multiple workers through various channels, and must provide the same information over and over, which is then stored in different systems that don’t interoperate well. By integrating our systems and service delivery model, Oregon has an opportunity to coordinate benefits. These benefits are currently calculated manually. Workers take information and put it into various systems. There are over 30 Legacy systems needed to complete the work related to these programs, followed by manually determining which exclusions to apply, what benefits should be associated, what the outcome is, and what notices to be sent.

While Oregon has had relatively high accuracy rates in contrast to national averages, moving into a system with automated rules provides opportunities for DHS to work on standardization and coordination to limit the risks identified.

The greatest opportunity is that DHS will be able to better serve Oregonians. Any integration of systems is difficult but with the integration of enrollment and eligibility systems, there will exist standardized processes to apply for Medicaid, SNAP, TANF, and ERDC. Oregonians will be able to apply online or in an office, provide changes and updates from their homes, and see a single coordinated output of what benefits they are eligible for. They will be able to talk to workers who will be cross-trained on programs and able to view information from a single system for most of the financial eligibility benefits individuals are applying for. DHS and OHA will have an updated platform that can conform to federal and State expectations, and allow for opportunities over the next decade to increase automation and access for Oregonians in ways that cannot be offered today. Ultimately this solves the greatest problem and provides the greatest opportunity for eliminating an answer of, "I don't know." A single system, a coordinated approach to eligibility, and a stable platform of care for Oregonians that is about serving them in the way they want to be served, will allow us to focus on accurate and effective customer service for some of the most vulnerable Oregonians.

## 1.5 Alternatives Analysis

Both business case versions 1.1 and 2.0 explored the four Alternatives identified below:

1. Implement Non-MAGI Medicaid Eligibility Determination into the ONE System
2. Implement Integrated Eligibility Determination into the ONE System
3. Acquire External Eligibility Determination Services from another State
4. Do Nothing

Alternative #1 was originally estimated to cost \$80.3 million and conclude in December 2018. Additional costs would be incurred now because the *benefind* code would have to be reworked to eliminate the functionality associated with SNAP, TANF, and ERDC. There would be the loss of a significant investment already made in terms of fit-gap, design, development, and human resource to incorporate these additional programs into an integrated system.

Alternative #2 was selected in both cases and the Project Team proceeded accordingly. Given that this Project is now approximately 35% complete, with initial system design nearly complete, and with code development in progress, there is significant risk and cost associated with each option that deviates from the current course, or Alternative #2.

Alternative #3 is not a viable option as there are no service models across the nation that support Oregon acquiring services from another State.

Alternative #4 would require continued spending for Project shutdown activities and vendor contract resolution but the cost of system design and development would be stopped. This Alternative would likely prompt several federal audits that would jeopardize current program funding streams until complete. Oregon would likely be required to pay back federal funds expended to date. Overall, this is the least desirable Alternative of those identified.

## 1.6 Conclusions and Recommendations

Continuing with Alternative #2 DDI is the best option at this stage of the Project. It is supported by agency leadership and Project governance. Given the ONE system as a stable base to build from and the shared code from Kentucky (*benefind*), the methodology employed has been proven successful, using the ONE System as an example. With continued availability of enhanced federal funding, timing is right to offset significant Project cost (\$282.1 million federal funding of the estimated \$342.1 million total Project cost). The Project Team can now also manage the Project against a solid and actionable scope, schedule, and budget. Failure to act now on this opportunity would have significant adverse effects, such as:

- Service delivery would continue in the current model, meaning the same frustration with the system from end-users and clients would persist, as well as error rates and lack of checks and balances.
- There would be a loss of federal funding and it is likely audits would be triggered.
- There would be a loss of confidence in the State's ability to execute a modernization program.
- There would be damage to the reputation of the State of Oregon.
- There may be accompanying increases in operational costs because of lost federal funding and continuing to operate antiquated systems.
- There would be a loss of the investment already made in delivering intended functionality to Oregonians.

The Project Team is highly recommending continuation of Project execution in alignment with Alternative #2. Cost detail for this Alternative can be found in the Project Budget attached as Appendix C.



## 2 Background

### 2.1 Current State of DHS Eligibility Work

Most of the systems supporting DHS eligibility determination processes were designed and built in the 1970s and early 1980s. Many of these systems have been modified repeatedly to address the vast number of eligibility, service authorization, and payment rule and policy changes that have occurred since then.

### 2.2 MAGI Medicaid Eligibility Operations

#### 2.2.1 Kentucky Transfer System (*kynect*)

In 2013, Kentucky's Cabinet for Health & Family Services (CHFS) embarked on an ambitious information technology (IT) modernization program to replace a collection of legacy systems that supported Health and Human Services programs. The cabinet's goal was to modernize IT solutions to improve delivery of services and increase worker productivity while maximizing the funding opportunities available from the Affordable Care Act and CMS 90/10 funding. The modernization program, called Kentucky Connect (*kynect*) included implementation of a state-based Health Insurance Market Place, an eligibility and enrollment system for MAGI Medicaid applicants, and several other enterprise IT capabilities. Kentucky will realize the following outcomes as a direct result of the modernization program:

- *Streamlined Field Operations*– Increased worker productivity, simplified process steps, reduced case processing cycle times, and reduction in total administrative costs of delivering benefits.
- *Transformed Service Delivery* – Transformed service delivery, providing multiple channels of access (walk-in, online, mail, call centers, fax, mobile, imaging, etc.), and interactive processing across geographic units.
- *Program Compliance and Monitoring of Fraud and Error* – Flexibility for worker performance while maintaining strict adherence to program mandated compliance through checkpoints and controls for measurement and proactive response.

As Oregon's designated Medicaid agency, OHA recently implemented a new system for MAGI Medicaid eligibility determinations. That system is called OregONEligibility, or ONE, and is the result of the State of Kentucky sharing the *kynect* code base with the State of Oregon. Originally built by Deloitte Consulting, *kynect* operated as the MAGI Medicaid eligibility determination system of record for more than a year before OHA signed an agreement with the Kentucky Cabinet for Health & Family Services to share their code and associated documentation with the State of Oregon. Oregon then performed a Fit-Gap analysis on Kentucky's code in relation to Oregon's needs. The transferred code was modified as necessary and is now operating as a production system in Oregon's State Data Center. The ONE system will be used by OHA to make approximately 900,000 individual MAGI Medicaid eligibility determinations and redeterminations each year.

OHA accepted the *kynect* production system as meeting the bulk of its business needs and therefore made very few technical changes to the system, instead focusing on making policy and process changes to its business wherever feasible to minimize the risk with the initial system implementation in Oregon.

### 2.2.2 Phased Implementation

OHA implemented the ONE system in phases. First, in December 2015, it enabled the Worker Portal for use by eligibility workers to determine MAGI Medicaid eligibility for applicants who apply by mail, fax, phone, or through the Federally Facilitated Marketplace (FFM) at Healthcare.gov.

In February 2016, it implemented a customer facing Applicant Portal, initially limiting access to certain community partners that help Oregonians with MAGI Medicaid benefits and to report changes. The Applicant Portal went live to all Oregonians in December 2016. The Applicant Portal allows Oregonians and community partner assistors to enter and update income, family composition, address and other eligibility-related information, upload documents, communicate with workers assigned to their cases, and participate in re-certification activities, all without having to fill out paper forms, visit a field office, or contact a call center. Over 850,000 Oregonians are now receiving benefits through the ONE system.

### 2.3 *kynect* becomes *benefind*

The Kentucky state-based marketplace preferred *kynect* to have the look and feel of searching for private insurance rather than state programs, so they developed a separate applicant portal for other human service programs and called it *benefind*. The *benefind* system code was also shared with the State of Oregon as the basis for extending eligibility and enrollment determinations to include Non-MAGI Medicaid, SNAP, TANF, and ERDC. See Appendix G for functionality included in the *kynect/befind* system. Appendix H, comparing Oregon's needs to Kentucky's *benefind* system, was used to determine if there were enough similarities between the two state's programs to justify obtaining this code as a transfer solution and performing the subsequent Fit-Gap Analysis.

### 2.4 Non-MAGI Medicaid Eligibility Operations

DHS and AAA staff make more than 150,000 Non-MAGI Medicaid eligibility determinations every year. DHS and OHA's Forecast for the 2017-2019 Biennium estimates the following caseloads:

- Clients of Aged, Blind, and Disabled programs (84,533 cases as of December 2017)
- Clients of the Old Age Assistance program (44,418 cases as of December 2017)
- Clients of the Qualified Medicare Beneficiaries program (27,469 cases as of December 2017)
- Medicare Part A and Medicare Part B supplemental payments (103,461 cases as of December 2017)

Roughly half of those determinations are made by DHS staff in local offices of the department's Aging and People with Disabilities (APD) program. The remainder are made by Area Agency on Aging (AAA) staff in Marion, Polk, Yamhill, Tillamook, Clatsop, Multnomah, Lane, Linn, Lincoln and Benton counties. (Area Agencies on Aging are typically county-chartered organizations that provide assistance and services for people over the age of 65 and people with disabilities who need assistance. In the Oregon counties listed above, AAA deliver DHS's APD Medicaid program under contract with the department, including making initial and ongoing financial eligibility determinations.)

The Non-MAGI Medicaid eligibility caseload is projected to grow about nine percent over the next four years. Without any improved efficiency in making eligibility determinations, the added case load could require 25 or more eligibility workers at a cost of over \$2 million annually to be hired, trained, and deployed across the state to come into standard with the current workload model.

The process of taking applications, reviewing them, and making Non-MAGI Medicaid eligibility determinations is often expensive, slow, and error-prone. For example, recent measures of Non-MAGI Medicaid cases found workers spend an average of 28 minutes screening each application and taking another 110 minutes to make the eligibility determinations. This is for a case that doesn't take coordination. If the case has a connection to a MAGI or medical case, then there is an average of 5 touches back and forth between different workers before a decision to move forward is completed. After the coordination is completed there is, according to a program integrity review, at least a 15% chance that the change won't take effect because of system issues in attempting to integrate across multiple systems (ONE, IE, CM, ORKids, and MMIS).

## **2.5 Integrated Eligibility (SNAP, TANF, ERDC) Operations**

DHS and AAA staff make approximately 130,000 SNAP eligibility determinations every year for APD program clients. (Those 130,000 households include roughly 155,000 individuals.)

Self-Sufficiency Program (SSP) staff make the remainder of the eligibility determinations for SNAP, and make eligibility determinations for the TANF and ERDC programs. The SSP caseload is approximately:

- SNAP: ~285,000 cases (~580,000 individuals)
- TANF: ~23,800 cases (62,800 individuals)
- ERDC: ~7,700 cases (23,545 individuals)

The Spring 2016 DHS/OHA Caseload Forecast predicts a decline in the average number of SNAP cases between the 2015-2017 biennium and the 2017-2019 biennium (from roughly 406,000 households to approximately 371,000 households). The proportion of SNAP cases that are managed in APD/AAA offices is expected to continue to grow. The forecast projects a decline in the number of TANF cases from roughly 23,500 to 20,600 over the same period.

Errors occur in these programs as well. Recent internal quality control review data for the SNAP program found that in a sample of cases where applicants were determined to be ineligible, that decision was inaccurate more than 19 percent of the time. In a sample of SNAP-eligible cases, the difference between the benefit amount awarded and the correct amount averaged a little less than 3 percent of the benefit amount. (Some errors were overpayments. Others were underpayments.) In the TANF program, the difference between the amount awarded and the correct amount exceeded 28 percent of the benefit amount.

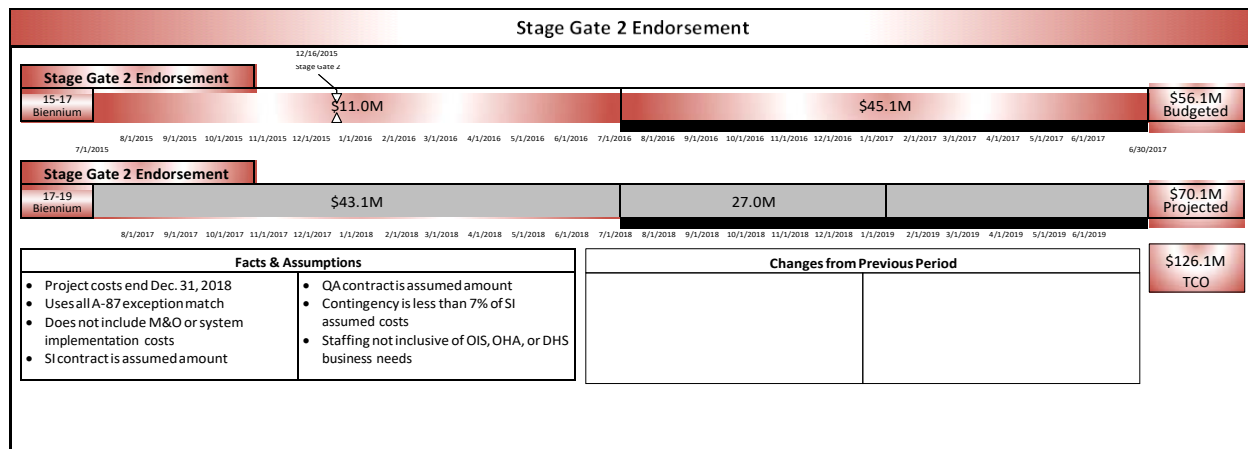
## **2.6 Schedule Changes Since Last Update**

The project timeline has been updated from previous submissions. As Oregon explored work through the iterative design sessions, it became apparent that we needed a shift in our operational model. A decision was made to delegate all Medicaid eligibility determination work

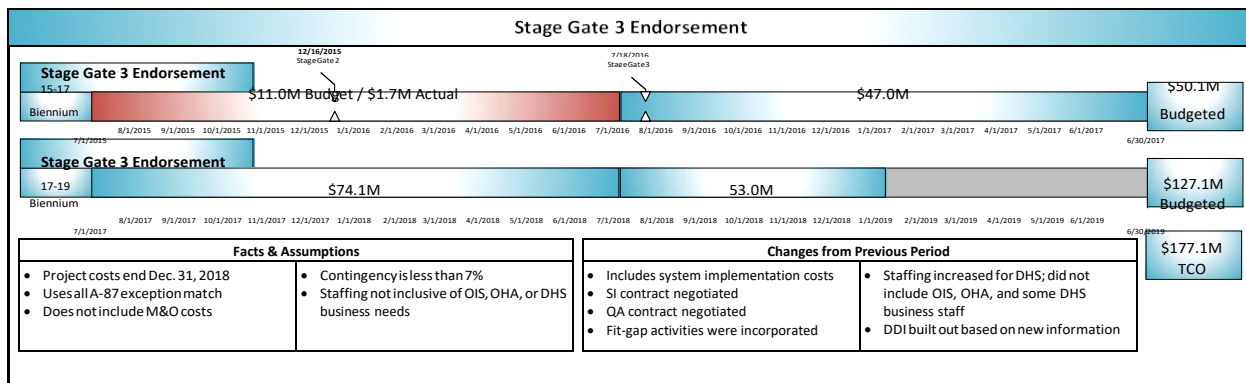
to DHS. As OHA and DHS further engaged with the design and explored opportunities and lessons learned from the initial ONE implementation and other States' experience, Oregon updated the schedule. Additional time for pilot, testing, and the wave roll-outs were added to the schedule. Oregon also contracted with Deloitte to assist with the Legacy Design work with the intent of insuring that Oregon's Office of Information Services (OIS) understands the total scope of work needed and to avoid issues that other States experienced with their projects. As this work continues, Oregon may adjust the Project schedule to ensure that we are accounting for all the opportunities we need to consider in ensuring a quality product is delivered and ultimate accountability to our federal partners and Oregonians is met.

## 2.7 Project Changes Since Initiation

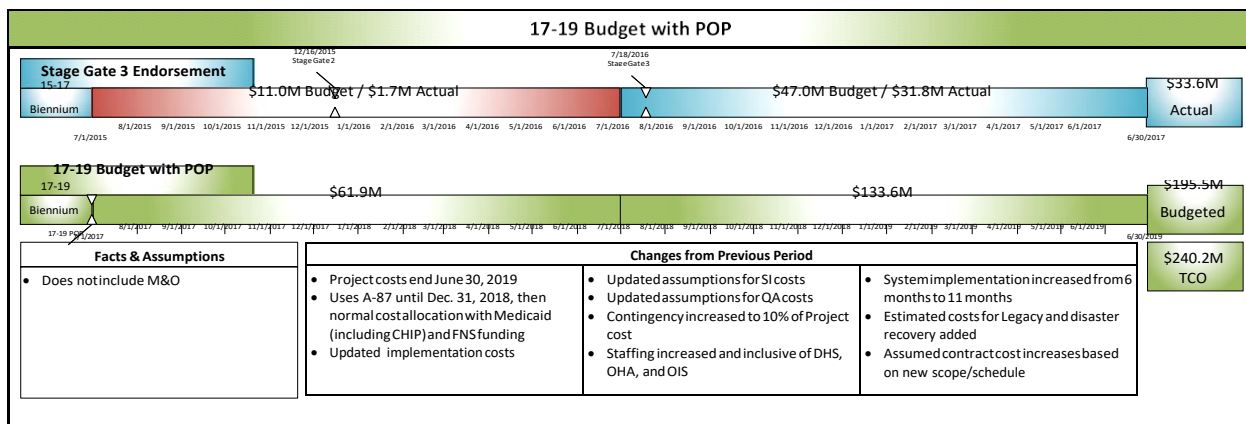
Business Case version 1.1, dated December 16, 2015, was utilized for Stage Gate 2 endorsement. As indicated in the graphic below, there was an estimated Project cost of \$126 million with a plan for product availability in December 2018. Product implementation and people readiness activities were not incorporated in this version.



Business Case version 2.0, dated July 18, 2016, was an update for Stage Gate 3 endorsement. The graphic below estimates Project cost to be \$177.1 million with a plan for implementation through December 2018. This plan refined SI and QA contract costs and incorporated fit/gap activities. In this estimate were increased staffing for DHS but did not include many needed OIS or business resources from OHA and some of DHS.

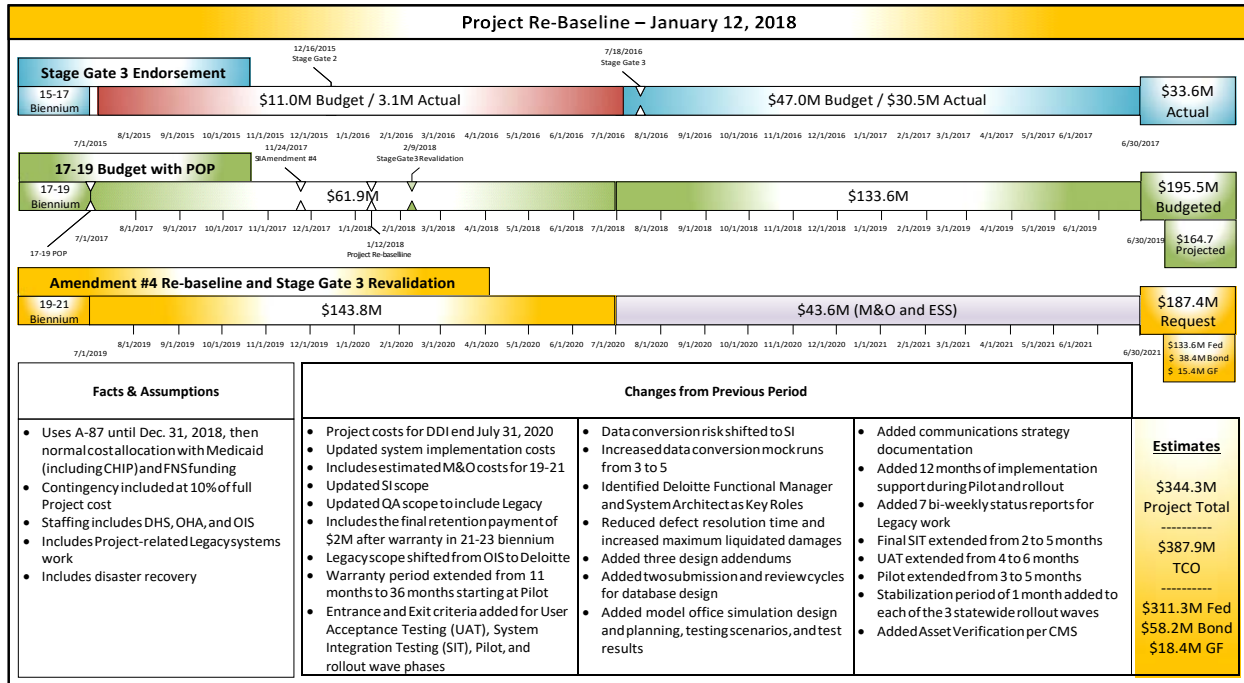


In the 17-19 budget development process, the Project Team received go-forward approval from Project governance after an impact analysis and risk assessment were conducted to validate the viability of a go-forward option. There was an additional \$63 million cost identified to extend the Project duration to June 2019, and to incorporate additional staffing needed for an implementation that was increased from 6 months to 11 months. Additionally, Legacy systems design and development were added for both the State and the SI, as well as funding needed for disaster recovery. The SI contract Amendment amount was approximated. Contingency funds were also added to the budget to reflect a 10% prudent person reserve. The total Project cost was estimated to be \$240.2 million with \$195 million needed for the 17-19 biennium.



The SI contract Amendment was completed in November 2017. The duration of the Project was again extended such that Pilot implementation will begin in September 2019, followed by 3 one-month waves of roll-out and one month stabilization period between each wave. This schedule indicates a complete state-wide deployment by the end of July 2020. There were also extensions of time by adding two extra data conversion mock runs (from 3 to 5), adding 3 design addendums, increasing final System Integration Testing (SIT) from 2 months to 5 months, Pilot implementation from 3 months to 5 months, and User Acceptance Testing (UAT) from 4 months to 6 months. Other additions to scope included the addition of Model office simulation design and planning, communications strategy documentation, updates to QA scope to include ONE/ESS and Legacy design and development, warranty period extension from 11

months to 36 months, and other items identified in the graphic below. These changes increased the Project cost from \$240.2 million to an estimated \$344.3 million, but with the schedule extension, some of the SI and QA deliverable costs were shifted from the 17-19 biennium to the 19-21 biennium. As such, the Project Team is estimating an ending balance of approximately \$30 million at the end of the 17-19 biennium. The 19-21 budget request will be further refined prior to the budget development process but acknowledges there will be funding needed to complete testing and implementation, as well as for Maintenance and Operations (M&O) and Enhancement Support Services (ESS).



## 3 Problems and Opportunity Definition

### 3.1 Problems

One of the most common complaints from both clients and workers is the lack of integration between and across DHS and OHA systems, resulting in the need for the same information to be provided and entered into multiple systems. Clients are frequently frustrated with having to provide the same demographic and financial information over and over when applying for different program benefits. Caseworkers are frustrated by the lack of client and case visibility across programs. That forces them to open many systems and juggle many views into those systems simultaneously as they interview clients and process cases. Oftentimes, they don't have access to systems or parts of systems that are needed to support clients effectively.

A good example of this is cases where a worker in an APD/AAA office evaluates a client's eligibility for medical assistance and SNAP and determines the client is SNAP-eligible only. This case will be referred from the APD/AAA office to an SSP office for ongoing case management. The information system used in the APD office (OregonAccess) does not have an interface to the system used in the SSP office (TRACS) so data must either be transferred with a cut-and-paste operation, re-entered from a paper application, or collected from the client again.

Case transfers in the opposite direction (from an SSP office to an APD or AAA office) are also problematic. Anecdotal reports include times where these transferred cases went unnoticed for three to six months. This problem should be resolved by integrating the systems such that handoffs to other agency processing centers is no longer required. Additionally, the new system is tasked based vice case based, meaning workers will monitor a queue that is shared by all. Other reports noted that the likelihood of fraud increases when a household is split between an SSP branch and an APD/AAA branch due to the absence of connections between the systems.

