

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Aging and People with Disabilities
Program Name: Adult Protective Services
Policy Option Package Initiative: Client Safety
Policy Option Package Title: Essential Staffing for Safety
Policy Option Package Number: POP 101
Related Legislation: N/A
Program Funding Team: Safer, Healthier Communities

**Summary
Statement:**

Aging and People with Disabilities (APD) is responsible for ensuring the safety of Oregonians who are age 60 or above or who have a physical disability. Adult Protective Services (APS) is the safety net Oregonians have, and is the primary responder for instances of abuse or neglect for older adults and individuals experiencing a physical disability. DHS earned APS staff during the 15-17 biennium at 80% of the workload model, based on Current Service Level. In order to ensure some of the most vulnerable Oregonians receive protective services in a timely manner, APD is requesting APS be funded at 95% of the Workload Model. Without funding, individuals and reporting cannot be completed in a timely manner and Oregonians could go on being harmed and without the supports they need. We are requesting additional eight Client Care Surveyors to place in rural regional locations in order to come into compliance with statutory timelines around responsiveness to abuse complaints within nursing facilities. Finally, we are also asking for staff within the Office of Adult Abuse Prevention and Investigations (OAAPI) and APD to support this increase.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option Package Pricing:</u>	\$5,690,957	\$382,301	\$1,927,604	\$8,000,862

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This Policy Option Package will allow staffing for APS to be provided in Oregon at 95% of the level it takes to provide all of the services Oregonians need. APS is the safety net for individuals experiencing a physical disabilities and for the elderly. Oregon’s population continues to increase in the number of older people. It is projected that the state will make one of the largest jumps in the representation of elderly individuals compared to the general population in the nation. APS will be essential in ensuring safety for these vulnerable individuals within facilities and communities. The need for APS to investigate financial abuse, physical, emotional, and verbal abuse, along with neglect is essential in ensuring safety of individuals, but APS can also assist in keeping individuals off of other safety net programs. Our request is for four FTEs for the APS positions. In addition funding for 19.95 APS staff, 2.48 OS2 staff, and 1.03 PEMC supervisors for AAAs in order for them to also reach 95% of the model.

We are also asking for one OPA3 policy analyst and one AS1 administrative support to be authorized for OAAPI. They have responsibility with the technical oversight of the program and requirements for safety. We are asking for one TSD1 to allow for training to be done out of APD around safety and programmatic requirements. Without training from the program and OAAPI we miss critical opportunities to find greater efficiency with the resources the Legislature provides for us.

We are requesting eight Client Care Surveyors who will be placed in regional locations outside of the Salem area, in order to meet statutory timelines around response to abuse complaints within nursing facilities. Currently, this staff has to be trained in accordance with CMS regulations and are meeting federal guidelines

for responsiveness, but are not able to reach rural areas within the timeline set by State Statute, which is two hours or next day timelines.

Staff would be implemented at the beginning of the biennium. Training would occur during the first two months. The staff would be distributed statewide across Area Agencies on Aging (AAA) and state offices based on the proportion of cases statewide, following the current workload model.

2. WHY DOES DHS PROPOSE THIS POP?

APS, being funded at below 95% presents a risk to the population that we serve, risks individuals entering our system in crisis, and can create the opportunity to lose the trust of Oregonians due to the inability to react in a timely manner, complete reports and provide outreach and education. This is an essential service that needs to be right-sized. We can't allow Oregonians to be at risk and we need to be able to process cases fully and timely to protect those individuals who are neglected and abused. This will provide an opportunity to mitigate the risk of providers not performing in facilities, individuals causing harm in the community and protect the financial, physical, and emotional welfare of those we are dedicated to serve. Our system is at a critical juncture, not funding will cause harm to go unchecked and will not protect those we have been entrusted to serve. Not having the support for these staff and having the staffing for nursing facility responses must be mitigated to meet the needs of Oregonians.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

The agency has goals to ensure safety, health, and independence of individuals. Abuse and neglect can quickly alter all three of these outcomes. Safety must be at the forefront of what we do as we serve Oregonians. APS is the frontline for safety with the elderly and individuals experiencing a physical disability. There are additional risk to health outcomes through abuse -- financial abuse creates the opportunity to force someone to lose their independence, and require services earlier, at a higher level, or a situation in which intervention could be avoided or resolved. Prevention is predicated on perseverance, without appropriate staffing the effectiveness can't be done.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL APD MEASURE THE SUCCESS OF THIS POP?

Yes, APD measures safety, responsiveness, and reporting within our Quarterly Business Review. We also have information as part of forecast, being developed, showing the future workload coming to Oregon.

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

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

These positions are funded through the workload model. The only other way to increase staffing is to reduce the level of work responsible to the positions; this was reviewed and the positions are currently, due to staffing, focused only on the minimum requirements, established in rule and statute.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Reports won't be completed, timelines will be missed, Oregonians will be abused and neglected and we won't be there to support them to the level we should and can't try and effect the trend through preventive actions.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

APD does Adult protective Services through DHS-APD offices and Area Agencies on Aging (AAA). These AAAs would increase in staffing as described in the workload model and as budgeted by the Legislature if this is approved. OAAPI, holds the policy for APS, and would have no financial affect, but would see higher responsiveness rates related to policy they have set.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

AAA and OAAPI

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP assumes equity of services across geographic areas and opportunities to ensure services are provided in the appropriate matter locally.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): 7/1/17

End Date (if applicable): N/A

a. Will there be new responsibilities for APD specify which Program Area(s) and describe their new responsibilities.

No.

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. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).

No.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

APS caseload would be lessened.

- 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.**

This request is for new staff. The request is for increasing the funding amount for permanent positions.

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

This is covered in the cost of the positions. Additional vehicles may be needed, but would be part of the overall DHS request for vehicles.

- f. What are the ongoing costs?**

The ongoing costs of the position.

- g. What are the potential savings?**

Savings are across systems and downstream. The goal is to increase staffing to allow a shift from an investigation-only model, to one that can educate and provide some preventive assistance.

- h. Based on these answers, is there a fiscal impact?**

Yes

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	1,308,584	306,946	858,584	2,474,114	15	15.00
Services & Supplies	331,508	75,355	213,453	620,316		
Special Payments	4,050,865	0	855,567	4,906,432		
Total	\$5,690,957	\$382,301	\$1,927,604	\$8,000,862	15	15.00

Department of Human Services- Fiscal Impact Summary by Program Area:

	OAAPI	DHS SAEC	APD	Total
General Fund	\$0	\$191,452	\$5,499,505	\$5,690,957
Other Fund	\$382,301	\$0	\$0	\$382,301
Federal Funds- Ltd	\$0	\$190,849	\$1,736,755	\$1,927,604
Total Funds	\$382,301	\$382,301	\$7,236,260	\$8,000,862
Positions	2	0	13	15
FTE	2.00	0.00	13.00	15.00

What are the sources of funding and the funding split for each one?