Similar, and often more complicated, coordination problems arise for clients of the Intellectual and Developmental Disabilities (IDD) program. The case managers who provide case coordination for long term care or support in the IDD program are predominantly employees of local county-run Community Developmental Disabilities Programs (CDDP) and Adult Support Service Brokerages. While these offices are under contract with DHS to provide case coordination for IDD services, they do not manage the Medicaid financial eligibility case for their clients. This leaves clients and their families in the position of having to contact and work with the APD or AAA branch closest to their home location. Because service cases are managed in multiple legacy systems, which differ from the systems in which the medical eligibility cases are managed, complex and time-consuming human intervention is required to assure both medical and long-term service benefits are maintained and managed correctly.

### 3.2 Opportunities

In an integrated solution, the problems described above no longer exist because caseworkers will enter client data once for all in-scope eligibility determinations and they will be cross-trained on these DHS and OHA eligibility-based systems such that clients do not need to be redirected to a different field office. There are other factors identified below that make now the right time to continue expanding the ONE system to include eligibility and enrollment functionality for Non-MAGI Medicaid, SNAP, TANF, and ERDC systems, at a minimum.

### 3.2.1 MAGI Medicaid Eligibility System

The ONE system has been in production since December 2015 and has undergone many enhancements and upgrades since that time. There is now opportunity to extend this system to align with the intended outcomes of the IE & ME Project. Examples include:

- Oregonians can set-up an account, apply for and receive real-time eligibility determinations for Medicaid (both MAGI and Non-MAGI), SNAP, TANF, and ERDC using a single application via the Applicant Portal
- Coordination of eligibility determination work between DHS and OHA for mixed households
- Electronic verification information sources minimize documentation that the client will be required to provide
- Operational reports that will allow for workload management across eligibility determination caseloads
- Single system for eligibility determination data for accurate reporting to federal partners
- Centralized and verified enrollment data available for Coordinated Care Organizations for MAGI & Non-MAGI clients
- Consistent high-quality data source for reporting CMS-mandated operational statistics
- Automating manual processes in order to:
  - Reducing the elapsed time between completing an application and making an eligibility determination
  - Reducing staff time spent creating, reviewing, and acting on each application
  - Reducing error rates in making eligibility determinations

### 3.2.2 Federal Partnership

#### 3.2.2.1 A-87 Cost Allocation Exception

On August 10, 2011, three federal agencies, CMS, FNS, and ACF announced a time-limited, specific exception to the cost allocation requirements set forth in Office of Management and Budget (OMB) Circular A-87 (Section C.3) and Section 200.405 of the superseding "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (2 CFR 200 issued December 19, 2014). These provisions generally require the costs associated with building shared state-based information technology systems to be allocated across all benefitting programs. The exception reflected a federal focus on streamlining enrollment and eligibility determinations in health and human services programs while leveraging funding efficiencies at the state-level.

#### 3.2.2.2 Timeline Extension

The original timeline allowed human services programs to benefit from investments in the design and development of state eligibility-determination systems for state-operated Marketplaces, Medicaid, and the Children's Health Insurance Program (CHIP), through December 31, 2015. On July 20, 2015, the three agencies extended that timeline for an additional 3 years, through December 31, 2018.

The A-87 exception extension, along with an indefinite extension of enhanced Federal funding for Medicaid systems, will enable states to fund the initial development costs needed to retire their legacy eligibility determination systems and to integrate this functionality into new and improved systems. Moreover, the extension will provide states more time to develop, refine, or test integrated systems to fully comply with Affordable Care Act requirements.



In support of DHS' integrated ONE IE & ME Project, CMS will fund all system components necessary for Medicaid eligibility determinations, including those components that also serve other programs, at its 90/10 match rate. FNS will fund SNAP-only components at its 50/50 match rate, and ACF will allow the state to utilize TANF and ERDC funds to support the development of components that were confined to those programs. After December 2018, CMS will continue to fund Medicaid components at the 90/10 match rate but functionality benefitting all enrollment and eligibility determination programs will need to be allocated at 90/10 Medicaid and 50/50 for SNAP, TANF, and ERDC.

CMS and FNS approved federal fiscal year 2017 funding for project design and development work. The Project Team has regular monthly status reports and status meetings with these federal partners.

### 3.2.3 System Design

IE & ME Core Design, Conversion Design, and Legacy Design is approximately 90% complete with scheduled completion at the end of March 2018. There is now a greater understanding of system functionality, requirements, and outcomes.

### 3.2.4 Contract Amendments

#### 3.2.4.1 System Integrator Contract Amendment #4 with Deloitte Consulting.

The SI Amendment #4 to Statement of Work (SOW) #2 for design, development, and implementation (DDI) of the ONE IE & ME system was crafted to capture changes that had been presented to the Legislature during the 17-19 biennium budget process in the form of a Policy Option Package (POP) that extended the duration of the Project and associated costs. This Amendment effectively shifted design scope of the larger and/or more complex Legacy systems from State staff to the SI. Additionally, this Amendment provided the following benefits:

- Contract language position improvements:
  - Warranty Period extended from 11 months to 36 months starting at Pilot.
  - Entrance and Exit criteria added for User Acceptance Testing (UAT), System Integration Testing (SIT), Pilot, and rollout wave phases.
  - Data conversion risk reduction:
    - If the data conversion approach fails to deliver results in accordance with the design or the mock run targets, then the SI will bear its own costs relating to revisions in the data conversion design and the data conversion source code.
    - Increased the number of data conversion mock runs from three to five.
    - Resolved differing opinions regarding the scope of the SI's data conversion extraction and transformation services for Other Related Individuals.
  - Identified two additional SI roles (Functional Manager and System Architect) as Key Persons.
  - Service Level Agreements (SLAs): Reduced resolution time for Severity Level 3 Defects and increased the maximum liquidated damages per incident from some metrics.
- Deliverable adjustments:

- Added three design addenda to incorporate limited functional modifications, as prioritized by the State, to meet business requirements and complete system implementation.
- Added two submission and review cycles for the Database Design – Data Dictionary, Logical Design, and Physical Design.
- Added Model Office Simulation design and planning, testing scenarios, and test results.
- Added communications strategy documentation.
- Added twelve months of implementation support services during the Pilot and statewide rollout.
- Added seven bi-weekly status reports to the legacy documentation and design work (SOW #3).
- Increase to Other Support Services:
  - Added \$6 million to the Other Support Services funds.
- Schedule adjustments:
  - Final SIT duration extended from two months to five months and aligned with legacy system availability to enable end-to-end testing.
  - UAT duration extended from four months to six months.
  - Pilot duration extended from three months to five months.
  - A one-month stabilization period has been added to each of the three statewide rollout waves.

The cost for SI services with this Amendment increased from \$100 million to \$166 million.

Responsibilities between the State and Deloitte in the execution of this Amendment are included as Appendix J.

#### 3.2.4.2 Quality Assurance Contract Amendment #3 with Public Knowledge, LLC.

The QA Amendment #3 to SOW #2 expanded the scope of QA services provided by Public Knowledge, LLC to include modifications to impacted legacy systems, the incorporation of the ONE System Enhancements, and other changes to align with the revised scope and schedule of the Project. ONE System Enhancements means enhancements made to the ONE System through either maintenance and operations (M&O) releases or enhancement support services (ESS) releases. This Amendment has been approved by CMS. FNS approval is pending.

The cost for QA services with this Amendment increased from \$4 million to \$8.6 million.

### 3.2.5 Re-Baselined Scope, Schedule, and Budget.

With the Amendments above, the scope, schedule, and budget were re-baselined. These Project artifacts are attached as Appendices A, B, and C respectively.

### 3.2.6 *benefind* Code Availability.

As the State of Kentucky expanded their enrollment and eligibility services from their *kynect* product, new functionality they called *benefind* became available for State of Oregon use. This transfer solution is being put in place to the maximum extent practicable in the build of Oregon's new integrated system.

### 3.2.7 House Bill 2219 (2015) – Single Streamlined Application for Human Service Programs

HB 2219, effective June 2, 2015, required DHS to convene a work group consisting of “human service agencies” to study consolidation of application processes for human and social services and to report recommendation to the Legislative Assembly. This report was submitted to the Legislature on August 15, 2016. In this report, four recommendations were identified and are summarized below:

Recommendation 1: Develop a single application for financial eligibility for DHS and OHA programs. Convene a cross organization recommending body to develop criteria for the sequence and addition of other agency programs.

Recommendation 2: Take the opportunity with the IE & ME Project to review and revise the application language. Application assistors have provided feedback that current application language can be confusing and potentially trigger trauma for applicants.

Recommendation 3: Utilize the HB2219 work group to research the health and human services program screening tool(s) currently being used in Oregon and explore their functionality, accuracy, maintenance and usage.

Recommendation 4: Continue the HB2219 work group to research and explore the possibility of sharing basic applicant information across programs/agencies, when applicable, to reduce duplication and enhance services to Oregonians.

The consolidated application will allow people to apply for and obtain assistance in accessing food, housing, medical care, education, employment services, child care and other social services. A consolidated application process is expected to: 1) decrease the time an applicant spends filling out similar paperwork for different programs, 2) decrease the time agency staff spend processing paperwork, 3) reduce the burden on applicants to navigate their own way through a complex system of programs, and 4) correctly and appropriately determine eligibility through a common, standards-based process. Eligible Oregonians would get a quick and accurate determination, and those who are not eligible would be promptly notified.

### 3.2.8 Meeting Citizen Expectations

Today's consumers increasingly communicate in real time via web-based services accessed from virtually anywhere. Technological advances and experiences in consumer marketplaces have resulted in DHS customer expectations that are much higher than they were just a few years ago. Citizens expect to be able to access information about government programs simply and quickly. They expect to be able to find information and connect with programs without needing to first figure out which programs and benefits are administered by which agencies and levels of government. Some people are beginning to demand virtual "one stop shops" where they can connect with government programs from all agencies that serve people in circumstances like theirs. They expect to access benefits and services without having to report physically to a field office or having to fill out paper forms. They expect online government services to set and meet the highest possible standards for security, confidentiality, and data privacy.

With the new integrated system and associated Applicant Portal, Oregonians will be able to apply for benefits, update case information, upload documents, and determine eligibility across multiple systems from anywhere in the world that they can obtain Internet connectivity.

### 3.2.9 Field Operations Efficiencies

Eligibility decisions will occur in a timelier fashion with the delivery of an integrated eligibility system. Workers will not be downloading paper applications, manually entering information into multiple screens, or performing manual verification checks in multiple systems. This will result in fewer processing errors and greater integrity of the data in the system. Accuracy of eligibility decisions and benefit amounts will also increase with automation of these activities.

DHS and OHA will be updating the service delivery model to include two levels of office interaction. Virtual Eligibility Centers (VEC) will be established in rural communities where workers will process information coming through the phone or an online application. This creates rural jobs and will build an infrastructure to support the growing movement away from brick-and-mortar offices. Oregonians will continue to have access to offices where services are currently provided. They will also have 24-hour access to information about the status of their eligibility cases. The ability for customers to update their own personal information, with automated processing of those updates, will save worker time in the DHS offices. It will also allow for more efficient communications between workers and their assigned customers, with the ability for customers to email their worker at any time of the day with information or questions about their case.

Staff in DHS and AAA offices will be able to spend more time with people, assisting them with their needs, and less time with paper processes and files. Additionally, DHS staff who are serving customer needs in their own homes, or places of residence, will be able to access information from those locations and update information. This allows for the worker to save time once they are back in the office, as the updates will already be complete. They will no longer have to upload and update information upon return to the office.

While we expect these efficiencies and opportunities, the majority of these will not be seen for at least 18 months, post implementation. In order to automate eligibility and allow Oregonians to be able to provide information, additional questions and functionality is required. These additional fields, which don't exist today and therefore cannot be data converted into the ONE

system, along with change management have been correlated nationwide with longer eligibility determination times for the first year and a half.

### 3.2.10 Alignment with Strategic Technology Plan

The DHS/OHA Strategic Technology Plan (STP) includes many strategies that the ONE IE & ME Project will support. Strategy #1 in that plan is titled Business Automation and calls for the automation of workflows, decision-making, and business rules while reducing manual, paper-based processes. This project will automate workflows and the application of business rules in each of the programs within its scope. Strategy #2, Dynamic Needs Supported by Seamless Services, is evident in that this project includes many programs in its “one stop shop” for citizens. Similarly, an integrated eligibility system will provide advances in pursuit of Strategy #5, which calls for assembling a “comprehensive view of clients.” The STP also calls for enabling connectivity “anytime, anywhere,” encouraging the development of on-line self-service capabilities for clients and mobile virtual workplaces for agency staff. An integrated eligibility determination system will provide that functionality. More information related to Project alignment with the STP is attached as Appendix I.

## 4 Alternatives

In version 1.1 of this business case, which was utilized for Stage Gate 2 endorsement, four alternatives for the Project were identified and analyzed. They were:

- Implement Non-MAGI Medicaid Eligibility Determination into the ONE system
- Implement Integrated Eligibility Determination into the ONE system
- Acquire External Eligibility Services from Another State
- Do Nothing

The second option was selected, meaning the intent was to extend the functionality and derived benefits of the ONE system to include Non-MAGI Medicaid, SNAP, TANF, and ERDC. Business case v1.1 is included in this document for reference as Appendix D.

In version 2.0 of this business case, which was utilized for Stage Gate 3 endorsement, these same four alternatives were recognized but only options #2 and #4 above were compared further. Business case v2.0 is included for reference as Appendix E.

This version of the business case contains updated information about changes to scope, schedule, budget, and risks. Assumptions and constraints have been updated, validated, and utilized to determine the best course of action (Alternative) going forward.

### 4.1 Assumptions and Constraints

Below are assumptions considered in the Alternatives Analysis (Section 4.4).

- DHS and OHA leaders support a strategy of minimizing the amount of customization when transferring Kentucky's solution to Oregon. This requires a willingness to change policies and procedures rather than changing the system whenever practicable.
- The Project Team will sufficiently orchestrate the ONE operations and maintenance work, the ONE MAGI enhancement efforts, and the IE & ME system development such that none prevent the others from being successful.
- CMS and FNS will provide timely approval plans for the IE & ME system development throughout the duration of the Project. The approval process is at least 60 days, with the review cycle restarting if there are document revisions.
- The legislature will continue to financially support the IE & ME Project, including providing necessary funding for the maintenance and operations of the new system.
- Per the MOU between OHA and DHS signed in April 2017, OHA will delegate Medicaid eligibility determination to DHS. This transition will occur before the new system goes live.
- A separate open and competitive RFP will be issued for the long-term Maintenance and Operations (M & O) of the new system after Project completion. Deloitte Consulting will provide these services by way of a contract Amendment until a new contract is awarded.
- MAGI Medicaid-related enhancements to the ONE System will be performed by Deloitte Consulting.

- The Legacy systems documentation will be updated in a timely manner to support the design of the IE & ME system and its interfaces.
- Case management will still be performed in Legacy systems such as TRACS and ORACCESS and will be shared with the new system with interfaces, as appropriate.
- Deloitte will assist in documenting the design of key Legacy system changes and interfaces to support their use with the Integrated ONE System.
- Appropriate modifications to the existing service delivery model and business processes will enable Oregonians to access benefits via Storefronts, the Applicant Portal, or through Virtual Eligibility Centers (VECs).
- Training will be holistic. It will encompass enrollment, eligibility, and benefit issuances in both the new ONE system and the modified Legacy systems.
- The existing ONE system will be merged into the new IE & ME system.
- The roll-out will be conducted in a phased approach. There will be a five-month Pilot period, implementing the new system in both Jackson and Josephine Counties. Following the Pilot, implementation in the remainder of the State will be accomplished in three one-month waves with a one-month stabilization period following each wave.
- Key staff (business leaders, program and policy experts, field/operations representatives, technical experts, clients and potential clients, community partners, counties, and tribes) will be made available in sufficient numbers to the Project when they are needed.
- Changes to the MMIS system will be completed in a timeframe consistent with the IE & ME schedule.
- People readiness for field/operations representatives and other stakeholders will be achieved throughout the IE & ME Project, and will be completed prior to “go-live.”
- DHS and OHA will continue to receive authority to connect, and to utilize the Federal Marketplace.
- ETS will provide timely and consistent services throughout the life of the IE & ME Project and will provide necessary services for the implementation, operation, and maintenance of the new Integrated ONE system.
- There will be continued gubernatorial, OSCIO, and legislative support for the Project.
- All parties to the MOU will continue to abide by the agreement.

The project is subject to these constraints:

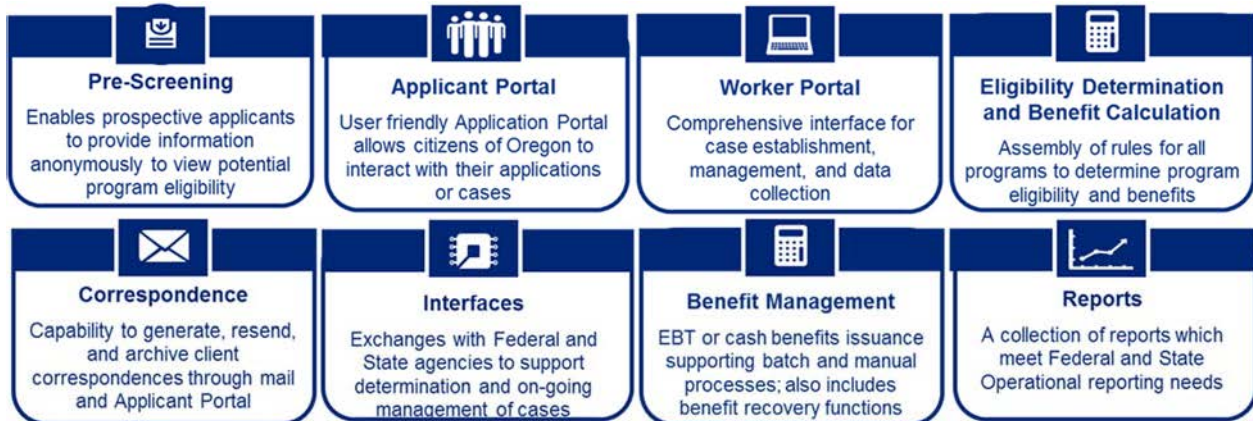
- CMS will not provide enhanced funding for a Non-MAGI Medicaid solution that is separate from ONE.
- The exception to the OMB Circular A-87 cost allocation requirements to support integration of other human service programs into the ONE system will expire at the end of December 2018.
- The IE & ME System Integration Testing #2 cannot be performed until ONE, Legacy, and MMIS development and testing is complete.

- State and Federal mandates that require changes will need to be implemented during the Project if they cannot be deferred.

## 4.2 Solution Requirements

### 4.2.1 High Level Functional Requirements

The following represents the IE & ME Project high-level business functionality:



**Pre-Screening** – The Pre-Screening module in the Applicant Portal enables prospective applicants to provide a minimal set of information to the system anonymously to see the programs for which they may qualify. The module will include assessment capabilities for all programs offered by Integrated ONE, including Medicaid (MAGI & Non-MAGI), SNAP, TANF, and ERDC. It is important to note that the pre-screening process is not an official eligibility determination and individuals must formally apply in the Applicant Portal or by contacting a DHS or an OHA office. The data collected during Pre-Screening will be saved.

**Applicant Portal (AP)** – The Applicant Portal enables the registered users' access to the system to apply for benefits as well as to enable them to take action on their ongoing benefits. The applicant portal allows users to apply for Medicaid (MAGI & Non-MAGI), SNAP, TANF, and ERDC as a part of an Integrated ONE application. The citizens will be able to take actions on their ongoing applications or cases including to report a change, to recertify, to withdraw an application, to discontinue an ongoing program, to upload documents, to view Request for Information (RFI) notices, and/or to start a new application. It will also include additional functionality such as the ability to request an appeal or hearing, to request an EBT or Medicaid Card, to view claims or facts regarding disqualification, to view a TANF summary, and/or to submit a SNAP application. The applicant portal will provide role-based dashboards and will incorporate the user account creation process that is currently established in the MAGI Medicaid ONE system Applicant Portal.

**Worker Portal (WP)** – Worker Portal allows case workers to manage the lifecycle of an application or case by providing functionality to perform intake on new applications, to determine eligibility and benefit amounts based on the data provided during intake, and/or to disburse benefits and process case changes. It also contains modules for support-functions like



appointments, task management, hearings and appeals, and complaints to help the workers perform daily activities.

**Eligibility Determination and Benefit Calculation (EDBC)** – As the central repository for business rules defined by policy and administrative procedure, EDBC is the module where the Integrated ONE system determines each person’s eligibility and benefit level based on the information collected through the worker or applicant portal and verification status of key data elements that affect eligibility (income, resources, citizenship, etc.) For Medicaid programs, eligibility determination is limited to financial eligibility for Medicaid. Service eligibility determination and authorization for Medicaid and other SSP case management services are not in scope for the initial implementation. For the purposes of determining financial eligibility, the eligibility rules engine will evaluate individuals and households through multiple modules to confirm their compliance with both state and federal program rules. All eligible individuals will be included in the benefit group which will be used to determine the benefit amount or ERDC days of care the individual may receive.

**Correspondence** – The correspondence module generates the notices required to support a case life cycle. Integrated ONE system generates the notices, which are automatically forwarded to the State’s centralized print center for printing and mailing. Case Workers will have the ability to review the notices and determine the accuracy before these notices are mailed out as part of the nightly batch processing cycle.

**Interfaces** – Interfaces are a critical component of the Integrated ONE system. Interfaces are required to share data with federal agencies, other State agencies and systems, and Trusted Data Sources (TDS) to support critical business processes such as verification, fraud detection, federal reporting, benefit issuance, and recovery. The system will use both batch and real-time interfaces to meet the business needs.

**Benefit Management** – The Benefit Management module supports two key functions – benefit issuance and benefit recovery. The benefit issuance function allows for automatic benefit issuance through Electronic Benefit Transfer (EBT) cards, checks and direct deposit through Electronic Fund Transfer (EFT). The function also allows authorized users to issue benefits manually outside the constraints of eligibility, if necessary.

The Benefit Recovery function determines overpayments against issued benefits because of case changes. Overpayments are referred to the ICM (Claims Management) System for establishing and maintaining claims. A certain portion of the benefit amount is recouped from future benefits based on the outstanding claims amount received from ICM.

**Reports** – This module focuses on generating Operational, federal and State reports necessary for the administration of the APD and SSP programs. The operational reports are generated from key business processes that include:

- New Applications
- Reporting a Change
- Redeterminations
- Task Management
- Reports required for audits and quality assurance
- Interface Activity Reports

The above functionality will be provided in the new system by integrating components of several disparate systems identified below.

- Modified Adjusted Gross Income (MAGI) Medicaid. This program helps low-income people in Oregon with health insurance. MAGI medical benefits can cover working families, children, pregnant women, single adults, and more. This functionality is currently in the ONE system.
- Non-MAGI Medicaid. This includes Oregon Supplemental Income Program (OSIP) Medical, also known as the Aged, Blind, Disabled Medical or SSI based Medical programs, Medicare Savings Programs, and Refugee Medical. These services are currently processed in ORAccess, CM, and MMIS. Scope does not include Hospital Presumptive, Extended Medical, and the Breast and Cervical Cancer Program.
- Supplemental Nutrition Assistance Program (SNAP). This is a federally funded program which offers nutrition assistance to millions of eligible, low-income individuals and families. SNAP is the largest program in the domestic hunger safety net. Scope includes all services provided by SNAP other than the Summer Meals program.
- Temporary Assistance for Needy Families (TANF). This program provides cash assistance to low-income families with children while they strive to become self-sufficient. Cash assistance is intended to meet a family's basic needs such as food, shelter and utilities. Most cash benefits in Oregon are issued via an Electronic Benefit Transfer (EBT) card. This is also known as an Oregon Trail card. Scope does not include case management.
- Employment Related Day Care (ERDC). This is a child care subsidy program for working families.
- Temporary Assistance to Domestic Violence Survivors (TA-DVS). This program provides temporary financial help to support families whose safety is at risk due to domestic violence. Most often, this is when the domestic violence survivor and the children are fleeing domestic violence or at risk of returning to an abusive situation.