The Federal Funds are Medicaid. The Other Funds are non-add Other Fund limitation needed for Shared Services.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services (DHS)
Program Area Name: DHS Shared Services
Program Name: Oregon Adult Abuse Prevention and Investigations (OAPPI)
Policy Option Package Initiative: N/A
Policy Option Package Title: Implementing Centralized Abuse Management (CAM) System
Policy Option Package Number: POP 102
Related Legislation: N/A
Program Funding Team: Safer, Healthier Communities

**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 state funds and requests carryover of Q bond funds to implement additional enhancements that will build upon the capabilities of a base system implemented in the 2015-17 biennium, for an integrated solution, which meets HB 4151 criteria and helps protect vulnerable Oregonians. Additional enhancements, anticipated to be complete by 12/31/2017, will fulfill the scope of the CAM project. Not funding this

POP will limit Oregon’s ability to achieve the capabilities and efficiencies of the proposed integrated solution.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$1,920,186	\$2,207,072	\$215,911	\$4,343,169

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP supports multiple DHS programs by funding the full implementation of an integrated solution for tracking, reporting and supporting investigations of adult abuse. Program areas include: Aging and People with Disabilities, Developmental Disabilities and Child Welfare.

Funding will support the second release of the system, which will realize efficiencies by enhancing capabilities to include reporting functionality, provide document management capability, enable notifications, interface with other Oregon systems and provide ongoing risk management while leveraging the base functionality planned for implementation in the 2015-17 biennium.

Activities this POP will fund include:

- Implementation costs for enhancements in order to fully realize the capabilities of the CAM system including state staff costs, professional services and quality assurance.
- Licensing costs for the full 2017-2019 biennium
- Operations and maintenance costs for the full 2017-2019 biennium

2. WHY DOES DHS/OHA PROPOSE THIS POP?

This POP provides the funding necessary to complete full implementation of a centralized abuse management system and funds software licensing through the full 2017-19 biennium and ongoing maintenance and support post-implementation.

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 38,000¹ allegations of abuse of these individuals, resulting in 18,185¹ 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 allegations received and screened by OAAPI and its program partners is expected to increase nearly 60%. 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% 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 that 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

¹ OAAPI Annual Report 2014 – Published July 2015.

meaningful abuse data and outcomes to the Legislature, DHS leadership and the public. This system must be focused on abuse across programs, not simply 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.

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 HB 4151.

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 HB 4151, SB 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 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 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?

- Continued risk of not identifying cases of cross-population abuse or victims
- Inability to fully achieve the efficiencies of the base SaaS solution being implemented in 2015-17. The planned second release to expand on the base solution to include reporting, interfaces with other Oregon systems, notifications, document management (attachment of documents in the system), ongoing risk management (for Adult Protective Services clients) would not be completed, leaving workers with an incomplete and inefficient tool to support their abuse investigations.
- OAAPI frequently encounters the need for manual data mining and collection to respond to public or media inquiries, to perform effective oversight of local offices and investigators and also to provide basic quality assurance or monitor statutory compliance. In the current state, the department loses productivity when workers run semi-automated processes to link data between different databases in order to produce metrics. Many hours are lost during the process of exchanging, checking and interpreting data from the various systems. Unfortunately, this is valuable staff time that could be put to better use performing quality assurance and data analysis to identify the causes of abuse in community and facility settings and then to work to mitigate those causes.

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 needs for abuse data or investigation reports, such as:

- Background Check Unit (BCU)
- DHS Case Management (APD & DD)
- Child Welfare (CW)
- The Office of Licensing & Regulatory Oversight (OLRO)

- The Oregon Health Authority / Addictions and Mental Health Licensing

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 established 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 Child Welfare and multiple county partners including Multnomah County, champion this POP. All of 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 ethnic identifiers needed for an analysis of 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. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s):

Release 1.0 will be complete by June 30, 2017 and will implement the base functionality using a software as a service solution. Release 2.0 will be complete by December 31, 2017 providing the remaining key functionality necessary to support notifications, reporting and fully-developed investigations across populations.

End Date (if applicable):

The transition to maintenance and operations is expected to start January 1, 2018 and be fully realized by March 2018. Licensing fees for the full biennium, estimated at roughly \$600,000 a year as well as operation and maintenance fees for the full biennium, estimated at \$100,000 a year are included in the pricing of this POP.

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

Interface data from existing disparate systems into the CAM system will require engagement and support of program and policy resources for DHS as well as OIS resources supporting the back-end systems.

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.

None identified at this time.

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.

Resources supporting the current project through the 2015-17 biennium will be needed to support this effort into the 2017-19 biennium. This includes subject matter experts from various program areas

who will need to provide input to refine requirements and test the usability of the solution for accuracy before implementation.

The level of continued core project staffing is modest because the majority of the integration work is expected to be supported by the Systems Integrator. No new staffing will be needed, the project anticipates utilizing current state staff to be allocated to the project as needed.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

For 2017-19, the primary costs are to support the implementation of the remaining capabilities and are estimated at approximately \$3.4 million total cost with a state general fund cost of \$1.4 million. Training of staff and other end users will be necessary and communications, including new materials, will be needed to support adoption and business process changes to fully leverage the new solutions.

f. What are the ongoing costs?

Ongoing costs include licensing fees estimated at approximately \$600,000 a year and operation and maintenance fees estimated at \$100,000 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 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	172,245	125,960	172,253	470,458	4	2.83
Services & Supplies	1,602,358	2,081,112	34,336	3,717,806		
Special Payments	145,583		9,322	154,905		
Total	\$1,920,186	\$2,207,072	\$215,911	\$4,343,169	4	2.83

DHS - Fiscal Impact Summary by Program Area:

	OAAPI	DHS SAEC	ITBS	APD Design	Total
General Fund	\$0	\$157,072	\$68,192	\$1,694,922	\$1,920,186
Other Fund	\$157,072	\$0	\$0	\$2,050,000	\$2,207,072
Federal Funds- Ltd	\$0	\$0	\$67,966	\$147,945	\$215,911
Total Funds	\$157,072	\$157,072	\$135,628	\$3,892,867	\$4,343,169
Positions	1	0	1	2	4
FTE	0.75	0.00	0.58	1.50	2.83

What are the sources of funding and the funding split for each one?

The Federal Funds are Medicaid. The Other Funds are non-add Other Fund limitation needed for Shared Services.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Aging and People with Disabilities/Office of Licensing and Regulatory Oversight
Program Name: Long Term Care Licensing and Quality Oversight
Policy Option Package Initiative: Client Safety
Policy Option Package Title: Legislative Concept Long Term Care Safety
Policy Option Package Number: 103
Related Legislation: DHS Legislative Concepts #504 & #506
Program Funding Team: Safer, Healthier Communities

Summary Statement:

Aging and People with Disabilities (APD) is responsible for ensuring long-term care facilities meet licensing standards and quality levels of care for the Oregonians they serve. The associated Legislative Concept, would adopt a uniform bill of rights, give DHS the authority to prescribe staffing ratios in Assisted Living Facilities (ALF) and Residential Care Facilities (RCF), modernize the penalty schedule, adopt new penalties around failure to report abuse, change licensing intervals from two years to one year, increase oversight, require administrators to be licensed through the Administrator Board and require additional training for staff working with individuals with dementia. These will provide quality measures for the care received in facilities, but require the additional 38 staff to implement this new oversight.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option Package Pricing:</u>	\$4,069,154	\$0	\$4,055,761	\$8,124,915

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would fund the additional positions necessary to implement the Legislative Concept for LTC Safety. The Legislative Concept creates additional requirements, increased licensing standards, and increased oversight of Assisted Living Facilities and Residential Care Facilities. In order to apply and ensure these standards are occurring, the Department of Human Services (DHS) requires an additional level of staffing.

DHS would update and adopt rules around:

- Adopt uniform bill of rights across licensed care settings.
- Grant DHS the authority to prescribe staffing ratios in ALFs and RCFs.
- Modernize penalty schedule for minor harm, moderate harm, serious harm and enhanced civil penalty.
- Adopt new penalties for “failure to report suspected abuse” and “failure to perform corrective action noted during survey.”
- Clarify statute around immediate suspensions.
- Change licensing interval for ALFs and RCFs from two years to one year.
- Require administrators in ALFs and RCFs to be licensed through the Administrator Board.
- Protect consumers from mandatory arbitration agreements.
- Requiring special training for direct care staff in residential care facilities, assisted living facilities and adult foster homes that provide services to individuals with dementia.

In order to meet these requirements and ensure providers are providing the level of care that Oregonians deserve, APD is requesting: an additional 29 Client Care Surveyors, two Operation and Policy Analyst 3 positions; four Compliance Specialist 3 positions; one Administrative Specialist 1 position, and two PEM D positions. This additional staffing would provide the minimal necessary staffing to implement the concepts in the Legislative Concept.

2. WHY DOES DHS PROPOSE THIS POP?

Oregonians have expectations around quality of services when they decide to reside in a long-term care (LTC) facility that is licensed by the State of Oregon. The Legislative Concept is focusing on updating our standards around this care and to move Oregon's LTC facilities in a direction of increased quality and responsibility for those Oregonians for whom they provide care and shelter. With the increasing number of people requiring LTC, the baby boomer population growing and the stagnant state of Oregon's LTC facilities, this POP provides the staffing to move towards greater quality of care as increased demand for quantity begins to grow. Without this staffing the items in the Legislative Concept cannot be accomplished.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

The Department of Human Services has goals to ensure Safety, Health, and Independence of individuals. Licensing and Oversight of LTC facilities is one of the strategies that Oregon has implemented to ensure that all Oregonians, those receiving Medicaid LTC services and privately insured Oregonians using LTC services receive quality care that allows them to age and be served with dignity, safety, and in a way that supports their individual needs. DHS has been moving and focusing on providing increased safety and care for individuals, this POP funds the Legislative Concept that modernizes our approach and staffs the concept to increase the oversight and responsiveness of DHS to these facilities and Oregonians.

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, APD measures safety, responsiveness, and reporting/licensing timeliness within our Quarterly Business Review.

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.

Yes, there is a Legislative Concept associated for LTC Safety. Statutes include ORS 443.400 series, ORS 443.885 and ORS 443.886, and ORS 443.991

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The Legislative Concept requires additional oversight and licensing action. There were no viable options for not including a POP for the increased staffing with the language as it stands in the Legislative Concept.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

The Legislative Concept could not be implemented if it is moved forward and approved/adopted. Oregonians will be left in facilities that may be providing sub-quality care, with little ability to provide timely oversight and the necessary level of responsiveness around quality of the care and corrective actions.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Aging and People with Disabilities and the Office of Licensing and regulatory Oversight /(OLRO) has responsibility for the licensing of these facilities. Local governments and other agencies would not have any significant effect due to the implementation. In areas where local Medicaid work is done by local governments, there could be some effects around case management of cases in facilities that are found to be providing sub-quality care, however, the expectations for case management are already established and this shouldn't be a departure from those current expectations. The increased licensing may identify additional fire and safety issues, which may require additional departments to intercede, but there is no data to project if and how much of an effect this could be.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

OLRO

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP has the goal of allowing individuals to receive personalized care in a respectful manner that doesn't compromise the promise we have for Oregonians around the quality of their care. The Legislative Concept increases the amount of client rights, informing them and it focuses on increasing training for those

that serve individuals with dementia to ensure quality and competent care for these individuals. This care should be person-centered and flexible to meet the socialized needs of the individuals being served.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date: 7/1/17

End Date: N/A

a. Will there be new responsibilities for APD Specify which Program Area(s) and describe their new responsibilities.

Licensing will be annually

New penalties to enforce

New forms and responsibilities to review

New training to ensure is provided

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. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).

Yes, increased staffing, the Office of Information Services, and Human Resources has consequences but are minor.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

No change, this would increase staffing to meet the increased responsibilities within the legislative Concept.

- 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.**

This request is for new staff based on the Legislative Concept. The request is for increasing the funding amount for permanent positions.

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

This is covered in the cost of the positions. Additional vehicles may be needed, but would be part of the overall DHS request for vehicles.

- f. What are the ongoing costs?**

The ongoing costs of the position.

- g. What are the potential savings?**

Savings are around individuals being able to receive quality care in lower level settings, therefore avoiding consequential acute events which could lead to additional costs, hospitalizations, early or unnecessary institutionalization and the effects on the health and safety of Oregonians. The increased fines may bring in additional funds, but hopefully will create more of a deterrence and motivation for compliance than the current level of fines.

- h. Based on these answers, is there a fiscal impact?**

Yes

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	3,337,654	0	3,337,767	6,675,421	38	38.00
Services & Supplies	731,500	0	717,994	1,449,494		
Total	\$4,069,154	\$0	\$4,055,761	\$8,124,915	38	38.00

Department of Human Services-Fiscal Impact Summary by Program

Area:

	APD	Total
General Fund	\$4,069,154	\$4,069,154
Other Fund	\$0	\$0
Federal Funds- Ltd	\$4,055,761	\$4,055,761
Total Funds	\$8,124,915	\$8,124,915
Positions	38	38
FTE	38.00	38.00

What are the sources of funding and the funding split for each one?

Federal Funds are Medicaid.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Developmental Disabilities Survey Unit
Community-Based Care Survey Unit
Program Name: Aging and People with Disabilities Adult Foster Home Licensing
Office of Developmental Disabilities Services
Office of Licensing and Regulatory Oversight
Aging and People with Disabilities
Policy Option Package Initiative: N/A
Policy Option Package Title: DHS HCBS Increased Licensing and Survey Staff Request
Policy Option Package Number: 104
Related Legislation: N/A
Program Funding Team: Safer, Healthier Communities

**Summary
Statement:**

Capacity Requirements for Intellectual/Developmental Disabilities Service Delivery system:
There are several critical needs and federal mandates that are increasing the workload on the Office of Licensure and Regulatory Oversight (OLRO) staff that necessitates additional human resources to ensure that health, safety and rights of the individuals are being protected in licensed and certified settings where services are provided to individuals with intellectual and developmental disabilities (I/DD):

- New Centers for Medicare and Medicaid Services Home and Community-Based HCBS Settings' (HCBS) rules require the state to assure that all settings where Medicaid funded services are provided meet the federal definition of home and community based services. In order to comply, licensure and certification process of Developmental Disability residential settings must be

modified to incorporate review of compliance with HCBS rule, adding substantial workload to the OLRO staff.