#### 4.2.2 High Level Non-Functional Requirements

High level non-functional requirements include the following:

**Security** – Provisioning of a secure system with corresponding authority to connect to the federal market place.

**Reliability and Availability** – The system must meet service level requirements for accessibility and up-time. Maintenance windows must be clearly communicated and be strictly adhered to.

**Scalability** – The system must scale to meet demand. As demographics change, it is anticipated that the preferred method of accessing services will also change. The system must accommodate this shift.

**Performance** – The system must meet performance specifications such that the user experience is acceptable with any method of interaction with the system.

**Capacity** – System design must accommodate the anticipated volume of cases end-to-end, including interactions with Legacy systems case management functionality.

**Recoverability** – The system must be recoverable within a reasonable Recovery Time Objective (RTO) with tolerable data loss specified with a Recovery Point Objective (RPO). RTO and RPO will be articulated as part of the Disaster Recovery and Business Continuity business case.

**Serviceability** – The system must be developed utilizing industry best practices and standard tools and methodologies to be easily maintained, including the application of patches, upgrades, and enhancements.

### 4.3 Alternatives Identification

In each iteration of this business case, the Project Team explored four alternative courses of action. With more than two years of activity and approximately \$57 million invested to date on this Project, it is now approximately 35% complete, including over 90% of design completion. As such, not all the previously developed Alternatives make sense or are even possible. Current state Alternatives are now identified as follows:

**Alternative #1:** Implement Non-MAGI Medicaid Eligibility Determination into the ONE System  
This Alternative is unchanged from prior business case versions and extends the current ONE system to support Non-MAGI Medicaid eligibility determinations and service authorization to community-based care programs only. This approach limits the scope of DHS and OHA programs that would be affected. It requires transfer of the Kentucky system, removal or disabling of the functionality in that system supporting programs like SNAP, TANF, and ERDC, and customization for Oregon's Non-MAGI Medicaid program.

**Alternative #2:** Implement Integrated Eligibility Determination into the ONE System

This Alternative is also unchanged from prior business case versions and represents the current course of action on this Project. This Alternative extends the current ONE system to support Non-MAGI Medicaid eligibility and SNAP, TANF, and ERDC determinations, as well as providing service authorizations for community-based care programs. This approach involves a wider range of DHS and OHA programs. It avoids the risk and expense of removing functionality for these programs from the Kentucky system. It requires potential customization of a larger number of Oregon programs than Alternative #1.

**Alternative #3:** Acquire External Eligibility Determination Services from another State

This is not a viable Alternative as there are no service models across the nation that support Oregon acquiring services in this manner.

**Alternative #4:** Do Nothing

This Alternative requires no additional investment in further development of the ONE system. However, resources with skills needed to deal with contract issues and federal audits would be needed. Improvements to current processes would be limited to those that arise naturally through DHS's continuous improvement program.

#### 4.4 Alternatives Analysis

In each prior version of this business case, Alternative #2 - Implement Integrated Eligibility Determination into the ONE system, was selected as the best go-forward option. In this business case, Alternatives #1 and #4 are revisited and reviewed against the foundational assumptions and constraints. Consideration is given to the work performed to date in the realization of expected outcomes and factors such as cost, benefit, and risk identified with each alternative.

##### **Alternative #1:** Implement Non-MAGI Medicaid Eligibility Determination and Service Automation Only

*Cost* – The estimated total cost of implementing this Alternative was \$80.3 million. (See estimate details in Business Case v1.1, Appendix D.) Compared to the Integrated Eligibility Alternative #2, this Alternative would have minimized the overall costs of Fit-Gap analysis, design, configuration, customization, testing, and training by removing scope for all components other than Non-MAGI Medicaid. Savings would be reduced by the cost of removing or disabling SNAP, TANF, and ERDC from the Kentucky system code. Nearly \$60 million invested to-date for enhanced eligibility determination functionality would produce little or no value.

*Benefits* – This Alternative will achieve the high-level requirements associated with the Medicaid program. Clients seeking Non-MAGI Medicaid eligibility will be able to apply online and they will receive faster eligibility determinations. Non-MAGI Medicaid eligibility workers in APD and AAA offices will be more productive and make fewer eligibility determination errors. Problems associated with the handoff of cases between DHS and OHA will be reduced, if not eliminated.

*Risk* – This Alternative has the risks associated with large information technology projects involving complex requirements and a lengthy schedule. This Alternative will impose substantial policy and procedure changes on Non-MAGI Medicaid eligibility workers. The need to remove substantial components from an existing application adds some technical risk that is not present in the other alternatives. DHS workers will need to use two or more systems to provide some clients with basic case management. There is also significant risk in splitting APD cases from SNAP cases.

##### **Alternative #2:** Implement Integrated Eligibility Determination

*Cost* – The five-year total cost of ownership between August 2015 and June 2020 is estimated to be \$334 million. (See Appendix C, Project Budget). This alternative includes the full cost of Fit-Gap analysis, design, configuration, customization, testing, and training for the SNAP, TANF, and ERDC programs. Also Non-MAGI Medicaid all modifications to 35 Legacy systems, and disaster recovery.

##### *Benefits -*

- Clients seeking Medicaid eligibility (either MAGI or Non-MAGI) and/or SNAP, TANF, and ERDC eligibility will be able to apply on-line.
- Clients applying for medical assistance and for one or more of SNAP, TANF, and ERDC will make a single application regardless of programs they are applying for.
- There will be fewer eligibility determination errors in and between the programs due to the single shared data source and integration between systems.
- Problems associated with the handoff of cases between OHA and DHS will be reduced or eliminated, as will problems with handoffs among APD/AAA offices and SSP offices.

- This approach allows for the retirement of the Caseworker Application Processing Interface (CAPI), and the Food Stamp Management Information System (FSMIS).

*Risk* - This project has the risks associated with large information technology projects involving complex requirements and a lengthy schedule. There are many stakeholders involved or impacted. New business processes will impose substantial policy and procedure changes on Non-MAGI Medicaid eligibility workers in APD/AAA offices and on SNAP, TANF, and ERDC eligibility workers in SSP offices. By eliminating antiquated information systems and reducing the scope of others, this approach reduces long-term risks that system failures will interrupt the delivery of DHS programs.

Project leadership is tracking several high probability/impact risks. They are summarized here:

- Focus on preferring policy and process change before technology change reduces technical risk but substantially increases the amount of process change that must be undertaken.
- Legacy subproject that includes modifications to 35 subsystems is still in design so is not yet fully understood.
- Data conversion mock runs have not yet begun so data quality is not yet fully understood.
- Data quality in Legacy systems might make it difficult to cleanse and populate data from Legacy into the new system.
- The Office of Information Services (OIS), which supports many affected Legacy information systems, may not have capacity to simultaneously participate in this Project, and support on-going operations, maintenance, and enhancement of Legacy systems that will remain after the ONE IE & ME project.
- The project's Technology Management Plan would impose security requirements on DHS and OHA's directory services that may not yet be supportable.
- There may be a lack of capacity for business leaders, track leads, and other Project staff to accommodate the volume of action items, change requests, and decisions required for the Project.

**Alternative #3:** Acquire External Eligibility Determination Services from another State

Cost, benefit, and risk are difficult to quantify given there is no existing model for obtaining services in this manner.

**Alternative #4:** Do Nothing

*Cost* – Spending for additional system functionality would stop but additional costs to shut down the Project would continue until all vendor contracts were terminated and all audits were conducted. There would be no value derived from the investment of approximately \$300 million already made.

*Benefits* – There is no beneficial by-product from this Alternative.

*Risk* – It is estimated federal audits would take years and that federal program subsidization would come to a stop until audit findings were satisfactorily addressed by the State. There would also likely be significant dissatisfaction from all Project stakeholders, potentially resulting in not having another opportunity to fix current state problems into the foreseeable future.

## 5 Conclusions and Recommendations

### 5.1 Conclusions

Development of an Integrated Eligibility Determination system continues to be the leadership vision for Oregonians, DHS, OHA, and for eligibility workers and the prudent course of action, given the investment of time and resources to date. With the continuation of the OMB Circular A-87 cost allocation exception and the active support of our CMS and FNS partners, any action contrary to continuing with the Project will have significant negative consequences, as identified below.

The State of Oregon has an opportunity to continue expansion of the MAGI Medicaid eligibility system (ONE) as a stable base, utilizing code from the State of Kentucky system called *benefind*.

Much of the design of the new system, including Legacy design is complete. Given new contract Amendments with our SI and QA vendors, there is a solid scope, schedule, and budget to manage the Project to. There is also current work with Gartner to validate this schedule and budget against anticipated Project outcomes, scheduled for completion in February 2018.

The efficiencies gained in the field offices in serving Oregonians enrollment and eligibility needs for Medicaid, SNAP, TANF, and ERDC is undetermined during the first year of deployment. Factors such as the quality of data conversion and the readiness of eligibility workers will impact operations. However, data will be more reliable and checks and balances are being built into the system for accuracy and error reduction. It is in the best interest of the State of Oregon to continue the ONE IE & ME Project on its current course on behalf of all Oregonians.

### 5.2 Consequences of Failure to Act

There has been ongoing effort to modernize enrollment and eligibility programs. Both agencies in cooperation are dedicated to removing obstacles, incorporating lessons learned, and finding success for this project. DHS and OHA signed an MOU to solidify that understanding and to provide a foundation for success. All parties clearly understand that there is significant negative impact in failure or in doing nothing. This section lists those consequences.

1. Oregonians lose. We have a current system that doesn't serve Oregonians well. Medicaid financial eligibility is divided in delivery methodologies and access for Oregonians, SNAP, TANF, and ERDC benefits are not coordinated with Medicaid benefits. Oregonians expect better service from their State government.
2. CMS is continuing to fund the majority of the DDI work through December 31, 2018 for the ONE IE & ME project because non-MAGI is being added to the system that contains MAGI eligibility. Without non-MAGI eligibility CMS will not pay for the shared components and the State's portion would increase for SNAP, TANF, and ERDC functionality.
3. It is possible that the State of Oregon would not risk another project to provide this functionality into the foreseeable future. Changes at the federal level, and differing priorities amongst agencies and programs provide substantial risk in the future.
4. Continued reliance on dated Legacy systems and manual processes. Currently eligibility outside of ONE requires the workers to access seven different subsystems.
5. Loss of CMS/FNS confidence in the State of Oregon (potential impact on future funding).

6. Further loss of Oregon's reputation for being able to implement successful IT projects.
7. Potential contractual termination issues with current contracted entities including Deloitte, and Public Knowledge.
8. Negative impact to service delivery to Oregonians who rely on DHS and OHA for services;
  - a. Service delivery times;
  - b. Redundant processing requirements for customers and state staff;
  - c. No decline in error rates;
  - d. Possibility of overpayments or not getting timely benefits;
  - e. No enhanced checks and balances between programs.
9. Impacts on the One system. Without bringing in the additional programs, there will continue to be data for individuals that doesn't match. This could result in a worker not acting on the most recent information for an individual, and not performing appropriate due process.
10. Loss of employment to both state and vendor staff.
11. Possible increased DHS and OHA operational costs.
12. There would be a loss of the investment already made in system development.

## 6 Appendixes and References

### 6.1 Appendix A – Project Scope

6.1.1 Design sessions revealed additional scope for this Project, such as Non-Citizen, other income types, Real+D, Mass Update triggers, and task management. Scope also includes financial eligibility determination for the following DHS and OHA programs:

DHS Self-Sufficiency Programs	Type of Assistance (TOA)	Description
Supplemental Nutrition Assistance Program (SNAP)	CTCE	Categorical Eligibility
	EXCE	Expanded Categorical Eligibility
	BBCE	Broad Based Categorical Eligibility
	SNAP	Supplemental Nutrition Assistance Program
	ESNP	Expedited SNAP
	DSNP	Disaster SNAP
	ABAWD	Able Bodied Adults without Dependents Requirements
	OFSET	Oregon Food Stamp Employment Transition Program
Temporary Assistance for Needy Families (TANF)	TANF	TANF
	EPPT	Employment Payments
	TDVS	TANF Domestic Violence
	TJPI	Jobs Participation Incentive
	PSSI	State Family Pre-SSI
	JOBS	Jobs Opportunities and Basic Skills Note - Only determination of JOBS mandatory individuals and assessment status, not ongoing case management
Child Care Program (CCPG)	ERDC	Employment-Related Day Care
	CCTN	Child Care Supportive Service for TANF Recipients
REF	REFG	Refugee program for individuals seeking Assistance and otherwise ineligible
Summer Meals	SEBTC	Summer Electronic Benefit Transfer for Children

DHS Aging and People with Disabilities (APD) Programs	Type of Assistance (TOA)	Program Description
Non-Modified Adjusted Gross Income (Non-MAGI) Medicaid	QMB-BAS	Qualified Medicare Beneficiaries – Basic
	QMB-SMB	Qualified Medicare Beneficiaries - Special Limited Medicare Beneficiaries
	OSIPM-SSI	Oregon Supplemental Income Program Medical - Supplemental Security Income



	OSIPM-1619B	Oregon Supplemental Income Program Medical - 1619B
	OSIPM-Survivor Widows	Oregon Supplemental Income Program Medical - Survivor Widows
	DAC	Disabled Adult Children
	Pickle	Pickle Amendment Clients
	OSIPM-AB	Oregon Supplemental Income Program Medical - Aid to the Blind
	OSIPM-OAA	Oregon Supplemental Income Program Medical - Old Age Assistance
	OSIPM-AD	Oregon Supplemental Income Program Medical - Aid to the Disabled
	OSIPM-Acute Care	Oregon Supplemental Income Program Medical - Acute Care
	OSIPM-EPD without Services	Oregon Supplemental Income Program Medical - Employed Persons with Disabilities not receiving services
	OSIPM-EPD with Services	Oregon Supplemental Income Program Medical - Employed Persons with Disabilities receiving services
	QMB-DW	Qualified Medicare Beneficiaries - Disabled Worker
	Special Needs	Special Needs
	QMB-SMF	Qualified Medicare Beneficiaries - Qualified Individuals
	Services - LTC/Waiver	Services – Long Term Care or Waiver
	OSIPM-IC	Oregon Supplemental Income Program Medical - Independent Choices program
	REF	Refugee Medical Program

OHA Programs	Type of Assistance (TOA)	Program Description
<b>Modified Adjusted Gross Income (MAGI) Medicaid</b>	ADLT	Oregon Health Plan (OHP) Plus Adult
	CHIP	OHP Plus CHIP
	CHL1	OHP Plus Child under age 1, under 185%
	CHL4	OHP Plus Child, age 1 through 18, under 133%
	EMAD	Citizen Alien Waived Emergent Medical (CAWEM) Adult
	EMC1	CAWEM Child under age 1, under 185%
	EMC4	CAWEM Child age 1 through 18
	EMPC	CAWEM Parent or other Caretaker Relative

	EMPP	CAWEM Plus Pregnant Parent or other Caretaker Relative
	EMPR	CAWEM Plus Pregnant Woman
	EMPW	CAWEM Pregnant Woman
	FFCC	OHP Plus Former Foster Care Youth
	HIA1	Hospitalized Adult inmate
	HIA2	Hospitalized Pregnant Woman inmate
	PACA	OHP Plus Parent or Other Caretaker Relative
	PCPR	OHP Plus Pregnant Parent or Other Caretaker Relative
	PREG	OHP Plus Pregnant Woman
	TP45	OHP Plus Assumed Eligible Newborn

### 6.1.2 Legacy Systems Scope

There are 35 of the original 39 systems remaining as in scope for the Legacy subproject. 17 of these systems are now in scope for the SI to document the design, with the state to conduct all development, testing, and deployment. These 17 systems are identified in the following table.

<ol style="list-style-type: none"> <li>1. Automated Jobs (AJ)</li> <li>2. Community Based Payment (CBC)</li> <li>3. Client Employed Provider (CEP)</li> <li>4. Client Index (CI)</li> <li>5. Client Maintenance System (CM)</li> <li>6. Client Pay-in (CPI)</li> <li>7. Check Reconcile/Acct. Interface (CR/AI)</li> <li>8. Electronic Benefits (EB)</li> <li>9. Food Stamps (FSMIS)</li> </ol>	<ol style="list-style-type: none"> <li>10. JV (New Payment Systems)</li> <li>11. ORAccess (OA)</li> <li>12. Provider Pay (PP)</li> <li>13. Service Authorization (SA)</li> <li>14. Service Eligibility System (SJC)</li> <li>15. Special Cash Payment (SP)</li> <li>16. Federal Reporting-TANF (FR/TANF)</li> <li>17. Trans. Ref. &amp; Client Self-Sufficiency (TRACS)</li> </ol>
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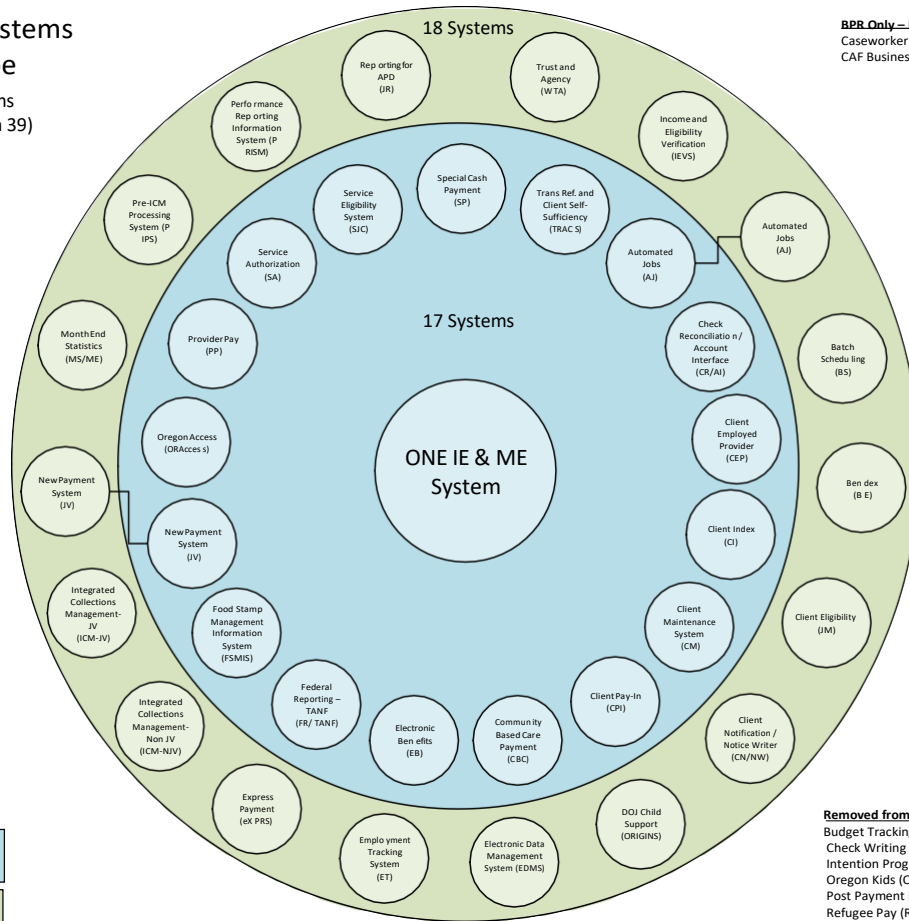
18 Systems are in-scope that the state is responsible for design documentation, development, testing, and deployment.

<ol style="list-style-type: none"> <li>1. Bendex (BE)</li> <li>2. Batch Scheduling (BS)</li> <li>3. Client Notice Writer (CN/NW)</li> <li>4. Dept. of Justice (DOJ) Child Support (ORIGINS)</li> <li>5. Electronic Data Management System (EDMS)</li> <li>6. Express Payment and Reporting System (eXPRS)</li> <li>7. Integrated Collections Management (ICM)--INBOUND/OUTBOUND FROM IE (NON-JV)</li> <li>8. Integrated Collections Management (ICM)--INBOUND FROM JV</li> <li>9. Unearned Income Verification (IEVS/SX/SSA)</li> </ol>	<ol style="list-style-type: none"> <li>10. Client Eligibility (JM)</li> <li>11. Month-End Statistics (MS/ME)</li> <li>12. Pre ICM Processing System (PIPS)</li> <li>13. Trust and Agency (WTA)</li> <li>14. Reporting for APD (JR)</li> <li>15. Performance Reporting Information System (PRISM)</li> <li>16. Employment Tracking System (ET)</li> <li>17. Automated Jobs (AJ)</li> <li>18. New Payment System (JV)</li> </ol>
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# Legacy Systems

Scope  
35 Systems  
(Down from 39)

**BPR Only – No Design/Dev**  
Caseworker Application Processing (CAPI)  
CAF Business Services (CBS)



**Deloitte Design Responsibility**

**State Design Responsibility**

**Removed from Scope**  
Budget Tracking (BT)  
Check Writing System (CWS)  
Intention Program Violation (IP)  
Oregon Kids (ORKids)  
Post Payment Recovery System (PPRS)  
Refugee Pay (RP)  
Check Status System (VC-IVR)

Updated January 24, 2018

## Appendix B – Project Schedule

The project timeline has been updated from previous submissions. As Oregon explored work through the iterative design sessions, it became apparent that we needed a shift in our operational model. A decision was made to delegate all Medicaid eligibility determination work to DHS. As OHA and DHS further engaged with the design and explored opportunities and lessons learned from the initial ONE implementation and other States' experience, Oregon updated the schedule. Additional time for pilot, testing, and the wave roll-outs were added to the schedule. Oregon also procured Deloitte to assist with the Legacy Design work with the intent of insuring that Oregon's OIS understands the total scope of work needed and to avoid issues that other States experienced with their projects. As this work continues, Oregon may adjust our project schedule to ensure that we are accounting for all of the opportunities we need to consider in ensuring a quality product is delivered and ultimate accountability to our federal partners and Oregonians is met. As you can see, the Design phase will be followed by two iterative development phases, and then system implementation supporting a ONE System upgrade to an integrated ONE System, a DHS production pilot (Production Pilot) and three implementation waves.

The Project's two iterations will enable:

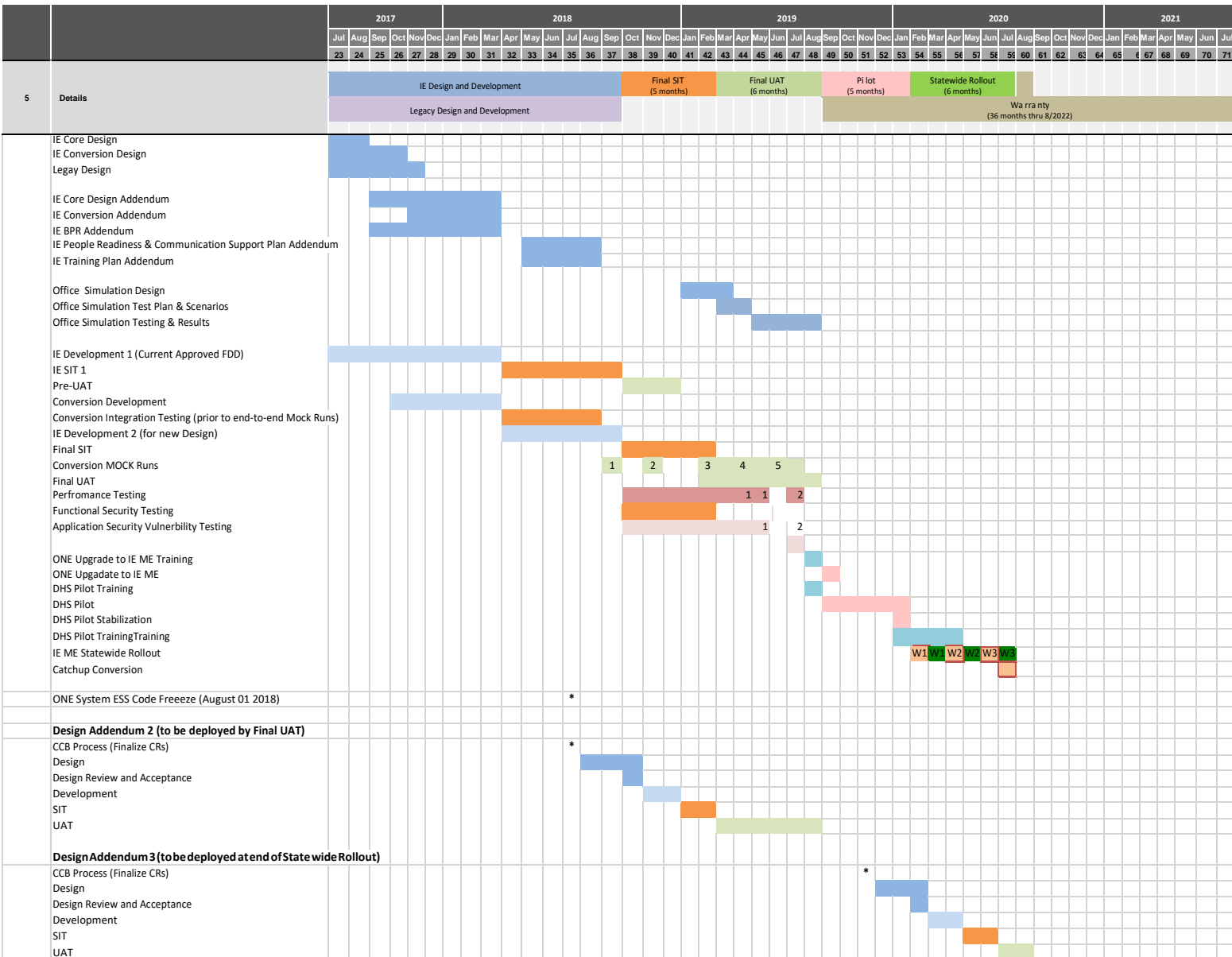
- Oregon's business needs to be met by changes to the application,
- Underlying COTS software components to be upgraded to State approved versions, and
- ONE functionality to be preserved to avoid service disruption to Oregonian's receiving services for MAGI Medicaid.