- Per CMS guidance and to continually assure quality of services and assure health and safety of individuals served, the Office of Developmental Disabilities Services (ODDS) is moving towards increased frequency of licensure/certification reviews for Supportive Living providers and Day Services providers to every two years, rather than every five years. Increased frequency of licensure/certification renewals and on-site reviews requires additional staff to implement.
- Additional workload pressures come with increasing demand for providers due to the growing number of individuals served by the I/DD system.
- Effective January 2016, the "Independent Contractor" category of providers has been eliminated, necessitating those contractors to enroll as Personal Support Workers or as provider agencies, increasing the workload of the OLRO staff.

OLRO estimates that the following positions will be needed to meet the new workload demands:

- Seven Client Care Surveyors for onsite reviews.

Capacity Requirements for APD Service Delivery System:

Additional Community-Based Care licensing and survey staff are needed to meet unfunded mandate for HCBS, as well as keep pace with 17% growth in facilities since 2006 (averaging 3% annually), increased resident acuity, and rise in resident abuse compromising the dignity, safety, independence and safety for vulnerable adults.

Aging and People with Disabilities (APD)_and OLRO estimate that the following positions will be needed to meet the new workload demands:

- Eight FTE Community-Based Care survey staff

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$1,451,073	\$0	\$1,446,453	\$2,897,525

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

The POP will add additional staff to the Office of Licensing and Regulatory Oversight and to the APD CBC survey staff to meet the workload needs associated with Federal Rule changes and Centers for Medicaid and Medicare Services requirements and achieve and sustain timely inspection intervals. Additional staff will help to ensure compliance with OAR requirements and ensure health and safety of individuals served in licensed and certified settings.

2. WHY DOES DHS PROPOSE THIS POP?

There are several critical needs and federal mandates that are increasing the workload on the Office of Licensure and Regulatory Oversight (OLRO) and Adult Foster Home licensing staff that necessitates additional human resources to ensure that health, safety and rights of the individuals are being protected in licensed and certified settings where services are provided to individuals with intellectual and developmental disabilities, aging people and adults with physical disabilities:

1. New CMS Home and Community-Based Services (HCBS) Settings rules require the state to assure that all settings where Medicaid funded services are provided meet the federal definition of home and community-based services. In order to comply, the licensure and certification process of residential settings must be modified to incorporate the review of compliance with HCBS rule, adding substantial workload to the OLRO survey and corrective action staff and the APD licensing staff.

2. Per CMS guidance and to continually assure quality of services, as well as the health and safety of individuals served, ODDS is moving towards increased frequency of licensure/certification reviews for Supportive Living providers and Day Services providers to every two years, rather than every five years. Increased frequency of licensure/certification renewals and onsite reviews requires additional staff to implement.
3. Additional workload pressures come with increasing demand for new providers due to growing number of individuals served.
4. Effective January 2016, the "Independent Contractor" category of providers has been eliminated, causing those ICs to enroll as PSWs or as provider agencies, which increases the workload of OLRO staff to credential these providers.
5. Additional Community-Based Care survey staff are needed to keep pace with the 17% growth in facilities since 2006 (averaging 3% annually), increased resident acuity, and the rise in resident abuse compromising the dignity, safety, independence and safety for individuals served. Current CBC survey staff are unable to achieve timely inspection intervals. OLRO has reduced the survey review process as much as possible. Any further reduction would result in significant increased risk of harm to vulnerable individuals.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

The POP allows DHS to ensure credentials of existing and new providers, ensure that settings operated by these providers are safe and are meeting the statutory and administrative rule requirements, ensure the monitoring of the health and safety of the individuals served by licensed and certified providers, verify compliance with federal and state regulations to ensure continuity of federal matching funds for services for people with intellectual and developmental disabilities and older adults and adults with physical disabilities.

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. DHS Enterprise measure OP3b – percentage of community-based care onsite visits completed within program specific timelines.

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.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

- Only do relicensing surveys, and not go back to revisit a facility to ensure compliance.
 - This is concerning as a number of survey citations require physical observations to ensure the facility has made the necessary changes.
- Decreasing the area's (tasks) reviewed by the survey team
 - A number of tasks have already been removed from the “general survey” process. The tasks that remain are necessary to review for the health and safety of residents.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Adverse effect of not funding this POP would be the inability of the department to comply with Federal Regulation which would likely result in loss of Medicaid matching funds for home and community-based programs for people with intellectual and developmental disabilities, older adults and adults with physical disabilities. Residents would be put at risk of harm due to the lack of timely inspections and/or DHS may not achieve the HCBS requirements. The likely would be continued resident risks associated with increased medication errors and abuse rates.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Other agencies will not be affected by this POP.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

This POP is specifically for additional staff for the DHS Office of Licensing and Regulatory Oversight and APD AFH licensors and does not require direct involvement of other agencies or stakeholders. However, DHS has been closely collaborating with a broad range of stakeholders on development and implementation of the Oregon Global Transition Plan that outlines DHS and Oregon Health Authority strategy for achieving compliance with CMS Home and Community-Based Settings Rule. APD also collaborated with DHS Aging and People with Disabilities Medicaid certification, Special Needs contracts, Office of Adult Abuse Preventive and Investigation, Community-Based Care Licensing Complaints Unit, and the Office of the Long-Term Care Ombudsman.

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP is aimed to ensure adequate staffing for OLRO to ensure that all individuals receive high quality services in culturally and linguistically appropriate manner from qualified providers regardless of race, ethnicity, gender, age, sexual orientation. OLRO's task is to monitor that providers deliver services according to federal and state rules and regulations and in a way that ensures the health and safety of each individual served as well as promotes full life according to an individual's choices and objectives.

People of color and persons with low incomes experience worse health outcomes on nearly every indicator (including access to insurance, incidence of disease, rates of disability and age at death. The shift to community-based settings has not been even across all groups; African Americans are more likely to reside in a nursing facility and in nursing facilities with the lowest scores on quality of care indicators. Ensuring CBC facilities that are not only safe, but culturally responsive to the needs of underserved populations, is key to closing this disparity among African Americans.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

- a. **Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.** No.

- 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. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).**
 Yes – OLRO and APD will require additional computers, office space, travel resources and cell phones for staff.

- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**
 No.

- 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.**

Classification	Number of Positions	number of months the positions will work in each biennium	permanent, limited duration or temporary
Client Care Surveyor - DD	7	24	Permanent
CBC Survey Staff	8	24	Permanent

- e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**
Laptop computers, office space, iPhones, training, onboarding.
- f. **What are the ongoing costs?**
Permanent personal services position funding and supplies.
- g. **What are the potential savings?**
None.
- h. **Based on these answers, is there a fiscal impact?**
Yes.

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	1,143,795	0	1,143,810	2,287,605	15	13.20
Services & Supplies	307,278	0	302,643	609,920		
Total	\$1,451,073	\$0	\$1,446,453	\$2,897,525	15	13.20

Department of Human Services - Fiscal Impact Summary by Program Area:

	I/DD Design	APD Delivery	Total
General Fund	\$676,253	\$774,820	\$1,451,073
Other Fund	\$0	\$0	\$0
Federal Funds- Ltd	\$674,097	\$772,356	\$1,446,453
Total Funds	\$1,350,349	\$1,547,176	\$2,897,525
Positions	7	8	15
FTE	6.16	7.04	13.20

What are the sources of funding and the funding split for each one?

Federal Funds are Medicaid.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Office of Developmental Disability Services
Program Name: Office of Developmental Disability Services
Policy Option Package Initiative: Stable and competent workforce for I/DD services
Policy Option Package Title: Stable and competent workforce for I/DD services
Policy Option Package Number: 105
Related Legislation: N/A
Program Funding Team: N/A

Summary Statement:

Perpetually low wages from an outdated rate model for the Intellectual/Developmental Disabilities (I/DD) provider workforce has created a record level of turnover and a critical shortage of direct support professionals (DSPs). DSPs provide support for people with I/DD to live and work in a safe and healthy manner as members of their communities. The Department of Human Services (DHS) and stakeholders created the existing rate structure based on 2007 fiscal data. This model needs to be updated to align with current economic realities; new minimum wage requirements; new Department of Labor (DOL) Overtime Rule, and expectations around service quality, safety and competency and training requirements. A stable and well-trained workforce is critical to the ability of the I/DD provider network to provide high quality services to individuals to ensure their health and safety. Provider rate structure needs to reflect these requirements and provide adequate compensation to ensure that individuals with I/DD are served by competent workers.

This POP will:

1. Ensure adequate DSP wages that are above minimum wage to reflect DHS' longstanding policy that DSP work is not minimum wage work.
2. Address compression effect of minimum wage increases on wages of house managers and supervisors.
3. Address cost impact of new DOL requirements around overtime pay for workers earning less than \$913 a week (\$47,476 a year).
4. Provide financial incentives for providers to ensure their staff achieves highest level of training and competency and by making available College of Direct Support training to Oregon DSPs.
5. Provide one FTE for the Office of Developmental Disabilities Services (ODDS) to coordinate provider training requirements and programs.

The estimated cost of these measures is \$146,436,183.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$45,781,720	\$0	\$100,564,463	\$146,436,183

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

In order to address the critical workforce situation and record high turnover rates within I/DD service delivery system, ODDS is planning to engage in a rate setting process to ensure that provider service rates adequately reflect work requirements, qualifications, quality standards, and deliverables expected, while ensuring workforce stability and adequate reimbursement for Direct Support Professionals (DSPs). The new rate structure will incorporate the following cost drivers:

1. Adequate DSP wages that are above minimum wage
2. Compression effect of minimum wage increases on wages of house managers and supervisors
3. Cost impact of new DOL requirements around overtime pay for workers earning less than \$913 a week (\$47,476 a year)

Another strategy for workforce development and retention proposed in this POP is implementation of a rigorous training program that supports a skill-based career ladder for DSPs and incentives to providers to support workers in achieving highest level of competency and training. As part of this strategy, ODDS will partner with Direct Course to provide credentialing through the College of Direct Support to make training available. College of Direct Support (CDS) content is developed through a consortium of academic institutions, including leading experts in the field of intellectual and developmental disabilities. The College of Direct Support Board is comprised of subject matter experts who review and contribute to the development of curriculum to ensure that every course for direct support professionals offers leading insight and nationally recognized best practices. The College of Direct Support curriculum and training programs assist in building a permanent, verifiable records of training for every member of a state’s direct support workforce. ODDS, through the rate structure, will provide adequate resources to providers to incentivize their workforce to achieve high levels of competency through this, or other equivalent training. The POP will include one FTE for ODDS to coordinate tracking of providers and DSPs.

2. WHY DOES DHS PROPOSE THIS POP?

Adequate reimbursement of provider agencies delivering services to individuals with I/DD is critical to maintain a high quality and stable network of providers. A stable workforce is critical to serving children and adults with I/DD because it provides an ability to train and retain skilled DSPs who are committed to their

work, ensure health and safety of individuals served, and are able to support individuals in achieving full lives in their communities.

Inadequate reimbursement rates contribute to high turnover rates, worker shortages, and high competition for workforce within the industry and with other industries that require similar qualifications and provide similar or better pay. Other outcomes of staff instability and shortages are potential risks to the health and safety of individuals served, low quality of services to individuals, gaps in critical services and inability to meet needs of individuals with high level of needs due to staffing shortages, often resulting in placement in higher cost settings.

In January, 2015, RTI International produced a report on Wages, Fringe Benefits, and Turnover for Direct Care Workers Working for Long-Term Care Providers in Oregon. “Direct care workers, such as certified nurse assistants, home health aides, and personal care aides, are the backbone of the formal long-term services and supports delivery system. These workers often receive low wages. In addition, direct care workers often receive little in the way of fringe benefits. Advocates for direct care workers argue that low wages and lack of fringe benefits have adverse consequences in terms of turnover and quality of care.”

According to the RTI report, average annual turnover among direct care workers was 64% a year, with wide variation across provider types. Residential care facilities for adults with I/DD had the highest turnover rates at 90% per year. Lower wages paid to direct care workers were listed among top four variables that were statistically significantly associated with higher turnover rates.

Direct Support Professionals perform vital tasks that require a higher level of skill than required for minimum wage jobs. With the increase in minimum wage to support workers in those positions, additional challenges have resulted for I/DD provider agencies. The difference between the state’s estimated rate for DSP wages used in ODDS rate models and minimum wage is now smaller, adding to the challenge of providers being able to recruit and retain high quality DSPs. ODDS recognizes that DSP wages must be above minimum wage to ensure adequate and fair compensation, stability and continuity of workforce to minimize turnover.

An additional outcome of the new minimum wage requirements is the compression effect on the entire provider rate structure that puts upward pressure on wages of supervisors and managers within the system. To allow for adequate management and supervision, the rate model must maintain a wage separation between the DSP and their manager or supervisor. As a result, additional rate increases will be necessary to adequately reflect compensation across all levels of work needed to deliver services to individuals with I/DD. Additionally, the new U.S. Department of Labor regulation extending entitlement to overtime pay to most salaried workers earning less than \$913 a week (\$47,476 a year) adds financial pressure on I/DD providers who employ a wide range of workers who would fall within this category. These workers include, but are not limited to house managers and front-line supervisors who frequently cover DSP shifts and work overtime. All I/DD providers will need to come into compliance with new DOL rules, which were effective December 1, 2016.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

This POP directly addresses issues around Agency Vision (“Safety, health and independence for all Oregonians”) and multiple agency goals, including:

1. People are safe and living as independently as possible – POP ensures that I/DD provider agencies have stable and qualified workforce to ensure quality and continuity of services, individuals’ health and safety, and maximum independence and integration into the community.
2. Highly qualified, effective, valued workforce – POP provides ability to recruit, train and retain qualified workers who are adequately compensated and incentivized to continuously advance their competencies.
3. In meeting the spirit of providing service equity to clients, the POP will assist in recruitment and retention of a linguistically and culturally diverse workforce.