Each iteration will be followed by Contractor testing and validation testing by the State. At the completion of the development phase, the State will have at least six months dedicated to User Acceptance Testing (UAT) (increased from four months with Amendment #4).

Once DHS issues a notice-to-proceed the Project will then transition to the implementation phase which includes:

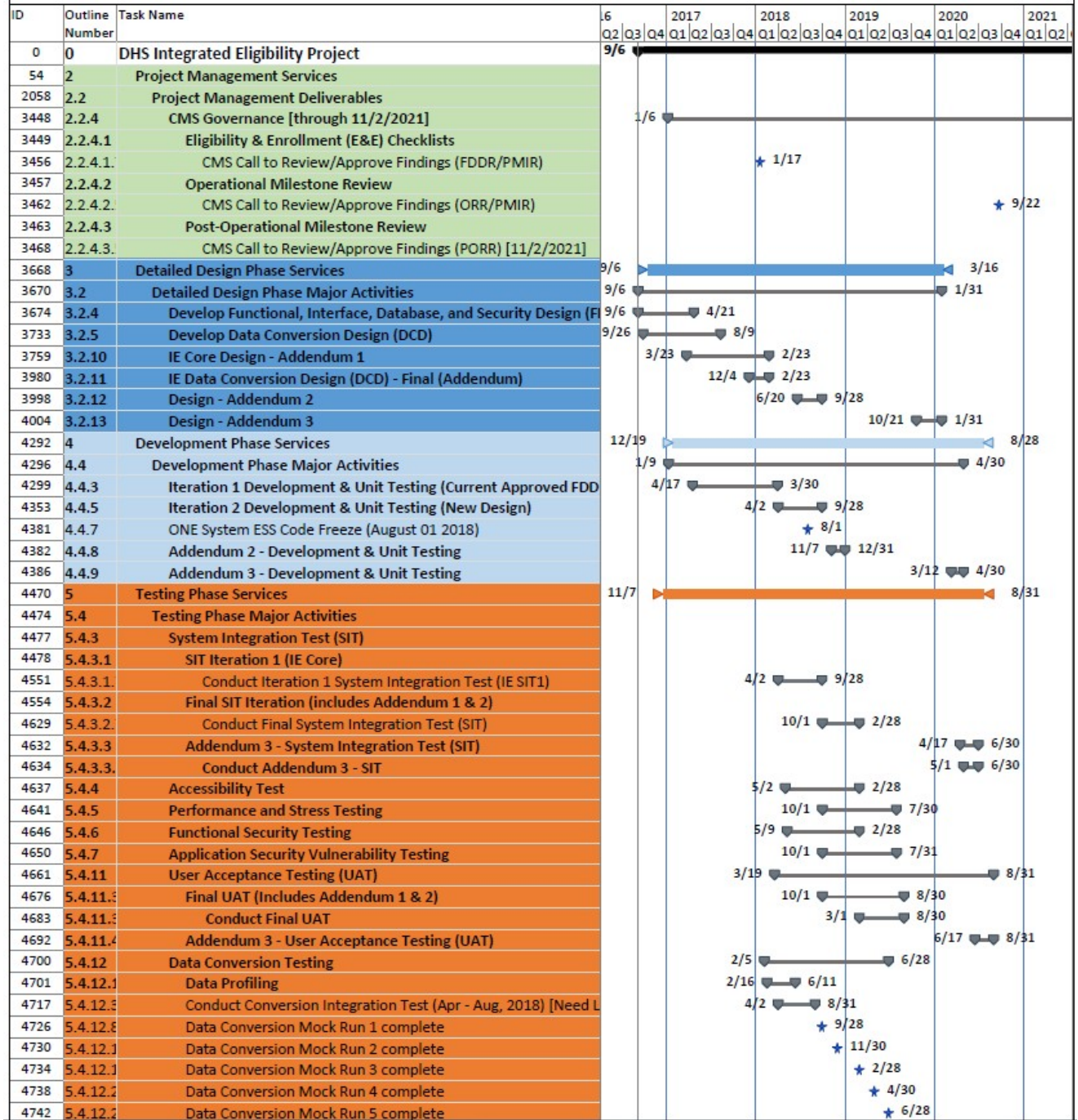
- Upgrading the current OHA MAGI Medicaid ONE System with integrated ONE System
- A minimum of five-month Production Pilot (increased from three months with Amendment #4), and
- Three geographically appropriate waves (for the 150 field offices)

The following chart lays out a high-level schedule for the project.

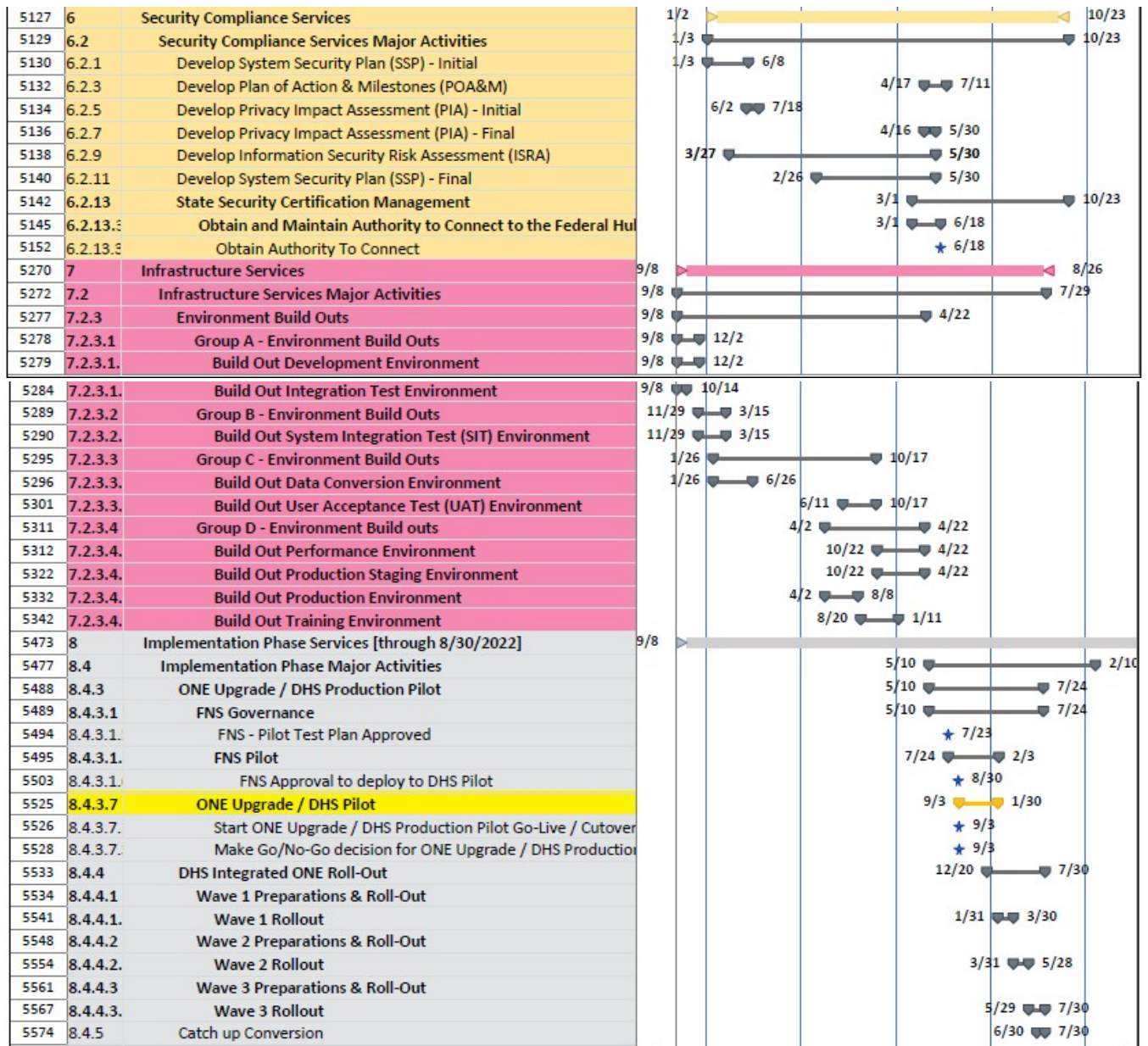


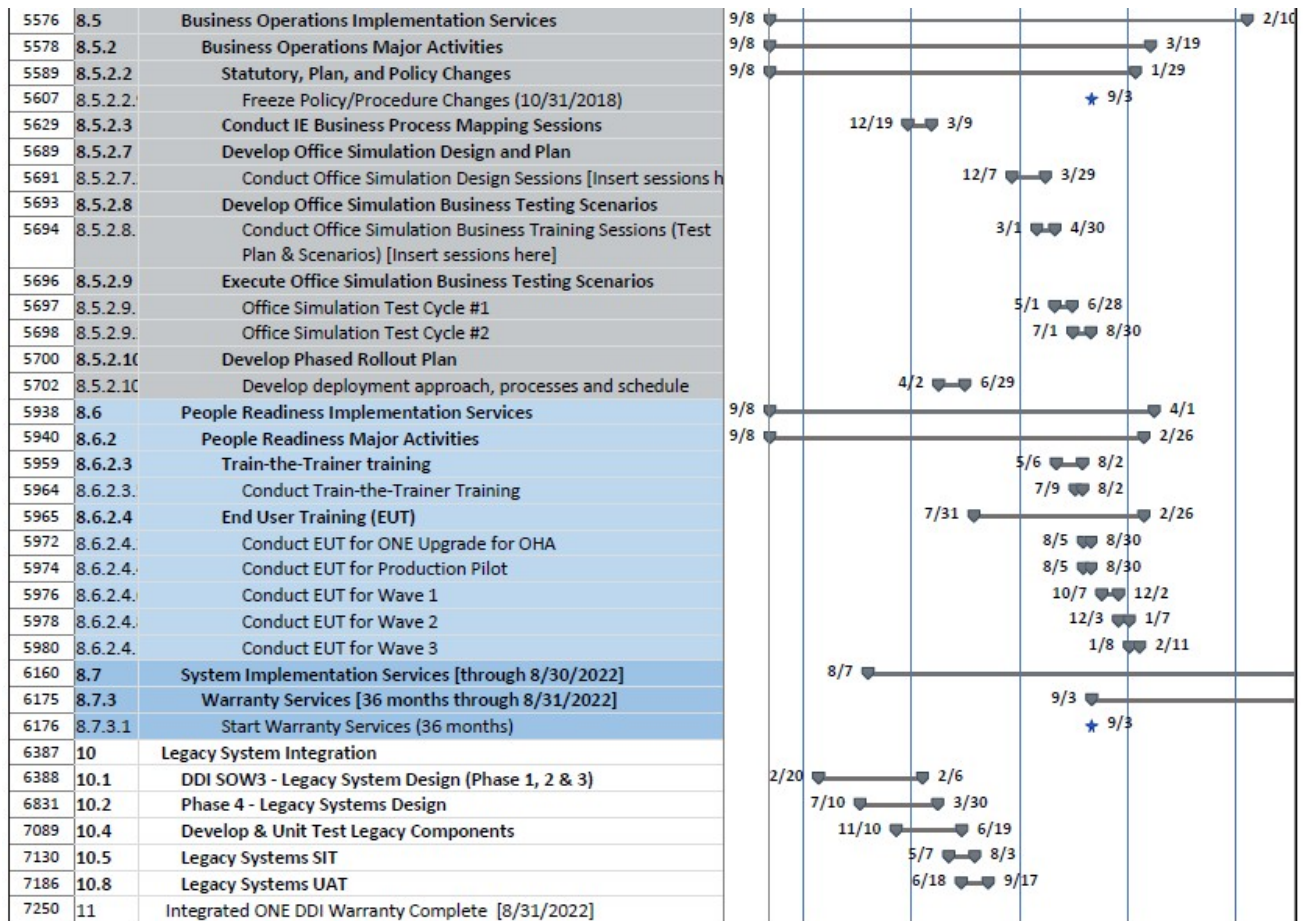
## IE/ME Overall Master Plan

Wed 1/17/18



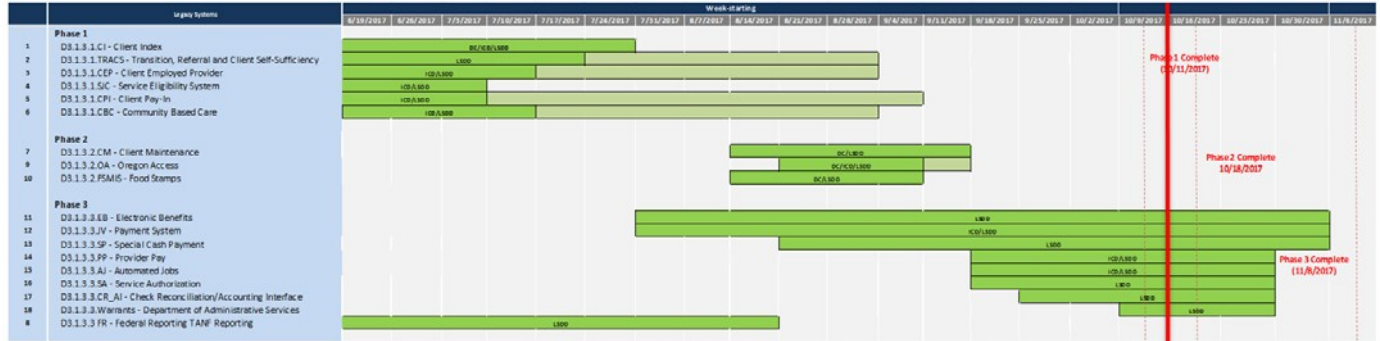








Legacy High Level Design Timeline



## 6.2 Appendix C – Project Budget

This budget reflects changes to scope and schedule reflected in the SI and QA contract Amendments. Approximately 1 year was added to the schedule to provide a more realistic timeline for completion of activities such as data conversion, SIT and UAT testing, wave roll-outs with corresponding stabilization periods, design addendums, and Model Office simulation. Approximately one-half of the Legacy design work was shifted from internal State staff to the SI, increasing these costs by \$66 million. The QA contract also increased approximately \$4 million to accommodate the longer project duration and to incorporate ONE ESS and Legacy design and development into their QA work.

DRAFT										
		DDI				DDI	M&O	Total	DDI	DDI
		AY17-19	POP 17-19	Increase (Decrease)						
State Staff										
	State Staff and S&S	26,057,885	34,976,631	(8,918,746)	-	27,614,590	10,038,868	37,653,458	0	53,672,475
Professional Services										
	Other	4,328,439	0	4,328,439		11,625,806	0	11,625,806		15,954,245
	Q&A and IV&V	7,047,551	4,565,696	2,481,855		10,019,890	0	10,019,890		17,067,441
	PMO	2,833,333	0	2,833,333		2,166,667	0	2,166,667		5,000,000
	SI Deloitte (net)	88,382,527	103,215,794	(14,833,267)		49,026,544	17,600,000	66,626,544	2,100,000	139,509,070
	Trainers (see training below)	0	0	0		0	0	0		0
	Contingency	11,269,330	11,846,739	(577,409)		9,286,961	1,936,000	11,222,961	267,750	20,824,041
	Professional IT Services	113,861,180	119,628,229	(5,767,049)	-	82,125,867	19,536,000	101,661,867	2,367,750	198,354,797
Software										
	Software	3,687,662	6,598,022	(2,910,360)	-	6,002,596	3,330,000	9,332,596	0	9,690,258
Hardware										
	Hardware	45,265	0	45,265	-	45,100	55,500	100,600	0	90,365
State Governmental Services										
	Hosting	6,374,957	13,306,550	(6,931,593)	-	6,630,260	7,326,000	13,956,260	0	13,005,217
Training										
	Training	1,060	2,220,000	(2,218,940)	-	2,255,000	0	2,255,000	0	2,256,060
Total		150,028,008	176,729,432	(26,701,424)	-	124,673,413	40,286,368	164,959,781	2,367,750	277,069,172
Issuance Costs		(0)	615,000	0		(0)	(0)	0	0	(0)
		615,000	615,000	0		0	0	0	0	615,000
Legacy										
	Personnel and S&S	6,549,125	7,322,899	(773,774)		2,661,925	0	2,661,925	0	9,211,050
	Professional Services	2,033,776	1,479,871	553,905		0	0	0	0	2,033,776
	Contingency	1,067,099	958,797	108,302		339,395	0	339,395	0	1,406,494
	Total	9,650,000	9,761,567	(111,567)	-	3,001,320	0	3,001,320	0	12,651,320
		(0)				(0)				(0)
Disaster Recovery										
	Personnel and S&S	248,822	286,145	(37,323)		161,734	131,150	292,884	0	410,556
	Professional Services	3,000,000	6,285,044	(3,285,044)		4,416,667	2,500,000	6,916,667	0	7,416,667
	Hosting	666,667	1,000,000	(333,333)		866,667	350,000	1,216,667	0	1,533,333
	Contingency	499,225	824,449	(325,224)		694,246	327,926	1,022,173	0	1,193,471
	Total	4,414,713	8,395,638	(3,980,925)	-	6,139,314	3,309,076	9,448,390	0	10,554,027
		(0)				0		0		(0)
Asset Verification System (AVS)						10,000,000	0	10,000,000	0	10,000,000
Total		164,707,721	195,501,637	(30,793,916)	-	143,814,047	43,595,444	187,409,491	2,367,750	310,889,519
									AY15-17	33,593,837
									Project Total	344,483,356
										2
		DDI				DDI	M&O	Total	DDI	DDI
		AY17-19	POP 17-19	Increase (Decrease)						
Total federal		130,747,648	147,597,021	(16,849,373)		105,603,908	28,037,921	133,641,829	1,770,949	238,122,506
Total state		33,345,073	47,289,616	(13,944,543)		38,210,139	15,557,524	53,767,662	596,801	72,152,012
Issuance Costs		615,000	615,000	0		0	0	0	0	615,000
		164,707,721	195,501,637	(30,793,916)		143,814,047	43,595,444	187,409,491	2,367,750	310,889,518

### **6.3 Appendix D – IE Business Case V1.1 – Stage Gate 2 Submission**



IE\_Business\_Case\_v  
1.1-SG2.pdf

### **6.4 Appendix E – IE Business Case V2.0 – Stage Gate 3 Submission**



Integrated\_Eligibilit  
y\_Determination\_Bu

### **6.5 Appendix F – HB2219 Legislative Report**



HB2219 Legislative  
Report.pdf

## 6.6 Appendix G – Kentucky System Components

Key application components in the *kynect/benefind* system for integrated eligibility determination are described in the following table.

Title	Description
<b>Worker Portal</b>	Module used by the State Agency workers to collect individual/family information to process SNAP, TANF, and/or Medicaid applications. Individuals can apply for one or more programs in a single application, and the module has a capability to interactively ask questions during the interview process based on the programs applied. Throughout the interview process, the modules call interfaces to verify information, as needed.
<b>Eligibility Determination (Rules engine)</b>	Rules base eligibility determination module to determine eligibility for main program and the sub programs to provide best possible benefits for the applicants. For example, when an individual applies for Medicaid, the rules engine cascade down through the Medicaid program hierarchy to provide best Medicaid coverage for the individual.
<b>Benefit Issuance</b>	This module manages daily or monthly issuances for SNAP/TANF/ERDC programs that are issued to individuals/vendors to support initial, monthly or supplemental payments.
<b>Benefit Recovery</b>	This module provides end to end management of SNAP, TANF, ERDC claims. It computes discrepancy, establish claim and start recoupment either through the benefit reduction process or other processes such as tax intercept.
<b>Correspondence</b>	This module manages generation of consolidated correspondences that are issued to the applicants and other stakeholders like vendors.
<b>Task Management</b>	A comprehensive task management module that supports key business processes. The module allows management of human services case management functions as a coordinated set of tasks.
<b>Quality Assurance and Quality Control (QA/QC)</b>	Module to create Random/Targeted sample universes for worker to review SNAP, TANF and Medicaid cases
<b>Hearing/Appeals</b>	Implements end-to-end work flows to support the hearings and appeal process. This module is also integrated with task management module.
<b>Business Intelligence/Management Reports</b>	This module implements operational reports, analytical reports and provides the framework and infrastructure required for several adhoc reporting needs.
<b>Authentication and Identity proofing service</b>	System for authorization and authentication services for users requesting access to various modules of the system.

Title	Description
<b>Document Management Services</b>	Implements electronic case files functionalities where all documents submitted to the agency are indexed and filed for easy access.
<b>Mobile and Tablet Application</b>	Mobile app with full application features for citizens, community partners (application assisters) to apply for health coverage
<b>Self Service Portal for Human Service programs</b>	Self Service Portal for citizens to apply for SNAP, TANF and Medicaid programs.
<b>Medicaid Waiver Management Application (MWMA)</b>	A complete waiver workflow management module to determine eligibility for Medicaid waiver programs and enrollment into waiver services.
<b>Master Client Index module (MCI)</b>	Master client index module which uniquely identifies citizens. It also provides a 360-degree view of citizen enrolled in public assistance program(s).
<b>Interfaces</b>	Implements all required State & Federal Interfaces. Interfaces module also implements an integration framework that supports several integration patterns.
<b>Medicaid Managed Care Enrollment Management</b>	Module for auto assignment and management of Medicaid enrollees in managed care plans (MCOs)

## 6.7 Appendix H – Kentucky to Oregon Functionality Comparison

As evident in the tables below, the programs are similar in their overall business requirements.