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?

- Key Performance Measure 15 – Abuse of people with intellectual and developmental disabilities: stable, well-trained, adequately compensated workforce should result in increased health and safety of individuals served and reduced rates of abuse.
- New proposed Quarterly Business Review measure: DSP turnover rate per National Core Indicators Staff Stability Report. This POP is expected to reduce current turnover rates by providing adequate compensation to DSPs, training and career ladder opportunities and incentives to advance competencies for staff.

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.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Alternative to this POP would be for DHS to continue with an outdated rate structures that is currently resulting in record high turnover rates among DSPs, loss of qualified workers, inability to provide adequate staffing for individuals with complex needs, increased risk to health and safety of individuals with all levels of need, closure of group homes and the inability to increase capacity in residential services providers to meet the demand for residential placements and growing wait lists to high cost SACU placements. The DSP turnover rates also impact individuals' ability to work and live as members of their communities.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

- Loss of qualified workforce to other industries, which would destabilize the lives of Oregonians with I/DD and their ability to work and live as members of their communities.
- High turnover rates among DSPs leading to lower quality of services, risks to health and safety of individuals in services, instability and gaps in services resulting in negative outcomes for Oregonians with I/DD.

- Inappropriate placements of individuals in higher cost settings such as SACU due to inability to appropriately staff supports.
- Less trained and experienced workers leading to higher level of abuse incidents and increased risk to health and safety of individuals.
- Lack of linguistically and culturally diverse workforce to meet the needs of communities needing services.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Other agencies will not be affected by this POP.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

Provider agency associations include: Oregon Rehabilitation Association; Community Provider Association of Oregon; and the Developmental Disabilities Coalition.

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP is an equity initiative. Through it, state agencies and service providers will increase the ability of people with intellectual and developmental disabilities to access needed services through provider agencies, including in rural and frontier areas. The POP will provide adequate reimbursement to providers so that they in turn can ensure fair pay for all Direct Support Professionals. The intent is to address disproportionately high turnover rates in I/DD agency provider service delivery system, provide stable qualified workforce and ensure quality of services to individuals with I/DD. The POP will also help with recruitment and retention of linguistically and culturally diverse workforce to meet the needs of diverse I/DD population, including non-English speaking workers to address shortages in multi-lingual DSPs.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

New minimum wage requirements and compression effect, documented DSP training and competency levels, cost of College of Direct Support training (annual fee), impact of DOL overtime rule.

One FTE for Provider Training Coordinator position

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

a. **Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.**

N/A

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. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).**

No.

c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

No.

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.**

Classification	Number of Positions	number of months the positions will work in each biennium	permanent, limited duration or temporary
Program Analyst 3	1	24	Permanent

e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

N/A

f. **What are the ongoing costs?**
Annual College of Direct Support fee

g. **What are the potential savings?**
N/A

h. **Based on these answers, is there a fiscal impact?**
Yes.

What are the sources of funding and the funding split for each one?

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	181,103	0	0	181,103	1	1.00
Services & Supplies	6,221	0	6,218	12,439		
Special Payments	45,684,396	0	100,558,245	146,242,641		
Total	\$45,871,720	0	\$100,564,463	\$146,436,183	1	1.00

Department of Human Services, ODDS - Fiscal Impact Summary by Program Area:

	ODDS	Total
General Fund	\$45,871,720	\$45,871,720
Other Fund	\$0	\$0
Federal Funds- Ltd	\$100,564,463	\$100,564,463
Total Funds	\$146,436,183	\$146,436,183
Positions	1	1
FTE	1.00	1.00

What are the sources of funding and the funding split for each one?

General Fund and for federal source: In exception for Employment waiver services at FMAP match and 1 FTE at Admin match, the majority of the split is at Medicaid match at K-plan enhanced FFP: FMAP+6%

Department of Human Services 2017-19 Policy Option Package

Agency Name: Office of Developmental Disabilities Services
Program Area Name: Children’s Services
Program Name: Children’s Residential Services
Policy Option Package Initiative: Expansion of Children’s Residential Services
Policy Option Package Title: Expansion of Children’s Residential Services
Policy Option Package Number: 106
Related Legislation: N/A
Program Funding Team: Policy

Summary Statement:

While the service population of children served through the Intellectual/Developmental Disabilities (I/DD) system has increased by more than 50% during the past six years, the capacity for residential services has not grown substantially. There are an average of 30 children/youth waiting for residential services each month who are not able to access these supports, sometimes for several months. This waiting for services leads to children living in inappropriate and/or high risk situations. This creates risk to the health and safety of the children/ youth and their families.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option Package Pricing:</u>	\$1,414,831	\$0	\$2,986,588	\$4,401,419

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This policy package would allow for the development of four new residential group homes for children with an intellectual or developmental disability. Each group home would be licensed for four beds, allowing for a total of an additional 16 children/ youth to be supported in residential setting. These would serve children who present the most significant behavioral challenges for children/youth in our system, and who are not able to be supported in their family home, or in foster care.

The funding includes some startup costs, the service payment for the placements, and 1.17 FTE position for service coordination.

The development of these placements would be accomplished through contracting with residential agencies, targeting regions of the state that are most in need of these supports.

2. WHY DOES DHS PROPOSE THIS POP?

While the number of children served in the system has grown by more than 50% during the past six years, there has not been commensurate growth in residential resources for children and youth. This has resulted in a lack of capacity, with children and youth waiting for months for placement, with some remaining in inappropriate or high-risk placements. This includes children remaining at home while the family struggles to support the child safely, or the child experiencing long stays in settings ill-equipped to meet the child's needs. Examples of inappropriate settings include acute, subacute, or emergency department settings, children in juvenile detention, or criminally involved youth that present a risk to their communities. At the current time, there are an average of more than 30 children waiting for a placement in a residential group home setting.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

One of the prime values of the Office of Developmental Disabilities Services (ODDS) is that children belong in their family home, or if not able to remain there, in the most home-like setting. However, children’s health and safety remain the highest priority. With the influx of more than 3,000 children into the I/DD system in recent years, all of the expansion has been in services in the home setting. As described above, there is an unmet need for residential group home placements (which are the highest restrictive setting within the I/DD system).

4. IS THIS POP TIED TO DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL ODDS MEASURE THE SUCCESS OF THIS POP?

The success of this POP will be measured through a decrease in the wait time for access to residential services for children in crisis, and a decrease in extended placements in inappropriate settings.

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.

This POP does not require a change in statute.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Oregon no longer institutionalizes children (or adults) with developmental disabilities. No less restrictive settings exist which can meet the needs of these children.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Children will continue to be placed in inappropriate, high-risk, and high cost settings.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Other agencies end up attempting to support these children while in other settings. Agencies affected include Child Welfare, Oregon Health Authority (Health Delivery) residential treatment settings, and the health system: inpatient and emergency departments.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

While these other agencies are directly affected by the challenges of finding appropriate placements for these children/youth, the primary responsibility for development lies with ODDS. As group home locations are determined, ODDS and provider agencies will collaborate closely with the local school districts and mental health providers to coordinate services.

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP expands availability to children who experience a developmental disability, thus increasing access for this underserved population. The majority of children who will access this service are served by other service systems, such as Child Welfare, Mental Health and Juvenile Justice, and thus ties into service equity initiatives within each of these programs.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

The pricing is based on current expenses associated with this program. This includes average service payment for such settings, initial startup costs for agencies opening a program, and a Residential Specialist position to provide service coordination for these youth.

Implementation Date(s): Development of new programs will occur July 2017, through April 2018.

End Date (if applicable): Ongoing funding.

- a. **Will there be new responsibilities for ODDS? Specify which Program Area(s) and describe their new responsibilities.**

There will be no new responsibilities for ODDS.

- 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. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).**

There will be no new Shared Services responsibilities.

- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

This is not a new service, but rather an initiative to create additional service capacity needed to meet the demand.

- 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.**

This will require one additional Residential Specialist (PA2), full-time, permanent position.

- e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

Startup costs, which are 100 percent General Fund, are needed for agencies developing the new program sites. This is priced at \$2,500 per child, or \$10,000 per home.

- f. **What are the ongoing costs?**

Increasing the capacity to serve an additional 16 slots, at an average cost per case of \$13,318, will result in ongoing monthly costs of \$67,000 General Fund and \$146,000 in total funds.

g. What are the potential savings?

Potential savings will most likely be experienced by other agencies, such as Child Welfare, behavioral health organizations, and CCOs.

h. Based on these answers, is there a fiscal impact?

Fiscal impact will be for ODDS, per projected expenses.

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	83,972	0	83,975	167,947	1	1.00
Services & Supplies	6,438	0	6,436	12,874		
Special Payments	1,324,421	0	2,896,177	4,220,598		
Total	\$1,414,831	\$0	\$2,986,588	\$4,401,419	1	1.00

Department of Human Services, ODDS - Fiscal Impact Summary by Program Area:

	ODDS	Total
General Fund	\$1,414,831	\$1,414,831
Other Fund	\$0	\$0
Federal Funds- Ltd	\$2,986,588	\$2,986,588
Total Funds	\$4,401,419	\$4,401,419
Positions	1	1
FTE	1.00	1.00

What are the sources of funding and the funding split for each one?

Federal Funds are Medicaid.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Office of Developmental Disability Services/Employment First
Program Name: Office of Developmental Disability Services/Employment First
Policy Option Package Initiative: Employment First Initiative
Policy Option Package Title: Benefits Counseling for People with I/DD/Employment Service Rate Implementation
Policy Option Package Number: 107
Related Legislation: N/A
Program Funding Team: Employment

**Summary
Statement:**

This POP is designed to provide benefits counseling to people with Intellectual and Developmental Disabilities (I/DD). Benefits counseling will help people with I/DD get and maintain employment in their communities by supporting them to understand the impact of wages and increases in minimum wage on their benefits and assisting them to develop a plan for managing benefits and to take advantage of work incentives while employed. The Lane v. Brown Settlement Agreement, Governor's Executive Orders 13-04 and 15-01, Oregon's Employment First policy and new federal and state regulations regarding the Office of Developmental Disabilities Services (ODDS) require that integrated community employment be the first and priority service option for individuals with I/DD. These initiatives, paired with the increase in the minimum wage, will require support for individuals with I/DD to understand the impact of integrated community employment on their benefits.

Additionally, new employment service rates were developed with Employment Provider Organizations that would ensure adequate funding for the cost of employment services. However, in order to fully fund these rates, some additional funding is required. Without this POP, many of those who would otherwise work in integrated community jobs may not receive the necessary support to do so, which would create compliance problems with the Lane v. Brown Settlement Agreement as well as with the new federal regulations.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$3,292,605	\$0	\$5,740,888	\$9,033,493

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would provide the general funds required to add benefits counseling to the Office of Developmental Disabilities Services Title XIX waiver and employment service system.

This POP would also provide the funding to fully implement ODDS supported employment service rates. ODDS looked at implementing rates at 93% of the full cost to ensure budget neutrality and ensure other services are not underfunded. However, implementing the rates at 93% would not adequately fund supported employment services, which could lead to compliance problems with the Lane v. Brown settlement and federal and state regulations. Additionally, stakeholders were concerned that implementing rates at only a portion of the actual cost for providing the service would cause some providers to no longer be able to offer employment services. This would hamper capacity building and could result in individuals losing supported employment services as well as other needed day services.

The Benefits Counseling Service and new supported employment service rates would be matched with federal funds at a rate of 36% general fund and 64% federal fund.

2. WHY DOES DHS PROPOSE THIS POP?

Currently, ODDS, Vocational Rehabilitation (VR), Employment First and Oregon Department of Education are working collaboratively in response to the Lane v. Brown Settlement Agreement which commits DHS to increase jobs for 1,115 working-age Oregonians with I/DD by June 30, 2022. Additionally, the Lane v. Brown Settlement Agreement commits DHS to provide employment services to 7,000 individuals. In order to achieve these goals, and comply with new federal regulations regarding these services, ODDS must be able to offer benefits planning services and be able to fund the actual cost of supported employment services.

Upon review of information regarding barriers to work for individuals with intellectual and developmental disabilities, the number one reason people report they do not choose to work is inadequate or inaccurate information regarding the impact of wages on benefits and the fear of losing these benefits, including Social

Security benefits, health care, and critical long-term care medical supports needed to live independently in the community. With proper benefits planning, and the right information, people can go to work while effectively managing needed benefits. By offering benefits planning in the waiver, ODDS can receive a federal match of 64%. This significantly reduces the overall cost of providing this service.

Offering benefits planning in the waiver also will significantly increase provider capacity to provide this service. There are several providers in Oregon that are certified to provide benefits counseling but are not currently able to do so under the waiver because it is not an approved ODDS waiver service. As a result, these providers offer the service on a very limited basis. Making this service reimbursable under the waiver program, will significantly expand already existing provider capacity to provide this service for both individuals with I/DD as well as other Oregonians with disabilities who also need to utilize benefits planning services to develop a plan for managing benefits while going to work.

The following includes more reasons why ODDS proposes this POP:

- As individuals use benefits planning, go to work, increase their hours, and accept raises, they may reduce their reliance on state benefits. However, it is critical that individuals have a plan for managing their benefits when they go to work.
- Oregon recently committed to increasing the minimum wage so more Oregonians can earn a living wage. Benefits counseling will help people with I/DD understand the impact of increased wages on their income and benefits, and support them with a plan for managing benefits while accepting increased wages and work hours.
- The ABLE Act allows people who qualify to save money for important disability related expenses beyond the \$2,000 Social Security resource limit. Benefits counseling will support implementation of the ABLE Act, authorized under Oregon law with broad constituent and Legislative support during the

2015 Legislative session. Benefits planners will be able to give accurate information and guidance to individuals going to work to utilize the ABLE Act.