### Supplemental Nutrition Assistance Program

#### Program Eligibility Comparison for Supplemental Nutrition Assistance Program

Eligibility Criterion	Kentucky Supplemental Nutrition Assistance Program	Oregon Supplemental Nutrition Assistance Program
Family Composition and Residency	<ul style="list-style-type: none"> <li>• Recipients must live in Kentucky</li> <li>• Recipients must be U.S. citizens or certain legal foreign residents of the United States</li> <li>• A household is any person, family or group of people who live and buy and eat food together</li> <li>• The following people must be included in one household account, regardless of whether they purchase and prepare meals separately:               <ul style="list-style-type: none"> <li>○ A spouse of any household member</li> <li>○ Parents living with their natural, adopted or stepchildren who are age 21 or younger</li> <li>○ Children younger than 18 who are dependents of an adult household member</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Recipients must live in Oregon; does not require intent to remain to establish residency</li> <li>• Recipients must be U.S. citizens or certain legal foreign residents of the United States</li> <li>• Filing group consists of members of a household group who choose to apply together or customarily purchase and prepare meals together</li> <li>• The following people must be included in one household account, regardless of whether they purchase and prepare meals separately:               <ul style="list-style-type: none"> <li>○ A spouse of any household member</li> <li>○ Parents living with their children who are under the age of 22</li> <li>○ Children younger than 18 who are financially dependent of an adult household member</li> </ul> </li> </ul>
Income	<ul style="list-style-type: none"> <li>• Less than 130% of FPL for most households; 165% for elderly/disabled</li> </ul>	<ul style="list-style-type: none"> <li>• Less than 185% of 2015 FPL</li> </ul>
Resources	<ul style="list-style-type: none"> <li>• A household may have no more than \$2,000 in assets OR \$3,250 if a member of the household is 60 or older</li> <li>• Cash and bank accounts are counted; the dwelling, its contents and personal belongings, and vehicles are excluded</li> </ul>	<p><b>Non-Categorically eligible households</b></p> <ul style="list-style-type: none"> <li>• Have a resource limit of no more than \$2,250 in resources OR \$3,250 if a member of the household is 60 or older or disabled</li> <li>• Checking accounts, saving accounts, cash on hand, stocks and bonds, equity in vehicles, real property, etc., are counted.</li> </ul>
		<p><b>Categorically eligible households</b></p> <ul style="list-style-type: none"> <li>• Have a resource limit of \$25,000 in liquid assets (checking accounts, savings accounts, cash on hand)</li> </ul>
Employment	<ul style="list-style-type: none"> <li>• Anyone in a household who is 16 to 60 years old and can work must register for, look for, and accept work. There are some exceptions to this requirement.</li> </ul>	<p><b>OFFSET (Employment and Training)</b></p> <ul style="list-style-type: none"> <li>• Clients deemed mandatory because they do not meet an exemption must participate in a jobs activity for an eight week period every 12 months</li> <li>• Must accept bona fide offers of employment, even if it's part-time</li> </ul>

Eligibility Criterion	Kentucky Supplemental Nutrition Assistance Program	Oregon Supplemental Nutrition Assistance Program
		<p><b>ABAWDS (Able Bodied Adults without Dependents)</b></p> <ul style="list-style-type: none"> <li>• Only applicable in Multnomah and Washington counties, as the rest of the state is under a waiver</li> <li>• Requires those aged 18-49 without a filing group member under the age of 18, who do not meet an exemption, to participate a minimum of 20 hours a week, an average of 80 hours a month of special work requirements</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• Benefits are issued on an Electronic Benefit Transfer (EBT) card</li> <li>• The benefit amount depends on income and household size.</li> <li>• Benefits may be used to purchase almost any food item, except ready-to-eat hot foods</li> <li>• Benefits may be used to buy seeds and plants to grow fruits and vegetables</li> <li>• Benefits may not be used to buy tobacco, alcohol, pet food, soap and other household products, medicines, and other non-food items</li> </ul>	<ul style="list-style-type: none"> <li>• Benefits are issued on an Electronic Benefit Transfer (EBT) card</li> <li>• The benefit amount depends on income, household size and minus any applicable deductions</li> <li>• Benefits may be used to purchase almost any food item with a nutrition label, except ready-to-eat hot foods</li> <li>• Benefits may be used to buy seeds and plants to grow fruits and vegetables</li> <li>• Benefits may not be used to buy tobacco, alcohol, pet food, soap and other household products, medicines, and other non-food items</li> <li>• There is a cash out program in Multnomah, Washington, Columbia and Clackamas Counties for seniors and people with disabilities</li> </ul>
Certification Periods	<ul style="list-style-type: none"> <li>• Varying lengths of certification periods depending on household characteristics</li> <li>• Periodic reports required at least once every six months, except for elderly or disabled (12 months)</li> </ul>	<ul style="list-style-type: none"> <li>• Varying lengths of certification periods depending on household characteristics</li> <li>• Periodic reports required at least once every six months, except for elderly or disabled (12 months)</li> </ul>
Deductions	<ul style="list-style-type: none"> <li>• Utilizes Standard Utility Allowance (SUA) instead of actual utility costs.</li> <li>• Students are ineligible unless working 20 or more hours per week or have a child under age 6 or are a single parent of a child under age 12 and going to school full time</li> <li>• Must meet with a worker or do interview over the phone. Must be able to provide identification, social security numbers for everyone applying, proof of who lives in your home (can be written statement), proof that you live in Kentucky, proof of child care costs or child support paid, proof of living expenses, and proof of money you have received in the past 60 days, including pay stubs.</li> </ul>	<ul style="list-style-type: none"> <li>• Utilizes Standard Utility Allowance (SUA) instead of actual utility costs</li> <li>• Students aged 18 to 49 attending a higher education program that requires a diploma or GED at least half time must meet additional special criteria</li> <li>• Must meet with a worker or do interview over the phone. Must be able to provide identification, social security numbers for everyone applying, verification of income for recent representative month, and for non-citizens proof of lawful immigrant status of each household member seeking benefits</li> </ul>

Eligibility Criterion	Kentucky Supplemental Nutrition Assistance Program	Oregon Supplemental Nutrition Assistance Program
Other	<ul style="list-style-type: none"> <li>For ineligible non-citizens, income and deductions are prorated for both groups, which includes counting all income and deductions, or a prorated share. As well as, counting none of the income and deductions (with the allotment capped at the level that an all-eligible household would get), or a prorated share.</li> <li>May disqualify applicants or recipients who fail to perform actions required by other means-tested program, primarily TANF.</li> </ul>	<ul style="list-style-type: none"> <li>For ineligible non-citizens, income and deductions are prorated for both groups, which includes counting all income and deductions, or a prorated share. As well as, counting none of the income and deductions (with the allotment capped at the level that an all-eligible household would get), or a prorated share.</li> <li>May disqualify applicants or recipients who fail to perform actions required by other means-tested program, primarily TANF.</li> </ul>



Temporary Assistance for Needy Families

**Program Eligibility Comparison for Temporary Assistance for Needy Families**

Eligibility Criterion	Kentucky	Oregon
	Temporary Assistance for Needy Families	Temporary Assistance for Needy Families
Family Composition and Residency	<ul style="list-style-type: none"> <li>Recipient must be a US citizen</li> <li>Family must have a child under 18 living in the home OR Pregnant woman must be within one month of her due date</li> <li>Children must be citizens or have eligible alien status</li> <li>Children must be 18 years old or younger OR Children must be full time student with expected graduation date before age 20</li> </ul>	<ul style="list-style-type: none"> <li>Recipient must be a US citizen or have qualified non-citizen status (may be waived temporarily if domestic violence is a factor)</li> <li>Family must reside in Oregon</li> <li>Family must have a caretaker relative and a child under 18 living in the home OR Pregnant woman must be within one month of her due date (may be earlier if domestic violence is a factor)</li> <li>Caretaker relative must meet certain blood, adoption, marriage relationship requirements</li> <li>Children must be citizens or have qualified non-citizen status</li> <li>Children must be under 18 years old OR 18 years old and a full-time student in HS or GED</li> <li>Until March 2016, a child must be deprived of parental support due to continued absence, incapacity, or under/unemployment</li> </ul>
Income	<ul style="list-style-type: none"> <li>Your family must earn less than a certain amount of money per month</li> </ul>	<ul style="list-style-type: none"> <li>To qualify for TANF, families must have very few assets and little or no income.</li> <li>Your family must earn less than a certain amount of money per month</li> </ul>
Resources	<ul style="list-style-type: none"> <li>Countable assets must be \$2,000 or less and licensed vehicles needed for individual's subject to the work requirement may not exceed \$8,500</li> </ul>	<ul style="list-style-type: none"> <li>Countable assets must be \$2,500 or less for applicants, for individuals in sanction status, and for families with no caretaker relative in the need group</li> <li>Countable assets must be \$10,000 or less for all other recipients</li> <li>Exclude up to \$10,000 equity value of all motor vehicles; remaining equity counts toward asset limit</li> <li>Applicants and recipients must pursue alternative assets available to them</li> <li>Applicants and recipients must assign their support rights to, and cooperate with, child support</li> </ul>

Eligibility Criterion	Kentucky Temporary Assistance for Needy Families	Oregon Temporary Assistance for Needy Families
Employment	<ul style="list-style-type: none"> <li>Adults in families receiving cash assistance must work or participate in work related activities for a specified number of hours per week depending on the number of work-eligible adults in the family and the age of children</li> </ul>	<ul style="list-style-type: none"> <li>Adults in families receiving cash assistance must work or participate in work-related activities for a specified number of hours per week depending on the number of work-eligible adults in the family, the age of children, and the family situation</li> <li>Caretaker relatives must not be separated from their most recent employment due to discharge without good cause, or due to voluntarily quitting without good cause</li> <li>Needy caretaker relatives must complete an employability screening</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>The current maximum monthly benefit for a family of 3 with a monthly gross income of \$974, is \$262</li> </ul>	<ul style="list-style-type: none"> <li>The current maximum monthly benefit for a family of three is \$506.</li> </ul>
Certification Limits	<ul style="list-style-type: none"> <li>A family may receive benefits for no more than 60 total months. The 60 months needs not be consecutive</li> </ul>	<ul style="list-style-type: none"> <li>Eligibility must be recertified every 6 months for families who have an open JOBS plan and are not participating or an active JOBS disqualification OR Eligibility must be recertified every 12 months</li> <li>Recertification may be done earlier if deemed necessary by the case manager or to align with SNAP benefits</li> <li>Heads of household may receive benefits for no more than 60 total months. The 60 months need not be consecutive. There are hardship exemptions that can stop the clock or extend benefits beyond 60 months. Children are not subject to the time limit.</li> </ul>
Other	<ul style="list-style-type: none"> <li>Recipient must have a social security number</li> </ul>	<ul style="list-style-type: none"> <li>Recipient must have a social security number</li> </ul>

Employment-Related Day Care

**Program Eligibility Comparison for Employment-Related Day Care**

Eligibility Criterion	Kentucky Child Care Assistance Program	Oregon Employment-Related Day Care Program
Family Composition and Residency	<ul style="list-style-type: none"> <li>Recipient must be resident of KY</li> <li>Child must be a U.S. citizen or a qualified alien</li> <li>Child must be under 13 or be 13-19 and physically or mentally incapable of self-care</li> <li>Recipient must be parent by blood, by marriage, or by adoption, or recipient must be the legal guardian or standing <i>in loco parentis</i> in relationship to child</li> </ul>	<ul style="list-style-type: none"> <li>Recipient must be a resident of OR</li> <li>Child must be a U.S. citizen or qualified non-citizen (includes non-citizens who are at risk for, or currently the victim of domestic violence, and victims of severe trafficking)</li> <li>Child must be under 12 or be 12-17 and receiving care due to special circumstances and needs</li> <li>Recipient must be a parent or caretaker who has care, control, and supervision of the dependent child (not required to be a relative)</li> </ul>
Income	<ul style="list-style-type: none"> <li>Less than 150% of 2011 FPL (On-line calculator considers earned income, net child support, social security, TANF, and “other sources”)</li> </ul>	<ul style="list-style-type: none"> <li>(At initial certification) Less than 185% of 2015 FPL (Application asks for all sources)</li> <li>(On-going and at recertification) Less than 250% of FPL and less than 85% of the state median income</li> </ul>
Resources	<ul style="list-style-type: none"> <li>No requirement</li> </ul>	<ul style="list-style-type: none"> <li>No requirement</li> </ul>
Employment	<ul style="list-style-type: none"> <li>Must be employed and average at least 20 hours per week for a single parent or average 40 total hours per week for a couple</li> <li>OR</li> <li>A teen parent attending high school or pursuing a GED</li> <li>OR</li> <li>Participating in the Kentucky Works Program</li> <li>OR</li> <li>Have a child protective or preventive services authorization</li> </ul>	<ul style="list-style-type: none"> <li>Must be employed (no minimum number of hours) and if a couple, both must work and schedules must overlap (unless one parent cannot provide care due to a verified medical condition) Oregon does not cover teen parents attending high school or pursuing a GED, participants in an Oregon employment program, or parents who have children in protective or preventive services authorizations.</li> </ul>
Benefit	<ul style="list-style-type: none"> <li>The program pays the provider’s bill—less a copay—up to a maximum rate that depends on the age(s) of the child and the provider type</li> <li>Recipient pays a copay that depends on income plus any part of the provider’s rate that exceeds the maximum rate</li> </ul>	<ul style="list-style-type: none"> <li>The program pays the provider’s bill—less a copay—up to a maximum rate that depends on the age(s) of the child, provider type, location, and special care needs</li> <li>Recipient pays a copay that depends on family size and income plus any part of the provider’s rate that exceeds the maximum rate</li> </ul>
Other	<ul style="list-style-type: none"> <li>Must use a provider that is licensed, certified, and registered</li> </ul>	<ul style="list-style-type: none"> <li>Must use a provider that meets DHS requirements (includes licensed and licensed exempt providers)</li> </ul>

## 6.8 Appendix I – Alignment with Strategic Technology Plan

The table below summarizes the various components of the STP that an integrated eligibility system will satisfy.

Comprehensive View of Clients	<ul style="list-style-type: none"> <li>○ Supports use of a master client record</li> <li>○ Single location for verified client data (e.g. financial, eligibility, benefit etc.)</li> <li>○ Facilitate future view of an integrated case and payments through integration with legacy case management and payment systems</li> </ul>
Trusted Sources for Health & Human Service Data	<ul style="list-style-type: none"> <li>○ Reduce data duplication and entry into multiple systems through single application for various programs.</li> <li>○ Reduce data inconsistencies and inaccuracies through workflow automation</li> <li>○ Trusted source for verified client data (e.g. financial, eligibility, benefit etc.)</li> <li>○ Improve data access and data share across programs through integration with other DHS systems.</li> <li>○ Role based data access and security improves data protection and compliance.</li> <li>○ Consistent and accurate data reporting and analysis</li> <li>○ Field-level audit and reporting capabilities</li> </ul>
Business Automation	<ul style="list-style-type: none"> <li>○ Automated workflows using task queues inside the Worker Portal</li> <li>○ Automated decision making and business rules using the business rules engine</li> <li>○ Reduced manual and paper based processes</li> <li>○ Real time determination of eligibility and benefit amount</li> <li>○ Automated verification of client information</li> <li>○ Interface with legacy systems</li> </ul>
Connectivity Anytime, Anywhere, in Multiple Ways	<ul style="list-style-type: none"> <li>○ Applicant and worker portal allows real-time, 24/7 access to application, eligibility, and benefit information.</li> <li>○ Clients can apply, update information, report change in circumstances, and communicate with their assigned case workers through multiple channels.</li> <li>○ Multiple device and browser agnostic capability supports connectivity from anywhere</li> </ul>
Dynamic Needs Supported by Seamless Services	<ul style="list-style-type: none"> <li>○ Industry best practices and standards based modular architecture and design (e.g., Service Oriented Architecture (SOA), Enterprise Service Bus (ESB) etc.) enables to leverage existing functionality and also expose functionality through web services</li> </ul>

**6.10 Appendix J – Responsibilities**

Agency and Contractor responsibilities as identified in the SI SOW #2, Amendment #4, are grouped by category below.

Project Area	Agency Responsibilities	Contractor Responsibilities
<b>Planning &amp; Project Management</b>	<p>Participate in and support timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.1 of this SOW #2</p> <ul style="list-style-type: none"> <li>• State-designated Project Director, in consultation with DHS leadership and the Contractor’s Engagement Manager, will have overall responsibility and authority for driving all Project decisions; reviewing and approving all Deliverables; facilitating discussion and communication among the parties as needed; and securing any required State or third-party resources</li> <li>• Manage Joint Agency Governance Structure for ONE/Integrated ONE system (including vendor management structure)</li> </ul>	<p>Perform timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.1 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Engagement Manager, in consultation with Contractor leadership and State Project Director, will have overall responsibility and authority for driving all Contractor decisions; facilitating discussion and communication among the parties as needed; and securing any required Contractor resources. Meet on an agreed upon frequency with key stakeholders to review project performance and resolve issues between the Contractor and the State</li> </ul>

Project Area	Agency Responsibilities	Contractor Responsibilities
	<ul style="list-style-type: none"> <li>• Subject matter specialists assigned to the Project will have the necessary time commitments to attend meetings, workshops and other Tasks. DHS and OHA personnel will have the role and authority to represent their various functions, and they will also be responsible to speak for, approve on behalf of, and communicate to and from their respective business units for the Tasks defined in SOW #2</li> <li>• Allocate State resources based on work streams, as defined in the IPS, to allow multiple concurrent sessions to occur during SOW#2. Based on the current high-level timeline outlined in Appendix A, up to three concurrent work streams may be actively engaged at a point in time during the SOW #2</li> <li>• Contribute to development and management of the IPS: <ul style="list-style-type: none"> <li>○ Identify State-owned tasks and work with the PMO to finalize relevant attributes required for each task</li> <li>○ Collaborate with Contractor on understanding Contractor tasks and their attributes in the IPS, integrate timing between State-owned and Contractor tasks</li> <li>○ Report progress on State-owned tasks weekly per the processes and cadence in the IMPF</li> <li>○ Work collaboratively to identify corrective actions for slippages while reducing impact upon go-live dates</li> </ul> </li> <li>• Manage and share schedule for work with implementation dependencies (i.e. legacy design and development).</li> <li>• Complete assigned tasks in the approved IPS in accordance with the baseline finish dates</li> <li>• Analyze Project risks and issues and work with the Contractor to approve issue resolutions and risk mitigations. Communicate risk and issue status discussed at the Executive Steering Committee meetings in consultation with the Contractor</li> <li>• Review and approve the proposed Deliverable Expectation Documents (DEDs) and Deliverable documents, consistent with the Project Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Participate as requested in Joint Agency Governance Structure for ONE/Integrated ONE system</li> <li>• Contractor personnel assigned to the Project will have the appropriate experience, availability and skills to perform their function(s)</li> <li>• Follow established onboarding and off boarding processes, complete required privacy and security training; comply with building and server access and use rules</li> <li>• Allocate Contractor resources based on work streams to allow multiple (up to three) concurrent sessions to occur during SOW#2. Propose meeting schedule that takes into consideration the number of concurrent meetings due to State resource availability during the preparation period of the SOW #2</li> <li>• Develop the IPS by: <ul style="list-style-type: none"> <li>○ Identify Contractor-owned tasks and work with the PMO to finalize relevant attributes required for each task</li> <li>○ Collaborate with State on understanding State tasks, managed by the State and their finalization in the IPS; integrate timing between Contractor and State-owned tasks</li> <li>○ Reporting progress on Contractor-owned tasks weekly per the processes and cadence in the IMPF</li> <li>○ Work collaboratively to identify corrective actions for slippages while reducing impact upon go-live dates</li> </ul> </li> <li>• Complete assigned tasks in the approved IPS in accordance with the baseline finish dates</li> <li>• Identify and help mitigate risks and issues related to the Project (scope, schedule, resources), using the agreed-upon Project processes</li> <li>• Prepare a Deliverable Expectation Document (DED) and submit for</li> </ul>

Project Area	Agency Responsibilities	Contractor Responsibilities
	<ul style="list-style-type: none"> <li>• For each deliverable, participate in working sessions to provide input on deliverable content, provide direction, and vet content as it is being development</li> <li>• Analyze and approve proposed Project scope of work changes. Approve Change Orders and operational procedure changes</li> <li>• Coordinate the necessary State and federal reviews and assessments</li> <li>• If there is a conflict among the governing regulations regarding a specific standard, State will provide the statutory interpretation to resolve the perceived conflict to Contractor</li> <li>• Provide 24/7 access to facilities, servers, and environments for Contractor's Project team. This is subject to the planned maintenance and downtime necessary for servers and environments. Sufficient system and network access will be provided for a minimum number (##) Contractor resources</li> <li>• Maintain Project SharePoint as central document repository</li> <li>• Use PMC in accordance with processes documented in the approved PMFP</li> <li>• Follow Project management and quality management processes as defined in PMFP</li> <li>• Consult with the Contractor on quality improvement measures and determination of areas to be reviewed</li> <li>• Provide notice to the Contractor of inadequate performance; request, review, approve, and monitor proposed corrective actions taken by the Contractor</li> <li>• Protect any Confidential Information, including that of citizens and employees (e.g. limit the amount of data provided to Contractor, use secure channels or ways of sharing data, protect data that resides within the State's operating and IT environments). DHS/OHA will provide Contractor with access to conversion data on a State-provided network device. The State will not knowingly provide PHI, PII or FTI data, except as provided for data conversion activities at Contractor's request and as requested in writing by the Contractor's Project Manager</li> </ul>	<ul style="list-style-type: none"> <li>Acceptance from the State for the content and format of each Deliverable at least two weeks before beginning significant work on the Deliverable as per the dates in the approved IPS (or Section 3 until the IPS Acceptance occurs).</li> <li>• Prepare proposed Project scope of work changes, initiate Change Orders, and recommend operational procedure changes</li> <li>• Participate in State and federal reviews and assessments, as necessary</li> <li>• If there is a conflict among the governing regulations regarding a specific standard, Contractor shall identify perceived conflict and will seek guidance from Agency</li> <li>• Contractor is also responsible for ensuring that personnel use reasonable efforts to maintain property</li> <li>• Submit formal Project documentation to the State SharePoint domain, with access provided to Contractor and State staff. Access restrictions may apply to some documentation such as folders containing security, financial or contract information. All documentation restrictions shall be approved by the State Project Director prior to loading of documents on the SharePoint</li> <li>• Maintain PMC for Project</li> <li>• Implement and maintain Project management and quality management processes as defined in PMFP</li> <li>• Consult with the State on quality improvement measures and determination of areas to be reviewed</li> <li>• When provided notice by Agency of inadequate performance, Contractor will identify, submit for Acceptance, and implement proposed corrective actions to be taken by the Contractor</li> <li>• Handle any Confidential Information to which Contractor has access, in</li> </ul>

Project Area	Agency Responsibilities	Contractor Responsibilities
		accordance with the terms of the Contract
<b>Detailed Design Phase</b>	<p>Participate in and support timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.2 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Actively participate in functional and technical design sessions based upon detailed schedules</li> <li>• Support development of design specifications with functional and technical SMEs that are familiar with legacy systems</li> <li>• Based upon approved design specifications, develop technical design for legacy side of interfaces, legacy application changes, and conversion extract routines</li> </ul>	<p>Perform timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.2 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Schedule and lead functional and technical design sessions with State SMEs</li> <li>• Develop design specifications that describe interfaces (including file formats) and conversions (including file formats)</li> <li>• Support State technical resources in developing technical designs for legacy side of interfaces, legacy application changes, and conversion extract routines</li> </ul>
<b>Development</b>	<p>Participate in and support timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.3 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Review and provide inputs to the Application Development Plan</li> <li>• Provide inputs to functional clarifications and decisions raised during the course of Application Development</li> <li>• Develop interface components per design specified in the Interface Design Control Document (ICD) associated with connecting legacy systems and coordinate with interfacing agencies as defined in Appendix B of this SOW #2.</li> <li>• Provide files generated per the specifications of the interface components in accordance with Accepted design, for integration during development phase.</li> <li>• Provide data extraction files based upon Accepted Data Conversion Plan.</li> <li>• State will provide sample legacy data extracts with confidential information removed or masked for data quality assessment purposes</li> <li>• State SMEs will confirm data models, data definitions and provide available data dictionary documentation for source systems</li> <li>• Perform purification/cleansing of data required for conversion in legacy systems</li> </ul>	<p>Perform timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.3 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Develop the Application Development Plan</li> <li>• Develop the System in accordance with the Accepted Functional Design Document and proactively raise necessary clarifications to the State business and technology teams as applicable.</li> <li>• Recommend specifications for interfaces between the Integrated ONE system and in-scope legacy systems</li> <li>• Execute validation routines against conversion extracts and provide reports of data that fails validations</li> <li>• Advise State in defining data extract criteria for each legacy system</li> <li>• Assist with obfuscation protocols if needed</li> <li>• Advise State in conducting purification/cleansing of data in legacy systems required for conversion</li> <li>• Assist State by implementing Accepted conversion software (Deliverable 2.3.3) to support legacy data conversion and cleansing</li> </ul>



Project Area	Agency Responsibilities	Contractor Responsibilities
	<ul style="list-style-type: none"> <li>• Develop daily extracts to support interim conversion process based on the Accepted Data Conversion Design or addendum.</li> <li>• Process the flagging files generated post conversion to update information in the legacy source systems per the Accepted Legacy Data Conversion Design Deliverable or addendum.</li> </ul>	<ul style="list-style-type: none"> <li>• Generate flagging files post conversion run to indicate successful conversion</li> <li>• Develop conversion routines to support the interim conversion process</li> <li>• Perform calculations, modifications, or sorting required to further identify and extract data from the State-provided data files to support phased rollout, including 'other related individuals' tied to converted data.</li> </ul>
<b>Testing</b>	<p>Participate in and support timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.4 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Participate in mock conversions by providing extracts, reviewing error reports, and validating converted data</li> <li>• Participate in security testing of IAM COTS products and support determination of recommendations and execution of corrective actions resulting from security tests</li> <li>• Coordinate with stakeholders that are participating in test activities to connect their system test and User Acceptance test environments with the Integrated ONE system test and User Acceptance Test Environments, respectively.</li> <li>• Document its test plan, including tests cases based upon the Accepted design and execute Pre- and User Acceptance Testing per the current Accepted schedule in IPS</li> <li>• Plan review sessions, conduct review of test plans SIT test plans, and test cases in accordance to the timeline defined in the current Accepted IPS</li> <li>• Participate in performance, stress/load, security, and end-to-end system integration test activities as defined in the applicable Accepted test plans</li> <li>• Review System Integration Test results and prioritize items for remediation or determine risk acceptance</li> <li>• Review in accordance with the Acceptance provisions the Test Plan(s) and other Testing Phase Deliverables</li> <li>• Schedule, coordinate, and manage IV&amp;V independent testing to support alignment with</li> </ul>	<p>Perform timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.4 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Conduct security testing of IAM COTS products</li> <li>• Provide Agency and Agency partners that are participating in System test activities with access to relevant Test Environment(s) and coordinate testing schedule in support of data exchange. Test Plan and Test Cases as documented in relevant Deliverables will also be made available as additional references</li> <li>• Conduct and complete, in accordance with Agency accepted Test Plans, the performance, stress/load, security, and end-to-end system Integration Tests</li> <li>• Conduct test plan review sessions and finalize the test cases</li> <li>• Conduct testing activities defined in the Accepted test plans and report Test results for QA review</li> <li>• Update the RTM Deliverable to reflect refinements identified during system integration Testing that are mutually determined by the parties to be necessary to exit system integration test</li> <li>• Provide Defect triage, reporting, and the necessary application development support to the State in Pre-UAT and User Acceptance Testing as specified in Section 2.4 of the SOW</li> <li>• Participate in IV&amp;V Independent testing by preparing the system, provisioning tester access, and reviewing test results</li> </ul>

Project Area	Agency Responsibilities	Contractor Responsibilities
	the approved design and adherence to approved IPS go-live dates	
<b>Security</b>	<p>Participate in and support timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.5 of this SOW #2</p> <ul style="list-style-type: none"> <li>• State, DHS and supporting agencies will participate in work sessions and review sessions for the system Security Plan (SSP), Privacy Impact Assessment (PIA), Plan of Action &amp; Milestones (POA&amp;M) and Information Security Risk Assessment (ISRA) documents and assign owners, develop work plans, and resource estimates to address gaps that are identified. DHS will review and approve final CMS SSP and POA&amp;M to CMS</li> <li>• Obtain required training on the Security related COTS products (CA IAM suite, QRadar, DataPower and Optim) from product vendor or another Vendor</li> <li>• Hardening server and desktop operating systems and network devices for the Integrated ONE system including patch management and perform penetration testing of the hosted infrastructure according to standards that align with those listed in NIST Vulnerability Security Configuration Standards as required for CMS security requirements</li> <li>• Lead the communication with CMS related to the review of security artifacts as part of the ATC process</li> <li>• Obtain and configure Secure Socket Layer (SSL) certificates on the Integrated ONE system infrastructure</li> <li>• Provide input to the Application Configuration Management Plan and Technology Management Plan deliverables for infrastructure security components of the DHS solution (e.g. Firewalls, Intrusion Detection/Intrusion Prevention systems, Anti-Virus, etc.)</li> <li>• Develop agreements with Federal Data Services Hub (FDSH) including the Interconnection Security Agreement (ISA), Business Associate Agreements (BAA's), Memorandums of Understanding (MoU's), Data Exchange Agreement (DEA), and Computer Matching Agreement (CMA)</li> <li>• Create or modify security and privacy policies and/or procedures for the State, with the</li> </ul>	<p>Perform timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.5 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Develop the system Security Plan, Plan of Action &amp; Milestones), Privacy Impact Assessment, and Information Security Risk Assessment in accordance with CMS MARS-E 2.0 requirements. Prepare an initial SSP and a Final SSP and POA&amp;M (which includes the input from SAR, ISRA, and PIA) in preparation of sending to State Acceptance for CMS submission</li> <li>• Provide suggestions for potential vendors, if required</li> <li>• Provide compliance requirements for operating systems and standards for infrastructure hardening components based upon CMS/NIST configuration standards</li> <li>• Provide security support for the artifacts as required</li> <li>• Provide server information for supporting the request for SSL certificates</li> <li>• Develop the Application Configuration Management Plan and Technology Management Plan</li> <li>• Provide input as required from the SSP documentation for the ISA and data agreements for the Integrated ONE system</li> <li>• Address questions related to the security requirements as required</li> <li>• Participate in the security sessions to review questions and direction from CMS and the State that impact the CMS SSP and security related artifacts as required for ATC</li> <li>• Collaborate with independent vendor hired to conduct independent security testing by preparing for and supporting test execution</li> </ul>

Project Area	Agency Responsibilities	Contractor Responsibilities
	<p>exception of operational procedures for security products installed by Contractor</p> <ul style="list-style-type: none"> <li>• Conduct review sessions with CMS and State Security Information Security Officer (CISO)</li> <li>• Hire an independent vendor to conduct independent security testing per relevant federal and State requirements</li> <li>• Hire an Independent third-party vendor to be responsible for completing the Security Assessment Report (SAR)</li> <li>• Maintain and operate DHS security products other than the CA IAM products and associated supporting components</li> <li>• Submit quarterly updates of the POAM, and annual updates of the ISRA and PIA, following obtainment of Authority to Connect for the Integrated ONE system</li> </ul>	<ul style="list-style-type: none"> <li>• Provide information needed to support the third party security assessments as required by CMS and FNS.</li> <li>• Maintain and operate CA IAM</li> <li>• Provide information for security gaps assigned to the Contractor for responsibility for remediation identified on the POAM</li> <li>• Perform design, configuration, testing and integration of security COTS products (e.g., CA IAM, QRadar, DataPower, Optim) with the Integrated ONE system components</li> <li>• Design, build test and deploy in-scope application security roles</li> <li>• Perform application vulnerability and application security code testing for the Integrated ONE system and provide support for tracking of open application vulnerabilities and support for remediation</li> </ul>
<b>Infrastructure</b>	<p>Participate in and support timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.6 of this SOW #2</p> <ul style="list-style-type: none"> <li>• State will be responsible for acquisition and configuration of servers and operating software needed to stand-up new environments for the Integrated ONE system based upon the approved Technology Management Plan and Contractor Specifications</li> <li>• The State will coordinate the timing of hardware acquisition and environment preparation with the Contractor</li> <li>• Provide access to Contractor in order to enable the hardware and software necessary to use the Integrated ONE systems environments</li> <li>• Implement firewall rules and network access control list modifications to accommodate the flow of network traffic for the security products to function to address business and regulatory requirements</li> <li>• Maintain the Hardware and Software at the SDC including OS-level, and software licensing, and patches for such as maintained by State (for example, Active Directory, DataPower, etc.)</li> <li>• Plan, install and verify OS patches, security system patches, and hardware related upgrades</li> </ul>	<p>Perform timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.6 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Contractor will be responsible for installation and configuration of database, application, and COTS software into new environments</li> <li>• The contractor will participate with State in the coordination of the timing and availability of new environments</li> <li>• Contractor will send State requests for access to the Integrated ONE system environments with reasonable prior notice</li> <li>• Document infrastructure gaps to be addressed to support the flow of network traffic for the security products based upon business and regulatory requirements</li> <li>• Maintain the COTS products and patches in collaboration with State for products identified in the Accepted Technology Management Plan</li> <li>• Plan, install and verify COTS mutually agreed upon patches and upgrades</li> </ul>

Project Area	Agency Responsibilities	Contractor Responsibilities
	<p>required to maintain ETS standards including existing ONE system environments, VDI infrastructure, and end user desktops</p> <ul style="list-style-type: none"> <li>• Agency will work with Contractor to reasonably schedule downtime for system maintenance and will provide prompt notification of emergency unplanned maintenance</li> <li>• Provision compute and network capacity for development machines (VDI) as defined in the Accepted Technology Management Plan to enable onsite and offsite team members' daily activities with reasonable hardware/virtual machine performance</li> <li>• Collaborate with State ETS and Contractor to configure and monitor server backups and conduct server recovery tests</li> </ul>	<p>required to maintain vendor support without impacting the approved IPS</p> <ul style="list-style-type: none"> <li>• Work with Agency to reasonably accommodate requested downtime for scheduled maintenance</li> <li>• Create and submit Deliverables as per approved timeline and DEDs</li> <li>• Collaborate with State and provide inputs regarding performance of development machines (VDI) and document the finalized capacity requirements in Technology Management Plan.</li> <li>• Conduct application and COTS validation after successful recovery of servers</li> </ul>
<p><b>Business Operations Implementation</b></p>	<p>Participate in and support timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.7.1 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Provide leadership direction, input and session participants necessary to support the development, execution, evaluation, and Acceptance of the Business Operations Implementation Services plans</li> <li>• Make cross-program operational and policy SMEs available for to-be process model working sessions. SMEs will have detailed knowledge of current business processes and preferences for the proposed business processes for the Integrated ONE system</li> <li>• State leadership will be closely involved to confirm key decisions made and help assess and accept their impact on the current system and business operations</li> <li>• Revise and publish policy changes as required to align with approved system and process designs</li> <li>• Leadership will communicate any modifications to future DHS vision, including timing and schedule modifications</li> <li>• Identify resources for business operations implementation services deliverables so that they align with the on-going work of the DHS Business Transition Team responsible for integration of OHA to DHS operations</li> <li>• Responsible for communicating in a timely manner any decisions regarding integration of</li> </ul>	<p>Perform timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.7.1 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Lead business transition planning tasks</li> <li>• Discuss Integrated ONE program policies and operational practices, and help document key transition items</li> <li>• Review and notify the state of any inconsistencies on Policy draft alignment with System design</li> <li>• Coordinate with functional team to communicate potential design impacts as a result of business process redesign</li> </ul>

Project Area	Agency Responsibilities	Contractor Responsibilities
	<p>OHA operations into DHS operations including timing of activities</p> <ul style="list-style-type: none"> <li>• Responsible for integrating current OHA eligibility center operations to DHS operations</li> <li>• Provide operational performance data including baseline data for SSP, APD/AAA offices to support Business Operations Implementation services activities</li> </ul>	
<b>People Readiness</b>	<p>Participate in and support timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.7.2 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Collaborate with the Contractor People Readiness team to plan the people transition to Integrated ONE by providing input into and approval of the People Readiness and Communications Support Plan (PR&amp;CSP) deliverable.</li> <li>• Collaborate with the Contractor People Readiness team to provide input into the ongoing quarterly updates of the PR&amp;CSP</li> <li>• Lead the people readiness activities, per the strategy defined in the People Readiness and Communications Support Plan</li> <li>• Identify stakeholders with knowledge and availability to execute the people readiness activities, per the strategy defined in the People Readiness and Communication Support Plan</li> <li>• Develop and maintain primary responsibility for executing an Integrated ONE system Communications Plan</li> <li>• Provide guidance and requested information (demographics, facilities, technical, current skills) as input to Training Plan</li> <li>• Support development of training material based upon the approved Training Plan and identify resources for any review or dry-runs of content under development</li> <li>• Provide support for determination of training data</li> <li>• Identify and staff sufficient trainers to receive train-the-trainer training</li> <li>• Conduct sufficient instructor lead training deliveries to support the approved IPS</li> <li>• Provide Learning Management System (LMS) or other training materials storage and delivery</li> </ul>	<p>Perform timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.7.2 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Lead development of the People Readiness and Communications Support plan deliverable</li> <li>• Collaborate with the State People Readiness team to provide quarterly updates of the PR&amp;CSP</li> <li>• Collaborate with the State by attending events and meetings where People Readiness activities are occurring</li> <li>• Collaborate with the State People Readiness Team on the execution of the people readiness activities, such as providing feedback on State People Readiness materials</li> <li>• Develop Training Plan, describing the approach, the curriculum (including description, durations, delivery method, audience, and learning objectives of each course); includes train-the-trainer approach and roles and responsibilities for training material development and training delivery; materials to be provided from the Integrated ONE perspective and designed to be incorporated into State's comprehensive training that combines information technology, policy, and practice</li> <li>• Develop training material based upon the approved Training Plan and schedule reviews or dry-runs of content under development <ul style="list-style-type: none"> <li>○ Coordinate the identification and population of training data</li> </ul> </li> <li>• Leverage State designated storage and delivery mechanisms for training</li> </ul>

Project Area	Agency Responsibilities	Contractor Responsibilities
	<p>mechanism and any system requirements needed for coordinated development</p> <ul style="list-style-type: none"> <li>• Provide Train-the-trainer and End User Training scheduling tools; manage registration for TTT and End User Training class delivery; train Contractor resources on provided tools; and monitor and confirm WBT training compliance</li> <li>• Participate in a pilot of the Training program prior to Train-the-trainer launch</li> <li>• Provide the necessary facilities, network access, printed materials and tools to support Train-the-trainer and End User Training sessions</li> <li>• Deliver end user training based upon the approved IPS and communicate feedback on training results and issues</li> <li>• Provide and prepare 1 business process and policy SME for each class during Train-the-trainer and end user training sessions</li> <li>• Collaborate with the Contractor People Readiness team in the development of the Phased Rollout Support Plan deliverable</li> <li>• Provide access to accurate and timely data on headcount in each of the on-site support offices for planning and deployment</li> <li>• Deploy State resources to support the delivery of on-site support 4 weeks after Pilot and for each go-live, per Contractor and State agreed upon support resources and timeframes</li> <li>• Collaborate and Coordinate with the Contractor People Readiness Team to prepare resources to provide onsite support</li> </ul>	<p>materials and web-based training content</p> <ul style="list-style-type: none"> <li>• Leverage provided Train-the-trainer scheduling tool to schedule Train-the-trainer sessions</li> <li>• Deliver a pilot of the train-the-trainer program to designated State trainers, prior to UAT as per the Accepted Training Plan Deliverable.</li> <li>• Deliver Train-the-trainer training to designated State trainers, prior to Pilot go live as per the Accepted Training Plan Deliverable.</li> <li>• Provide feedback to the State regarding document training delivery logistics checklist, which defines requirements on facilities, printed materials, and tools</li> <li>• Collaborate with State to address issues related to the training environment and questions about the training materials during End User Training</li> <li>• Provide TTT reference materials and conduct a review session to prepare State business process and policy SMEs who will participate in training delivery</li> <li>• Lead the development of the Phased Rollout Support Plan deliverable. Collaborate with the State Business Transition Team to plan on-site support needs prior to, during and immediately after go-live</li> <li>• Deploy Contractor resources to support the delivery of on-site support for the duration of the Pilot and 4 weeks after go-live for each wave, per Contractor and State agreed upon support resources and timeframes. The following number of contractors will be deployed: <ul style="list-style-type: none"> <li>○ Pilot + ONE Upgrade: up to 11</li> <li>○ Wave 1: up to 31</li> <li>○ Wave 2: up to 33</li> <li>○ Wave 3: up to 26</li> </ul> </li> </ul>

Project Area	Agency Responsibilities	Contractor Responsibilities
		<ul style="list-style-type: none"> <li>• Prepare State and Contractor resources in the activities to be performed at each site</li> </ul>
<b>System Implementation</b>	<p>Participate in and support timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.7.3 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Establish criteria for go/no-go implementation decisions and make go/no-go implementation decisions as appropriate</li> <li>• Provide resources to support the development of cutover plan</li> <li>• Provide resource to support the approved cutover plan</li> <li>• Provide a Command Center Manager with the authority to make decision while the Command Center is effective</li> </ul>	<p>Perform timely and satisfactory completion of all Contractor Tasks included in the scope described in Section 2.7.3 of this SOW #2</p> <ul style="list-style-type: none"> <li>• Participate in and make recommendations as input into go/no-go decisions</li> <li>• Develop cutover plan in collaboration with State</li> <li>• Lead execution of cutover based upon approved cutover plan</li> <li>• Provide leadership presence onsite for command center meetings.</li> </ul>

Table 4: Responsibilities

## **Parking Lot**

Integrated ONE System Functionality includes:

- Workflow automation inside the Worker Portal
- Automated business rules using Corticon Rules Engine – including real time eligibility determination to support the Applicant Portal
- Automated notice generation using HP ExStream
- Address validation service using Melissa Data
- Automated verification interfaces with the Federal Data Services Hub, the state Medicaid Enrollment System (MMIS), and the Oregon Employment Department
- Automated Bi-Directional Account Transfer with the FFM & Minimum Essential Coverage check for Medicaid benefits
- Integration with the existing document management service provided by DHS Imaging and Records Management System
- Integration of Computer Associates Identity & Access Management Solution to provide single sign-on integration with OHA's Active Directory

### 3.6.2 Key Performance Indicators: Measures of Business Success

The following Key Performance Measures are routinely collected by DHS's Performance Excellence Office. Implementation of a new Integrated Eligibility system is expected to "move the needle" on these indicators in the desirable direction:

- Customer Satisfaction: % of DHS Customers that rank the quality of DHS Service as good or excellent
- Employee Engagement: % of DHS staff that report medium-high or high level of engagement
- Accuracy:
  - % of SNAP PER QC reviews for SSP branch offices where accuracy measures 95% or better
  - % of TANF QC reviews for SSP branch offices where accuracy measures 95% or better
  - % of ERDC QC reviews for SSP branch offices where accuracy measures 95% or better
  - % of APD QC and QA reviews for APD branch offices where accuracy measures 95% or better
- Timeliness:
  - % of new SNAP Expedited and Non-Expedited applications meeting processing timelines
  - % of new SNAP Benefits issued within 0-1 days
  - % of APD cases with a redetermination date that is current or less than 1 month overdue compared to the total cases with a review date

### 3.6.3 Measures of Project Success and Completion

Project Success Measures:

- 
- Project is completed on time in comparison to the latest approved baseline schedule.
- The last approved baseline schedule does not deviate by more than 10% from the schedule projected at Stage Gate 3.



- Project is completed within budget in comparison to the latest approved baseline budget.
- The latest approved baseline budget does not deviate by more than 10% from the budget projected at Stage Gate 3.
- The system satisfies all of the requirements in the Requirements Traceability Matrix at Stage Gate 3 as subsequently modified through the project's change management criteria.
- At the close of the warranty period, there are no Critical or Major defects remaining and the ratio of Minor defects remaining to the size of the system is below industry averages.

#### Project Completion Criteria

The project will be complete when all of the following are true:

- System has been in production through a six-month warranty period
- All contracted work has been completed and accepted, and final payments have been made to all vendors
- The Office of the State Chief Information Officer and the Legislative Fiscal Office have approved the project's Stage Gate 4 submission
- A steward for Operations and Maintenance is identified and has formally accepted handoff of the system
- The position responsible for post-project monitoring and reporting on measures of success has been identified and its occupant has formally accepted the handoff
- Final reports required by funders of the system, if any, have been delivered and accepted
- Project documentation has been assembled and archived consistent with agency and state records retention policies

*Department of Human Services  
Major Equipment Financing  
Placeholder*

*Based on assumptions, no major equipment purchases are anticipated in 2019-21.*

# Human Services, Department of

Annual Performance Progress Report

Reporting Year 2018

Published: 10/1/2018 1:45:15 PM

KPM #	Approved Key Performance Measures (KPMs)
1	OVRs CLOSED - EMPLOYED - The percentage of Office of Vocational Rehabilitation Services (OVRs) consumers with a goal of employment who are employed.
2	TANF FAMILY STABILITY - Rate per 1,000 of TANF recipient children entering child welfare (foster care or in home)
3	TANF RE-ENTRY - The percentage of Temporary Assistance for Needy Families (TANF) cases who have not returned within 18 months after exit due to employment.
4	SNAP (Supplemental Nutrition Assistance Program) UTILIZATION - The ratio of Oregonians served by SNAP to the number of low-income Oregonians.
5	SNAP (Supplemental Nutrition Assistance Program) ACCURACY - The percentage of accurate SNAP payments
6	ENHANCED CHILD CARE - The percentage of children receiving care from providers who are receiving the enhanced or licensed rate for child care subsidized by DHS
7	ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.
8	TIMELY REUNIFICATION - The percentage of foster children exiting to reunification within 12 months of foster care entry.
9	TIMELINESS OF ADOPTION ONCE LEGALLY FREE - Percent of Legally free children adopted in less than 12 months
10	LTC NEED PREVENTION - Percentage of seniors (65+) needing publicly-funded long term care services.
11	LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES - The percentage of Oregonians accessing publicly-funded long-term care services who are living outside of nursing facilities.

<b>KPM #</b>	<b>Approved Key Performance Measures (KPMs)</b>
12	DEVELOPMENTAL DISABILITY SUPPORT SERVICES - The percentage of eligible adults who are receiving adult support services within 90 days of request.
13	PEOPLE WITH DISABILITIES LIVING AT HOME - The percentage of individuals enrolled in the Intellectual/Developmental disabilities program who are receiving services in their own home.
14	SUPPORTED EMPLOYMENT - Increase the number of individuals who receive developmental disability services in supported employment.
15	ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES - The percentage of people with developmental disabilities experiencing abuse.
16	Abuse Investigation Timeliness - Percent of abuse reports assigned for field contact that meet policy timelines.
17	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.
18	Disparity in foster youth achieving permanency within 2 years by race/ethnicity - Disparity is calculated by taking the ratio of two percentages: Percent of Non-White & Hispanic children achieving permanency goals / Percent of Non-Hispanic White children achieving permanency goals. The permanency goal is the percent of foster youth achieved permanency within 24 months (of those that entered 24 months ago)
19	CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME - The percent of children served in Child Welfare on an average daily basis (In Home and Foster Care) who were served while residing in their parent's home.
20	TANF JOBS PLACEMENTS - The percentage of clients who achieve job placement each month compared to those anticipated to achieve placement.

<b>Performance Summary</b>	<b>Green</b>	<b>Yellow</b>	<b>Red</b>
	= Target to -5%	= Target -5% to -15%	= Target > -15%
<b>Summary Stats:</b>	57.89%	21.05%	21.05%

KPM #1	OVRS CLOSED - EMPLOYED - The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed.
	Data Collection Period: Oct 01 - Sep 30

\* Upward Trend = positive result

Report Year	2014	2015	2016	2017	2018
<b>OVRS CLOSED - EMPLOYED</b>					
Actual	60%	62.44%	62.34%	60.20%	57%
Target	66%	66%	66%	66%	63%

### How Are We Doing

We have missed this target since Federal Fiscal Year 2013. The state target is optimistic for our program.

### Factors Affecting Results

In preparation for implementing the sizable increase in data reporting required for the Workforce Innovation and Opportunity Act (WIOA), which began July 1, 2017, we asked staff to review cases in plan who were not progressing. This resulted in a sizable increase in case closures from plan during State Fiscal Year 2018(SFY). Since the denominator of this KPM is based on the number of clients closing from plan, this decreased our performance on this KPM considerably, dropping it from 60% to 57% from SFY17 to 18. From SFY17-18, the clients rehabilitated declined 3.56% versus a 2.9% increase in the number of cases closed from plan.

KPM #2	TANF FAMILY STABILITY - Rate per 1,000 of TANF recipient children entering child welfare (foster care or in home)
	Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = negative result

Report Year	2014	2015	2016	2017	2018
<b>TANF FAMILY STABILITY</b>					
Actual	No Data	3.40	3.70	4.30	3.40
Target	TBD	TBD	TBD	TBD	TBD

### How Are We Doing

This measure tracks children living in extreme poverty who are receiving Temporary Assistance to Needy Families (TANF) and have child welfare involvement in the final month of a three-month timeframe. Our objective is to decrease the percentage of child TANF recipients needing to be placed in foster care. However, in State Fiscal Year (SFY) 2015, 3.4 per 1,000 of child TANF recipients had been receiving TANF cash assistance prior to entering foster care. In SFY 2016 there was an increase to 3.7 per 1,000 children, and an increase to 4.3 per 1,000 children in SFY 2017. In the most recent year, SFY 2018, the rate was 3.4, down almost a full percentage point from 4.3 the previous year.

### Factors Affecting Results

There may be multiple child abuse risk factors present in families such as, domestic violence, alcohol or drug abuse, parental involvement with law enforcement, homelessness, previous child welfare involvement and unemployment. Often there are several of these factors in families of child abuse/neglect victims. While Oregon's overall economy is improving, the recovery has been

inconsistent across the state, and some populations, accounting for both geographic and demographic factors, are still experiencing high rates of unemployment and poverty.

The Self-Sufficiency programs are intended to provide a safety net, family stability, and a connection to careers that guide Oregonians out of poverty. Part of the TANF service array includes Family Support and Connections which provides supports to prevent children in at-risk TANF families from entering the child welfare system. Home and community-based services are used to guide interventions that build on family strengths and address family functioning issues. The services are designed to strengthen and support families by increasing parental protective factors and addressing risk factors related to child abuse. Temporary Assistance for Domestic Violence Survivors (TA-DVS) provides temporary financial assistance and support services to families with children who need to flee and stay free from domestic violence.

KPM #3	TANF RE-ENTRY - The percentage of Temporary Assistance for Needy Families (TANF) cases who have not returned within 18 months after exit due to employment.
	Data Collection Period: Jan 01 - Dec 31

\* *Upward Trend = negative result*

Report Year	2014	2015	2016	2017	2018
<b>TANF RE-ENTRY</b>					
Actual	61.40%	68.10%	65.10%	63.46%	62.51%
Target	65%	65%	65%	65%	66%

### How Are We Doing

Our objective with this measure is to increase the number of former TANF participants who do not require future TANF cash assistance after leaving the program due to unsubsidized employment. In State Fiscal Year 2016 (SFY), 63.5 percent of TANF participants did not return to TANF in the 18 months after leaving TANF due to employment. This is slightly below the target and is a small decrease from the previous year of 65.1 percent. In State Fiscal Year 2017 (SFY) the re-entry rate was 63.46% but dropped almost a full percentage point to 62.51% for State Fiscal year 2018 (SFY).

### Factors Affecting Results

This measure may be affected by several things, including the status of the economy, the availability of jobs, and industry or employment sector factors. It can also be affected by the structure of the Job Opportunity and Basic Skills (JOBS) program and the effectiveness of other agency and community partnerships that help connect TANF recipients into jobs. The effects of the TANF program reinvestment in 2015 have begun to impact this measure, particularly the focus on early family assessment and working



with families on plans that are driven by their own goals. Though the overall TANF caseload has slightly reduced with the improved economy, those on the current caseload come with complex needs and higher levels of acuity. In turn, this may impact the ability to both secure and retain employment. The recent data shows the agency is meeting its target which may be due in part to a strong, stable economy.

KPM #4	SNAP (Supplemental Nutrition Assistance Program) UTILIZATION - The ratio of Oregonians served by SNAP to the number of low-income Oregonians.
	Data Collection Period: Jan 01 - Dec 31

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>SNAP UTILIZATION</b>					
Actual	96.40%	93.20%	94.20%	98%	No Data
Target	90%	90%	85%	85%	90%

### How Are We Doing

Due to the recession, SNAP participation had increased during the past decade, however, it has steadily, yet slowly declined over the most recent four years. In July 2016, 703,552 people received SNAP benefits in Oregon and that number decreased to 664,402 people by July 2017. This trend continued in July 2018 with 626,038 people receiving SNAP benefits.[\[1\]](#) The decline in the program is likely due to the slowly improving economy in Oregon (1 in 7 state residents are SNAP participants[\[2\]](#)). The DHS SNAP program has received twelve federal participation bonuses for ranking in the top states nation-wide.

In 2016, the most recent federal data available, Oregon was ranked number 3 in SNAP participation according to the Program Access Index (PAI).[\[3\]](#) In 2008, 2009 and 2012, Oregon was ranked second in the nation in SNAP participation based on the PAI and has remained one of the highest ranked states. This FNS ranking is based on the number of potentially eligible people compared to the number receiving benefits.

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[1] Oregon Department of Human Services (DHS), Supplemental Nutrition Assistance Program (SNAP) July 2018 available at: <https://www.oregon.gov/DHS/ASSISTANCE/Branch%20District%20Data/SNAP%20Flash%20Figures%20for%20July%202018.pdf>

[2] United States Census Bureau, Oregon population estimates, July 1, 2017 available at: <https://www.census.gov/quickfacts/fact/table/or/PST045217>

[3] United States Department of Agriculture (USDA), Food and Nutrition Service (FNS), "Calculating the Supplemental Nutrition Assistance Program (SNAP) Program Access Index available at: <https://www.fns.usda.gov/ops/supplemental-nutrition-assistance-program-snap-research>

### **Factors Affecting Results**

Oregon has had great success in easing access to SNAP benefits. One effort has been encouraging the use of the on-line application. Another has been serving clients within the same or next work day after they apply for benefits. Oregon continues to expand outreach efforts to reach difficult to serve populations by providing information on the benefits of qualifying for and maintaining SNAP eligible,

dispelling myths, providing application assistance, advocating on behalf of participants, and numerous other strategies to reach vulnerable populations which include identifying and removing barriers to the SNAP program across all populations. We currently collaborate with 15 different community agencies who serve as Oregon SNAP outreach partners.

The recession created critical need for necessities, such as food, in households which never expected to ask for help. During the recession we saw a rise in our caseload. As the economy has been improving the number of people receiving SNAP benefits in July 2018 has decreased to 77% of the highest number in 2012. The number of people receiving SNAP benefits continues to be

more than before the recession hit. The number of people receiving benefits during July 2018 is 143% of the number during July 2007.

\*Note: Actual data has a two-year lag from the USDA FNS.

KPM #5	SNAP (Supplemental Nutrition Assistance Program) ACCURACY - The percentage of accurate SNAP payments
	Data Collection Period: Oct 01 - Sep 30

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>SNAP Accuracy</b>					
Actual	95.83%	96.56%	94.50%	93.87%	92.23%
Target	98%	98%	98%	96.60%	95%

### How Are We Doing

The most recently completed federal fiscal year is FFY 2017 where Oregon reported a payment accuracy rate of 94.08%. FFY 2018 reviews are ongoing. Oregon has reported a 92.23% payment accuracy rate through April 2018. The error rate is currently above the national average and a plan is being developed by the Accuracy Committee to improve accuracy. The plan involves internal measures to improve staff performance as well as measures to reduce client caused errors.

### Factors Affecting Results

During FFY 2018 agency caused errors increased. The most common agency error causes are failing to act on reported information or failing to follow up on inconsistent or incomplete information. Client caused errors continue to contribute to the overall error rate and most often are due to information not being reported to DHS.

KPM #6	ENHANCED CHILD CARE - The percentage of children receiving care from providers who are receiving the enhanced or licensed rate for child care subsidized by DHS
	Data Collection Period: Oct 01 - Oct 31

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>Enhanced Child Care</b>					
Actual	61.80%	64.70%	63.70%	70.90%	77.60%
Target	60%	60%	65%	65%	65%

### How Are We Doing

There has been a major swing in the percentage of children receiving care from license-exempt enhanced providers and licensed providers from the two-year period covering 2016 to 2018. The average increase is just under 7% per year. Policy changes and increased regulation for license-exempt providers had a direct impact on the percentage of children in licensed care.

DHS offers a higher payment rate to license-exempt providers who complete additional training as a way of incentivizing higher quality care. Subsidy rates for providers were increased in January 2018 based in the 2016 Oregon Child Care Market Price Study; however, limited funding meant DHS was unable to maintain the 75<sup>th</sup> percentile for all provider types in statewide. Additional payments to star rated Spark providers were added to the full-time monthly rate in April of 2016 as a way of incentivizing high-quality providers to serve DHS subsidy families. Since September 2016, families opting to use a Spark provider received a lower copay. This offered a parent incentive to choose quality care. A pilot began in July 2018 to pay certified child care centers in advance to help increase capacity for DHS subsidized families.

DHS continues to partner with 211Info, Child Care Resource & Referral Agencies (CCR&R), Service Employees International Union Local 503 (SEIU), American Federation of State, County and Municipal Employees Local 132 (AFSCME) and the Oregon Registry. 211Info provides consumer education and helps parents with child care referrals. CCR&R's address provider quality through required trainings to become DHS listed, meet regulated subsidy standards, secure qualify for the DHS enhanced rate, become licensed with the Office of Child care and receive a Spark star rating. Provider unions offer guidance and training to home based license-exempt (SEIU) and licensed (AFSCME) family providers. Oregon Registry documents provider training records and maintains online trainings such as Introduction to Child Care Health and Safety, and DHS Provider Requirements. DHS coordinates with partners to publicize training and resources available.

A child care orientation is required for all new license-exempt providers. Provider requirements changed in November 2017 for non-relative license-exempt providers (a.k.a. regulated subsidy) to complete trainings that must be taken before they are approved to provide care. These include an online Introduction to Child Care Health and Safety, and Recognizing and Reporting Child Abuse and Neglect. In addition, providers must have a current Infant/Toddler First Aid and CPR certificate. Regulated subsidy providers must have a pre-service site visit to verify the safety of the home where care is provided. Relative providers are required to take the pre-service Introduction to Child Care Health and Safety training only. Relative providers include grandparents, great grandparents, aunts, uncles and adult siblings who live outside the home of the child in care.

DHS collaborates with the Early Learning Division (ELD) on Early Head Start Child Care Partnerships to build stronger provider networks and increase quality. Increasing quality and gaining a Spark star rating is a priority for Partnership providers.

Informing parents and providers of the importance of high-quality child care and training continues to be a priority. DHS will continue to work with partners to promote provider training and the professional development continuum for exempt providers. This will foster greater access to required trainings to earn the enhanced rate, qualify for licensing and elevate their Spark star ratings.

### **Factors Affecting Results**

The 2015 Legislature (HB 2015) made a significant investment into the child care program to support state's efforts to meet new requirements of the Child Care Development Fund reauthorization of 2014. This provided funding for rate increases in 2016, incentives to Spark rated providers, lower copays for subsidy families choosing a Spark rated provider, and increased training requirements for license-exempt regulated subsidy providers.

There has been a steady increase in the percentage of children receiving care from providers that receive the enhanced or licensed rate. *Actuals* have significantly surpassed *Targets* for the past two years and will be adjusted accordingly. Policy decisions and resources have focused toward increasing quality of care and consumer education. Both parents and DHS field workers consistently receive information regarding the two-generation approach of the child care program. This multigenerational approach place strives to stabilize employment for adults and keep children in stable, high-quality, educational settings. Rate increases in 2013, 2016 and 2018 helped keep provider rates more in line with current market rate studies and supports the goal of a child care subsidy system that is child-focused, family friendly and equitable for providers. Incentives for accessing Spark rated providers have encouraged providers to increase the quality of care and prompted parents to choose quality care.



KPM #7	ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization.
	Data Collection Period: Oct 01 - Sep 30

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>ABSENCE OF REPEAT CHILD MALTREATMENT</b>					
Actual	95.50%	95%	94.60%	93.87%	92%
Target	96%	96%	96%	96%	96%

### How Are We Doing

The outcome of 92% is Federal Fiscal Year 2017 data, for Report Year 2018. Over the past two years of this measurement Oregon has seen an overall decrease of 2.6%, however this falls short of the 96% target. Oregon continues its commitment to not only ensure the number remains consistent moving forward, but to make continued efforts to improve.

### Factors Affecting Results

The Child Safety Program is currently in process of developing focused efforts (training, case reviews, group supervision, safety plan sufficiency reviews, etc) with targeted districts that have struggled to meet both the state and federal standard for recurrence of maltreatment over a consistent period of time. Child Safety Consultants continue to closely monitor data and provide monthly reports to leadership in all 16 districts on areas needing improvement to impact this measurement. Root cause analysis continues to identify insufficient safety planning during trial home visits, inaccurate safety decisions at the close of assessments and lack of comprehensive information gathering and safety planning on cases involving domestic violence. One additional factor that may also

impact this measurement is high turnover in Child Protective Services (CPS) and lack of casework experience for a large population of our workforce. Due to the large number of new casework staff, Oregon's Executive Leadership team is committed to ensuring all caseworkers receive regular one on one clinical supervision to ensure safety outcomes improve and new staff have the support necessary to make sound child safety decisions.

Recent Appellate Court decisions have also impacted caseworkers ability to seek legal intervention which may result in closing cases prematurely resulting in recurrence of maltreatment in some instances. Full representation for casework staff is hoped to result in better support in ensuring cases have the legal sufficiency when court intervention is necessary.

Much work continues in the Child Safety Program surrounding Continuous Quality Improvement. Child Safety Consultants are nearing completion of CPS Fidelity Reviews and have completed 13 of 16 districts statewide with a goal of completing all districts by end of 2018. Action Plans are developed following each review and while each district is able to individualize their plans, all districts have similar elements of focus including but not limited to: ensuring all required interviews are completed, making sufficient collateral contacts, gathering comprehensive safety related information and accurately applying the safety threshold criteria. All of these identified efforts should positively impact this measurement.

KPM #8	TIMELY REUNIFICATION - The percentage of foster children exiting to reunification within 12 months of foster care entry.
	Data Collection Period: Oct 01 - Sep 30

\* Upward Trend = positive result

Report Year	2014	2015	2016	2017	2018
<b>Timely Reunification</b>					
Actual	66%	62.90%	66.10%	73.70%	71.60%
Target	TBD	66%	70.60%	75.20%	75%

### How Are We Doing

The outcome of 71.6% is Federal Fiscal Year 2017 data, for Report Year 2018. Oregon decreased in performance by 2.1% percentage points on this measure this past federal fiscal year. Oregon is 3.4 percentage points short of the target for this year

### Factors Affecting Results

There are multiple systemic factors that affect this result. Availability of targeted services and community resources to assist in children safely reunifying varies by area across the state. Additionally, reunification for this measure is defined by the DHS custody case being dismissed; in cases where children are returned and the agency is continuing to work with the family, the foster care episode does not close until the children have been in home for six months.

Over the last year, permanency caseworkers and supervisors across the state have participated in training that focused on fidelity to the Oregon Safety Model (OSM). The training focused on honing staffing skills in all elements of the model, including protective capacity assessments (PCAs) and creating and monitoring conditions for return. These two elements are important in timely

reunification. PCAs identify protective capacities that need to change from diminished to enhanced in order for parents to be able to ensure their children's safety. Conditions for return outline what needs to be in place in a home, with some combination of a willing parent and/or safety service providers, in order for children to reunify with their parent(s). When these pieces of work are done to fidelity, children can reunify in a safe and timely way. Over the course of the next year, continued focus on training and coaching to fidelity of the OSM should continue to impact this measure in a positive direction.

KPM #9	TIMELINESS OF ADOPTION ONCE LEGALLY FREE - Percent of Legally free children adopted in less than 12 months
	Data Collection Period: Oct 01 - Sep 30

\* Upward Trend = positive result

Report Year	2014	2015	2016	2017	2018
<b>Timeliness of Adoption Once Legally Free</b>					
Actual	42.60%	44.30%	46.10%	48.50%	42.10%
Target	TBD	42.70%	48.20%	53.70%	53.70%

### How Are We Doing

The outcome of 42.1% is Federal Fiscal Year 2017 data, for Report Year 2018. Oregon decreased in performance by 6.4% percentage points on this measure this past federal fiscal year. Oregon is 11.6 percentage points short of the target for this year.

### Factors Affecting Results

There are multiple factors affecting the results of this measure - staff turnover, the crisis nature of casework that often puts paperwork lower in priority, field manager's focus on timeliness, and additional time for supervision and finalization for children placed out of state. With the additional staff that has been allocated, along with the implementation of the Program Improvement Plan that has several interventions directed at increasing timeliness, Oregon expects to see a positive impact on this measure moving forward.

KPM #10	LTC NEED PREVENTION - Percentage of seniors (65+) needing publicly-funded long term care services.
	Data Collection Period: Jan 01 - Dec 31

\* *Upward Trend = negative result*

Report Year	2014	2015	2016	2017	2018
<b>LTC NEED PREVENTION</b>					
Actual	3.13%	3.07%	3.09%	3.12%	3.05%
Target	TBD	5%	5%	3.10%	3.10%

### How Are We Doing

In 2018, only 3.05% of Oregonians 65 or older needed assistance with publicly funded long term care. This is a noticeable downward trend that exceeds legislative targets. Oregon is generally meeting the legislatively established targets. APD believes the targets will continue to be met in the future due to programmatic modifications made in the 2017-2019 biennium.

### Factors Affecting Results

Oregon has adopted the Community First Choice Model, also known as the K Plan. This is a big driver in these results as the K Plan has numerous tools that are designed to keep people independent. Additionally, the success of the Area Agencies on Aging (AAA) network administering Oregon Project Independence, Older Americans Act programs and the Aging and Disability Resource Connection contribute towards keeping older adults independent. More preventative programs should be considered to ensure targets continue to be met, ultimately resulting in system sustainability.

KPM #11	LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES - The percentage of Oregonians accessing publicly-funded long-term care services who are living outside of nursing facilities.
	Data Collection Period: Jul 01 - Jul 31

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>LTC RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES</b>					
Actual	85.10%	86.10%	86.90%	87.20%	87.40%
Target	84.09%	85.96%	85.96%	87%	88%

### How Are We Doing

APD is generally meeting the legislative targets established. However, recent programmatic changes designed to promote sustainability have resulted in increased acuity levels of individuals served. As a result, continued progress towards decreasing the number of individuals served outside of nursing facilities will be challenging. APD exceeded the legislative target of 87%. APD is making steady, continued progress at serving seniors and people with disabilities in settings less restrictive than nursing facilities. This is a key outcome in ensuring Oregon’s system of long term care.

### Factors Affecting Results

Hospitals continue to discharge patients “sicker and quicker”. In many cases, hospitals prefer to discharge older adults needing additional care to nursing facilities. Institutional care may be appropriate for certain individuals for short periods of time. DHS must continue to aggressively ensure that seniors are appropriately transitioned from nursing facilities when their care can be supported in less restrictive and costly settings. Doing this will allow DHS to continue meeting our targets.





KPM #12	DEVELOPMENTAL DISABILITY SUPPORT SERVICES - The percentage of eligible adults who are receiving adult support services within 90 days of request.
	Data Collection Period: Jun 01 - Jul 31

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>DD Adult Support Services</b>					
Actual	56%	43.93%	61.84%	55.22%	72.16%
Target	98%	98%	98%	98%	86%

### How Are We Doing

Services were designed differently when this measure was proposed, but with changes in K plan and how services are now delivered, it is no longer relevant. New performance measures have been designed that are more relevant to track people getting services in a timely fashion.

### Factors Affecting Results

While this is important, the strategy for collecting the data was limited to people that experienced this event within a very narrow timeframe AND were part of a statewide sample the ODDS Quality Assurance (QA) team pulled. For instance, only 24 instances across the state were reviewed for Q3 2017. The lack of a centralized electronic system is a factor in not being able to review 100% of people who received a service within 90 days of being notified of their eligibility for I/DD services.

Data comes from Express Payment & Reporting System (eXPRS). The reporting cycle is fiscal year. The calculation is: Number of adults receiving adult support services within 90 days of request divided by the number of adults who were eligible and referred for adult support services.

KPM #13	PEOPLE WITH DISABILITIES LIVING AT HOME - The percentage of individuals enrolled in the Intellectual/Developmental disabilities program who are receiving services in their own home.
	Data Collection Period: Jan 01 - Dec 31

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>PEOPLE WITH DISABILITIES LIVING AT HOME</b>					
Actual	No Data	72.14%	73.52%	74.32%	75.26%
Target	TBD	80%	80%	80%	80%

### How Are We Doing

Nationally, Oregon continues to be a leader in serving people with Intellectual and Developmental Disabilities (I/DD) in their homes in the community. By comparison, research available to us through the Institute on Community Integration, through the University of Minnesota (data provided was for fiscal year 2014) indicates the following:

For FY 2014, 46 states responded. The numbers reflect individuals that received one or more long term support services (LTSS) where the residence type was known:

Total number of people receiving one or more LTSS (nation-wide): 1,167,384 total recipients

Living in home of family member: 661,442 individuals (56.66%)

Living in home they own or lease: 133,584 individuals (11.44%)

## **Factors Affecting Results**

The measure reflects the fact that the majority of adults and children with I/DD live with their families or own home in Oregon. Each individual receiving services in Oregon has the choice of location and setting where they receive their I/DD services. Case Managers review these choices annual and inform each recipient of all of the alternative options available to them.

KPM #14	SUPPORTED EMPLOYMENT - Increase the number of individuals who receive developmental disability services in supported employment.
	Data Collection Period: Oct 01 - Sep 30

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>INTEGRATED EMPLOYMENT SETTINGS</b>					
Actual	No Data	1,947	2,971	3,007	3,012
Target	TBD	TBD	0	3,000	3,020

### How Are We Doing

For Fiscal Year 2019 we provided supported employment services to 3,012 individuals and continue to be in compliance with Lane v. Brown. DHS continues to grow competitive integrated and supported employment for individuals who have I/DD as required by Lane v. Brown, as well as state initiatives. Although we came close to the target for 2018, the growth indicates that DHS continues to move in the right direction around supported employment service.

### Factors Affecting Results

Supported employment providers in the state are continuing to make significant changes as they transform from traditional facility based services to community services. Additionally, many individuals who have had job coaching supports have moved to natural supports or other supports on the job. This likely contributes to the plateau currently being reflected in the data. However, DHS is on target to continue to grow supported employment services for those with I/DD. Executive Order 15-01 and the Lane v. Brown Settlement Agreement require DHS to provide employment services to at least 7,000 individuals by 2022. This means that by 2017

at least 3,000 individuals should have received an employment service; by 2018 3,800; 2019 4,600; 2020 5,400; 2021 6,200; and 2022 7,000. DHS continues to be in compliance with this requirement.

KPM #15	ABUSE OF PEOPLE WITH DEVELOPMENTAL DISABILITIES - The percentage of people with developmental disabilities experiencing abuse.
	Data Collection Period: Jan 01 - Dec 31

\* Upward Trend = negative result

Report Year	2014	2015	2016	2017	2018
<b>ABUSE OF SENIORS AND ADULTS WITH DISABILITIES - b) people with developmental disabilities</b>					
Actual	2.47%	2.11%	1.83%	2.10%	2%
Target	2.20%	2.20%	2.20%	2.20%	1.80%

### How Are We Doing

The abuse rate of people with intellectual/development disabilities (I/DD) enrolled in services has continued to trend downward. This is particularly noteworthy given that the number of people enrolled for services has increased 7.4% since the last reporting year and a policy change in March 2017 that greatly increased the number of investigations assigned.

Prior to March 2017 a trust relationship needed to exist between the alleged victim and the alleged perpetrator for an incident to be assigned for investigation. Following the policy change, such a relationship ceased to be required; if an incident met the definition of abuse, it was assigned for investigation. This resulted in an 18% increase in the number of allegations investigated.

Because of a lack of national abuse data it is a challenge drawing comparisons to the IDD abuse rate targets. Targets are currently based on trends of historical data.

Oregon is in the process of developing a Centralized Abuse Management (CAM) information system that will allow for enhanced tracking and monitoring of abuse referrals and investigations. IDD service cases will be included in the second phase of implementation scheduled for 2019/2020. The implementation of CAM will enhance access and availability of information across the state and greatly improve the ability to make data informed decisions. Strategies to maintain and improve performance on this measure includes continued and enhanced prevention initiatives, increased training opportunities, and coordination with partners and stakeholders. The development of centralized abuse data will also provide opportunity for proactive data driven actions and greater ability to analyze risk factors associated with abuse.

Strategies attributed to the decreased abuse rate include:

- Diligence in monitoring and promoting safety in licensed settings for people with intellectual/developmental disabilities.
- Continued coordination between licensing, abuse investigation and program staff to better identify areas of concern and respond effectively.
- Ongoing outreach to increase public awareness of abuse issues facing individuals with intellectual/developmental disabilities.
- Ongoing collaboration with community partners, including brokerages serving people with intellectual/developmental disabilities living in their own homes.
- Enhanced training to abuse investigators, service coordinators, personal agents, direct service providers and facility staff.

### **Factors Affecting Results**

Abuse rates for people with intellectual/developmental disabilities can be affected by many factors, including:

- The high acuity and service needs of residents being served in community-based care settings.
- High turnover rate of treatment and support staff in all settings.
- An adult's right to make decisions about their living situation, companions, etc.



- Barriers to the reporting of abuse by cognitively impaired clients.
- Limited resources available to respond and support people with intellectual/developmental disabilities who are abused (e.g. domestic violence shelters, counseling resources, etc.).
- Current data systems do not have the capacity to clearly identify risks associated with reports of abuse.

What needs to be done in this area includes:

- Ongoing training for service coordinators, personal agents, personal support workers, direct support providers, service providers and facility staff in recognizing, reporting, and preventing abuse.
- Research and collaboration with community response systems and resources, including domestic violence interventions, sexual assault response, mental health services, housing, etc.
- Coordination and participation with local area multidisciplinary teams and coordinated care organizations.
- Increased investigator access to content experts such as forensic nurses, psychologists and other health care professionals.

KPM #16	Abuse Investigation Timeliness - Percent of abuse reports assigned for field contact that meet policy timelines.
	Data Collection Period: Jan 01 - Dec 31

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>Abuse Investigation Timeliness</b>					
Actual	No Data	No Data	No Data	97.70%	97.82%
Target	TBD	TBD	TBD	TBD	95%

### How Are We Doing

We have met the KPM target and have exceeded last year's performance by a very slight percentage. This measure applies to over 16,000 investigations during the reporting period.

This measure is related to how quickly Adult Protective Service (APS) Specialists respond or intervene to protect people when they receive a report of abuse. The specific response times are governed by the nature and severity of the complaint and rules that apply. APS investigators take the responsibility to assure the safety of the reported victim within the assigned timeline extremely seriously and this is reflected in the percentage being reported this year.

### Factors Affecting Results

This is a blended rate of abuse investigations in both facility and community (non-facility) settings. Since there are different timelines for response in these settings and community investigations are double the number of facility investigations, it is difficult to universally apply the reported percentage across all cases. In addition, current data systems make it difficult to assess the

response time applied to each individual investigation. Therefore, certain default assumptions need to be utilized. The legislative investment in a statewide abuse data management and report writing program is now in the implementation phase and will result in a higher level of case specific data and a greater ability to report on this measure.

KPM #17	CUSTOMER SERVICE - Percentage of customers rating their satisfaction with DHS above average or excellent: overall, timeliness, accuracy, helpfulness, expertise, availability of information.
	Data Collection Period: Jan 01 - Jan 31

Report Year	2014	2015	2016	2017	2018
<b>Timeliness</b>					
Actual	76%	74%	74%	79%	73.80%
Target	75%	75%	75%	75%	75%
<b>Accuracy</b>					
Actual	No Data	85%	84%	89%	78.80%
Target	75%	75%	75%	75%	85%
<b>Overall</b>					
Actual	86%	83%	82%	88%	75.70%
Target	75%	75%	75%	75%	82%
<b>Helpfulness</b>					
Actual	84%	No Data	83%	No Data	No Data
Target	75%	75%	75%	75%	85%
<b>Expertise</b>					
Actual	No Data	85%	84%	88%	78.50%
Target	75%	75%	75%	75%	85%
<b>Availability of Information</b>					
Actual	No Data	86%	No Data	90%	No Data
Target	75%	75%	75%	75%	88%

### How Are We Doing

DHS experienced a decrease among all elements from our Customer Service survey, most notably around Accuracy, Expertise and Overall Satisfaction. No data are available for Helpfulness and Availability of Information.

### **Factors Affecting Results**

We are currently refining our survey efforts to ensure we're reaching an adequate number of customers that are representative across the various DHS programs, and getting a satisfactory response rate. We will also ensure we're asking all the required questions and potentially including additional follow-up questions to help provide more context and inform actions to be taken.

KPM #18	Disparity in foster youth achieving permanency within 2 years by race/ethnicity - Disparity is calculated by taking the ratio of two percentages: Percent of Non-White & Hispanic children achieving permanency goals / Percent of Non-Hispanic White children achieving permanency goals. The permanency goal is the percent of foster youth achieved permanency within 24 months (of those that entered 24 months ago)
	Data Collection Period: Oct 01 - Sep 30

Report Year	2014	2015	2016	2017	2018
<b>Disparity of Non-Hispanic African American Youth</b>					
Actual	No Data	No Data	No Data	0.80	0.70
Target	TBD	TBD	TBD	TBD	1
<b>Disparity of Non-Hispanic Asian/Pacific Islander Youth</b>					
Actual	No Data	No Data	No Data	1.30	0.90
Target	TBD	TBD	TBD	TBD	1
<b>Disparity of Non-Hispanic White Youth (always=1)</b>					
Actual	No Data	No Data	No Data	1	1
Target	TBD	TBD	TBD	TBD	1
<b>Disparity of Non-Hispanic Native American/Alaska Native Youth</b>					
Actual	No Data	No Data	No Data	1	1
Target	TBD	TBD	TBD	TBD	1
<b>Disparity of Hispanic (any race) Youth</b>					
Actual	No Data	No Data	No Data	1	1
Target	TBD	TBD	TBD	TBD	1

### How Are We Doing

### Factors Affecting Results



KPM #19	CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME - The percent of children served in Child Welfare on an average daily basis (In Home and Foster Care) who were served while residing in their parent's home.
	Data Collection Period: Oct 01 - Sep 30

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>CHILDREN RESIDING AT HOME IN LEAST RESTRICTIVE SETTING</b>					
Actual	25.80%	25.20%	23.90%	25.40%	23.80%
Target	TBD	27%	30%	33%	33%

### How Are We Doing

The outcome of 23.8% is Federal Fiscal Year 2017 data, for Report Year 2018. From 2015 to 2016, Oregon saw a slight increase in this performance measure of 1.5 percent. Then a decrease from 2016 to 2017 of 1.6%.

The state child welfare program has been working toward the vision of Safe Equitable Foster Care Reduction. One way to achieve this vision is through serving children safely in their own home. Several strategies have been involved to help achieve this vision.

One of these strategies is the continued practice of the Oregon Safety Model (OSM). OSM requires workers to determine if a child is safe through a larger lens than incident based investigations and necessitates a comprehensive examination of the family. This comprehensive assessment process provides valuable information that informs the case worker how best to serve the family by identifying what is making the child(ren) unsafe and thus ameliorate these issues through adequate safety planning, and referrals to appropriate interventions.



As a part of assuring DHS Child Welfare is practicing OSM consistently, statewide fidelity reviews are being conducted. These reviews are led by Consultants with the inclusion of Child Welfare managers. In addition leadership has implemented an intentional facilitation of group supervision throughout districts that allows local leadership to focus on key safety concepts.

Following these reviews, debriefing sessions with District Managers and Consultants are utilized to create action plans geared at improving identified gaps in OSM fidelity. By continuing to provide fidelity reviews, Consultants then aim to improve case workers consistency in practice and decision making, identify gaps in knowledge and provide updated training, and identify skills and tools to support an engagement model of family centered practice.

Determination of support systems and services to keep children safe is key in Strengthening, Preserving and Reunifying Families (SPRF). DHS Child Welfare works with an extensive network of community providers which have been contracted to specifically address the needs of children and families in order to maintain a child safely in their home or allow for a child to exit the foster care system sooner. Each county regularly assesses their SPRF service array, to determine gaps in service provision and use of current services. In an effort to assure these contracts are effective in the keeping children safe with their parents, or allowing children to leave foster care sooner, DHS has implemented the first step toward a system of Performance-Based Contracting, in collaboration with our SPRF contractors. Current SPRF contracts now include performance-based contract language and outcomes. Upon execution of the contracts, the contractor submits reports through the invoicing process which identifies one of three outcomes for each client: 1) Achieved 2) Partially Achieved 3) Not Achieved.

Oregon continues to work collaboratively with Portland State University to implement updated curriculum and hands-on training for new case workers and supervisors. These updates will include more real life experiences through the use of a mock court room, mock interview process that are recorded and reviewed, increased oversight of new employees, and continued reinforcement of the OSM.

### **Factors Affecting Results**

The assessment of a child abuse/neglect report requires time in order to fully engage and understand a family. The issues affecting families of abused and neglected children include dynamics of drug/alcohol abuse, domestic violence, parental involvement with law enforcement, and mental health issues. Frequently these are co-occurring in families and fully understanding how these issues impact child safety is complicated. Staffing and issues related to retention of staff is one of the largest issues affecting the ability to adequately assess safety of children. As a result workers may miss key information or not have time to provide the family with needed safety interventions. The hiring of MAPS (Mentoring, Assisting and Promoting Success) and development of consistent onboarding practices statewide are a priority.

KPM #20	TANF JOBS PLACEMENTS - The percentage of clients who achieve job placement each month compared to those anticipated to achieve placement.
	Data Collection Period: Jan 01 - Dec 31

\* *Upward Trend = positive result*

Report Year	2014	2015	2016	2017	2018
<b>TANF JOBS PLACEMENTS</b>					
Actual	No Data	126.50%	122.40%	122.70%	110.40%
Target	TBD	100%	100%	100%	100%

### How Are We Doing

Our objective is to maintain the percentage of Temporary Assistance to Needy Families (TANF) participants successfully obtaining unsubsidized employment. However, factors described below may have a negative impact on this measurement.

### Factors Affecting Results

Oregon's economy has continued to improve over the past several years. Oregon's seasonally adjusted unemployment rate remains low, over the past few months the rate has fallen slightly, decreasing by 0.2% from 4.1 in May 2018 to 3.9 in July 2018.

Over the past six years, the number of TANF cases has significantly decreased. Those who were ready or near ready for employment have found jobs in the stronger economy. Those remaining on assistance have more significant challenges to becoming employed. The percentage of individuals with mental health, substance use, and physical health records is significantly

higher than it was just a few years ago. These individuals will need greater supports, additional services, and increased case management to help reduce the impact of the challenges they are facing.

The need to access more intensive stability focused services may have an impact on the percentage of those finding employment, and this measure may be affected by this situation. There may also be an impact due to the availability of jobs as the economy growth levels out. Changes made to the TANF program over the 2017-19 biennium are beginning to help assess and determine strategies for assisting individuals to find appropriate employment. These programmatic changes may cause the length of time needed to move an individual into employment to increase.

The Self-Sufficiency programs are intended to provide a safety net, family stability, and a connection to careers that guide Oregonians out of poverty. With respect to this KPM, the programs will work in partnership with other workforce system agencies and community partners to help Oregonians connected to our programs exit poverty along a career path. The program will continue to monitor the measure and targets. The targets this measure compares to are updated as needed during program planning processes.



# PROPOSED SUPERVISORY SPAN OF CONTROL REPORT

In accordance with the requirements of ORS 291.227, the Department of Human Services presents this report to the Joint Ways and Means Committee regarding the agency's Proposed Maximum Supervisory Ratio for the 2019-2021 biennium.

## Supervisor Ratio based on CHRO data:

The agency actual supervisory ratio as of is 1: 10 as of August 2018.

### The Agency actual supervisory ratio is calculated using the following calculation;

$$\underline{\quad 870 \quad} = \underline{\quad 809 \quad} + \underline{\quad 62 \quad} - (\underline{\quad 1 \quad})$$

(Total supervisors) (Employee in a supervisory role) (Vacancies that if filled would perform a supervisory role) (Agency head)

$$\underline{\quad 8698 \quad} = \underline{\quad 7787 \quad} + \underline{\quad 911 \quad}$$

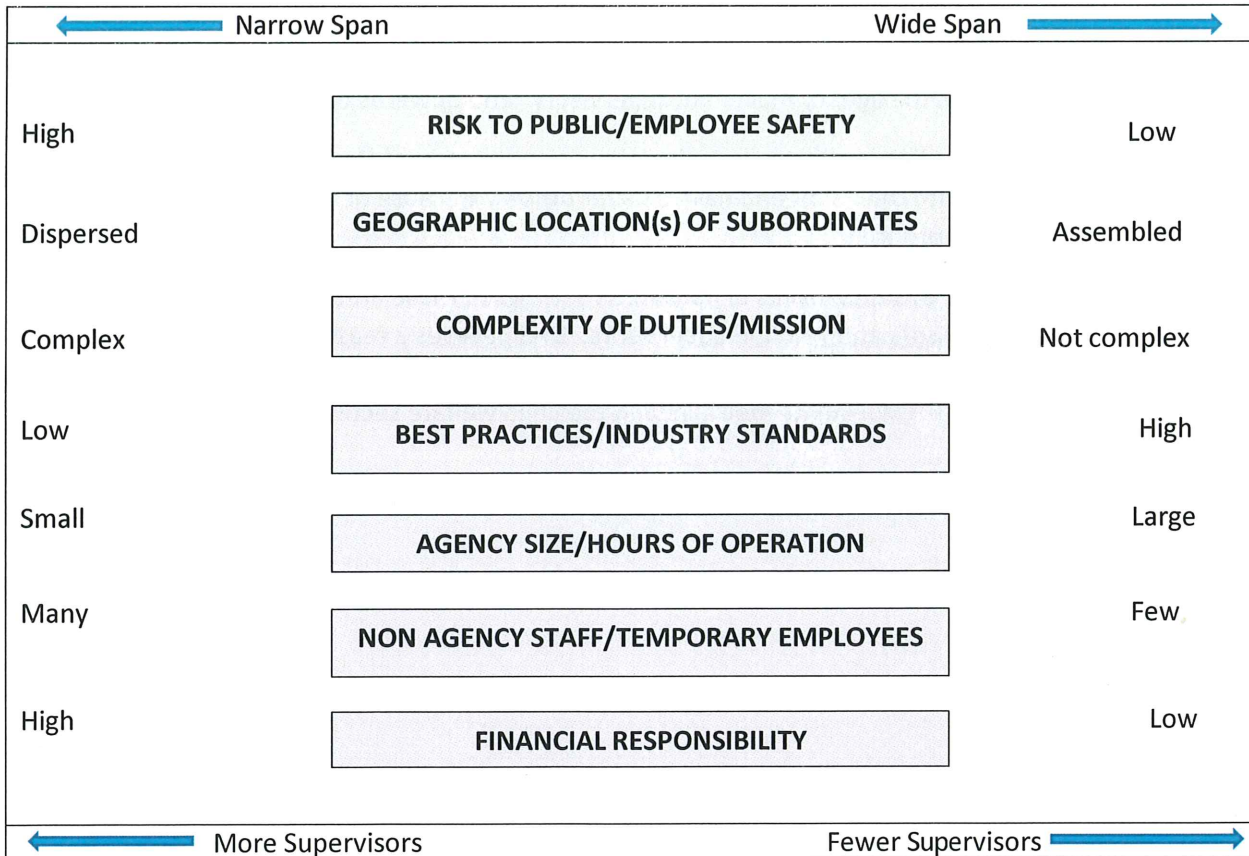
(Total non-supervisors) (Employee in a non-supervisory role) (Vacancies that if filled would perform a non- supervisory role)

The agency has a current actual supervisory ratio of-

$$1: \underline{\quad 10 \quad} = \underline{\quad 8698 \quad} / \underline{\quad 870 \quad}$$

(Actual span of control) (Total non - Supervisors) (Total Supervisors)

When determining an agency maximum supervisory ratio all agencies shall begin of a baseline supervisory ratio of 1:11, and based upon some or all of the following factors may adjust the ratio up or down to fit the needs of the agency.



### Ratio Adjustment Factors

Is safety of the public or of State employees a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

DHS is responsible for the safety of many vulnerable Oregonians in Child Welfare, Self Sufficiency, Aging and People with Disabilities, Individuals with Intellectual Disabilities and Vocational Rehabilitation programs. Due to safety concerns and industry best practices in both Child Protective and Adult Protective Services a higher than 1:11 MSR is appropriate. DHS has many supervisors that are working clinical supervisors responsible for the supervision of case managers that have an industry standard much higher ratio than 1:11 in order to maintain the safety of Oregonians and keep reasonable workloads.

DHS houses the Stabilization and Crisis Unit (SACU) a series of 24/7 homes for people with developmental or intellectual disabilities who are in crisis. Currently the staff to supervisor ratio is below the 1:11 ratio. This is not an ideal ratio to begin with due to the acuity of the clients in the homes and the fact that currently DHS has supervisors that cover more than one house. 1:7 is a more reasonable target for a supervisory ratio and DHS is using this as its "target" ratio for SACU employees who are now all in the police and fire designation due to difficulty, stress and potential danger of the positions working with difficult clients.

Is geographical location of the agency's employees a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

DHS has over 180 offices statewide including many smaller offices in very rural parts of Oregon. Many supervisors must travel long distances to interact with their staff and have smaller offices. Because of these geographic limitations a higher than 1:11 MSR is appropriate.

DHS has, without double counting staff, 879 employees in non-urban settings of these areas the ratio ranges from 1:5 and 1:13.67, this includes 86 supervisors and 793 non-supervisors. DHS believes a reasonable target ratio for these rural areas should be 1:8. The remaining urban employees are proposed to be 1:11 where they are currently running at 1:11.75. This does not include CW staffing mentioned in the child welfare section of the "industry standards" section.

Is the complexity of the agency's duties a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

DHS is comprised of 5 major programs the smallest of which is over \$100 million TF. The largest is over \$3.5 billion TF. In addition to Central Services DHS also houses Shared Services that support both DHS and OHA. In each major program area there are multiple sub programs that must be managed each with its own set of complexities from federal reporting to limitations on how grants can be spent to complex eligibility determinations. In addition, each of these programs have impacts on each other making the interaction and complexity of DHS much higher than most agencies. In many parts of the agency Supervisors are responsible not just for the management of staff but also for policy and procedure questions and providing final guidance on how cases are managed. In other words, they are working supervisors not just supervisors. This is the case in most of DHS as there are very few supervisory positions that don't also do policy or technical work in addition to their supervisory duties. There is also a concerted effort to work across programs to become more focused on wrapping services around families for better outcomes at the lowest level. For DHS working across programs is like working across agencies due to the size and complexity of the current 5 major program areas. The smallest "program area" in DHS is larger than most state agencies. DHS also houses Shared Services that support both DHS and OHA this means juggling the needs of each organization for tasks like accounting and overpayment recovery. This adds to the complexity of the organization. These two factors justify a higher MSR than one to eleven.

Are there industry best practices and standards that should be a factor when determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

Child Welfare working supervisors, based on a January 2018 Casey Family Programs issue brief entitled *Healthy Organizations* (citing both Child Welfare League of America. (n.d.) *Standards of excellence for child welfare services*. Retrieved from <http://www.cwla.org/our-work/cwla-standards-of-excellence/standards-of-excellence-for-child-welfare-services> and the Council on Accreditation. (n.d.) *Standards for public agencies: PA-PDS 3: Leadership support of supervisors*. Retrieved from <http://coanet.org/standard/pa-pds/3/>, para. 7), have an industry best practice of 1:5/7 for supervisors providing clinical support to caseworkers. This is in addition to their supervisory duties. DHS is using 1:5 as the target ratio.

Adult Protective services, based on a 2017 National Adult Protective Services Association nationwide survey the average ratio of caseworkers to supervisors in Adult Protective Service programs is 1:5.65. While this has not yet been published, according to H. Ramsey-Klawnsnik, Ph.D., NAPSA Director of Research, NAPSA is planning to publish it as findings from the 2017 National Survey of State APS Programs at their next NAPSA conference.

Vocational Rehabilitation also has working supervisors that provide clinical supervision.

In all three cases these managers are also doing case worker clinical type supervision of the actual work not just "supervising" employees. All three cases justify a higher ratio than 1:11 due to clinical supervision duty needs that help with the overall safety of these vulnerable populations.

Is size and hours of operation of the agency a factor to be considered in determining the agency maximum supervisory ratio?  
Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

While not yet fully implemented, DHS is moving towards a fully staffed 24-hour child welfare hotline which will justify a higher MSR than 1:11. DHS is also reviewing its field structure and footprint and may be moving to more smaller locations across the state which may change the geographic footprint of the agency.

In addition, DHS runs a 24/7 crisis service through the Stabilization and Crisis Unit (SACU). This provides services to those with Intellectual and/or developmental disabilities in crisis. There are over 750 positions at SACU with some supervisors having to cover multiple houses and as necessary providing direct services to clients to ensure proper staff to client ratios based on the needs of the client. Staffing ratios have been below 1:11 which is not a reasonable ratio considering the acuity of clients and the 24/7 nature of the business. SACU should be at a higher ratio such as 1:7 to be more appropriately staffed in a 24/7 environment.

Are there unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

On average DHS has over 300 volunteers than need some level of supervision. These positions are not in the "system" per se, at this point but do require some level of supervision. This justifies a higher ratio than 1:11.

In addition, all supervisors but the director have supervisors and supervisors should be included as supervised employees in the denominator of the calculation. This would also justify a higher than 1:11 MSR. This should be taken into consideration on the ASR calculation but is not currently part of the calculation of the ASR.



Is the financial scope and responsibility of the agency a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

DHS is responsible for serving over 1 million Oregonians per year encompassing over \$11.5 billion-dollar total fund budget. This comes with more than 126 funding streams each with their own limitations, rules and reporting requirements. There are 5 major program areas each bigger than most agencies. Within each program are multiple sub programs again each with their own rules, funding sources and complexities. Most of this funding is spent in the community through hundreds of contracts, thousands of providers and multiple interagency agreements. Each program comes with its own eligibility criteria, usually having multiple different factors. Each sub program usually has its own set of eligibility criteria and there is not continuity between program eligibility due to federal regulations. Employees must know each separate sub program and their supervisor must also be able to guide the employee or answer questions they may have as to how to apply the criteria etc. In addition, the central office staff for each program must keep up with ever changing federal regulations and state changes that must then be distributed out to our many field offices. These changes can be weekly or even daily sometimes meaning employees and managers need to keep up with a myriad of process or policy changes every day. This justifies a higher ratio than 1:11.

Based upon the described factors above the agency proposes a Maximum Supervisory Ratio of 1: 8.39.

Unions Requiring Notification: SEIU; AFSCME; ONA

Date unions notified: SEIU 10/11/18; AFSCME 12/12/18; ONA 12/17/18 \_\_\_\_\_

Submitted by: Eric Moore, CFO

Date: January 2019

Signature Line 


Date 1/8/19

Print Name: Fariborz Pakseresht, Director

Signature Line 

Date 1/8/2019

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Date 01/9/2019

Print Name: Michelle Johnson, DHS/OHA HR Shared Services Administrator