It is also critical that ODDS be able to fund the actual cost of supported employment services. Based on significant stakeholder feedback, fully funding the employment service rate, as opposed to funding it at 93% of the actual cost for providing the service, would help ensure that capacity for supported employment services is built and maintained. Fully funding this service also will ensure employment providers can continue to provide supported employment services, such as benefits counseling, job coaching, and job development. Additionally, the previously developed rates are based on outdated cost data.

Funding the full cost of supported employment services is necessary to maintain and expand capacity to provide these services as required to meet the increasing demand for these services and changing needs of people with intellectual and developmental disabilities who are living and working the community. Ensuring this capacity is also necessary to meet the terms of the Lane v. Brown Settlement Agreement and to ensure compliance with federal regulations regarding ODDS services, which is needed to maintain the federal match.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

The Office of Developmental Disability Services is designed to provide integrated community services to all individuals who qualify for services. This includes employment services. Additional federal requirements mandate that there are integrated community employment options and the Lane v. Brown Settlement Agreement places specific requirements around this mandate. In order to help individuals with I/DD work in the community, they need to understand how work will affect their Social Security, health care, and other public benefits, applicable work incentives available to their individual situation and needs, particularly with the new minimum wage proposals. Thus, this package would allow ODDS to provide better information to individuals who want to go to work, which would open the door for more individuals to increase their existing work hours or pursue employment in their communities. Additionally, fully funding supported

employment services will ensure that employment service providers receive adequate funding for the service provided which will help maintain and build capacity.

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 is linked to the Lane v. Brown Settlement Agreement which is designed to help individuals with Intellectual and Developmental Disabilities go to work in competitive, integrated employment. Oregon's Employment First Executive Order Policy Stakeholder Group, ODDS, VR, and the Department of Education, are tracking these outcomes in Oregon's Integrated Employment Plan. These performance measures will also be tracked by an independent reviewer appointed for purposes of the Lane v. Brown Settlement Agreement. The success of this POP will also be measured by whether Oregon maintains compliance with the new federal regulations regarding ODDS and Medicaid-funded Home and Community-Based Services, and Oregon's successful implementation of the its Statewide HCBS Transition Plan.

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

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

In Oregon, benefits planning services are currently provided through two programs: (1) Social Security Administration (SSA) authorized Work Incentives Planning and Assistance (WIPA)—Plan for Work housed within Disability Rights Oregon, which has been in existence since 2000 and (2) Work Incentive Network (WIN), which has been in existence since 2007. The benefits planners associated with both of these programs undergo a rigorous training and certification process, along with continued recertification requirements for quality assurance. Both of these programs offer Help Desk and Hotline services for general questions. WIPA is directly associated with the national Ticket to Work call center.

Because both programs are tasked with providing no-cost benefits counseling to all people with disabilities who are receiving a Social Security disability-based benefit (Supplemental Security Income; or Social Security Disability) or a state public benefit (Food Stamps, HUD/housing subsidy) and want to work, waitlists and prioritizing of individuals served is occurring. This is a deterrent for individuals who are seeking employment because these programs are at capacity despite trying to grow in every way possible. Due to program prioritization requirements and capacity constraints, these programs are not typically able to provide the necessary benefits planning to those who are afraid to take a job or even look for a job due to the concerns of not understanding their benefits.

Individuals with intellectual and developmental disabilities often need more in-depth benefits counseling. One reason for this is because they often have more complex benefits. Additionally, sometimes due to adaptive needs they may require more in-depth or more detailed explanations of their benefits and how working will impact their benefits. For example, a person with I/DD may need an in-person meeting with a written outcome document to accommodate the person's disability instead of a phone consultation.

Additionally, there are several populations of individuals who need benefits counseling who do not have intellectual and developmental disabilities. For instance, individuals with physical disabilities, or individuals with barriers to employment also often request benefits counseling. Being able to have this service for individuals with I/DD allows there to be a shorter waitlist for this service for all individuals who want to access WIN and WIPA programs and allows Oregon to receive a federal match where it is available.

For the supported employment rates, ODDS looked at implementing rates at 93% of what was proposed to ensure budget neutrality. However, implementing the rates at 93% would not adequately fund services being delivered. Additionally, upon stakeholder review, there was concern that implementing rates at only a portion of the proposed model would cause some providers to no longer be able to offer services. ODDS also considered reducing the rate for other services. This would hamper capacity building and could result in

individuals losing supported employment services as well as other needed day services. It would also require providers to close in some instances.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Currently there is a wait list or prioritization for accessing benefits counseling. Due to new federal regulations and the Lane v. Brown settlement agreement, Oregon is set to increase the number of integrated jobs and subsequently decrease the number of individuals currently in sheltered workshops. To successfully transition people to community employment opportunities, individuals who are working must understand how their income will impact their benefits, available work incentives, and they must develop a plan for managing benefits while working. Additionally, as Oregon increases the minimum wage this need will be amplified. People with I/DD report that one of the primary reasons they do not seek integrated employment is that they do not understand that they can work while maintaining their benefits and they fear that by working they will lose their benefits.

Further, employment service providers need to receive adequate funding to maintain and expand capacity to provide supported employment services. Without full funding for the actual cost, providers may not be able to provide these services. Some providers may even close. Also, without this supported employment service, individuals who obtain integrated community jobs are at risk of losing those jobs. Others are unable to accept a job offer. If ODDS cannot provide sufficient support to meet the demand or need, individuals are unnecessarily segregated in isolating employment settings. If capacity is not available, Oregon will not be able to meet the requirements of the Lane v. Brown Settlement agreement. Additionally, ODDS will not be able to comply with federal regulations as required to maintain the 64% federal match for these services.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Oregonians with Intellectual and Developmental Disabilities, the Oregon Council on Developmental Disabilities and the Oregon Intellectual and Developmental Disabilities Coalition and Disabilities Rights

Oregon have been advocating to expand benefits planning services through the ODDS waivers for multiple years as a way of increasing opportunities for people to work in their communities.

With benefits counseling, Oregon will see improvements in Employment First efforts and the Lane v. Brown Settlement compliance. Vocational Rehabilitation would benefit as the existing wait list for benefits counseling services delays vocational rehabilitation clients with all types of disabilities (not just I/DD) from receiving this service in a timely manner, and may impact clients already being employed who are at risk for losing benefits as well as individuals with intellectual and developmental disabilities seeking work. The Oregon Department of Education would benefit when working with transition age students, as benefits counseling is not a service they can currently offer. Making benefits counseling a waived service for Intellectual and Developmental Disabilities would provide an increase in the availability of the service and decrease the wait time for all programs and clients needing this service.

Local government would benefit, as counties currently refer individuals to providers who may not necessarily meet the standards of a benefits planner. False information and poor planning can lead to an unplanned loss of benefits when an individual goes to work. This only exacerbates the fears and concerns regarding going to work.

Additionally, when these services are not available through the waiver, county case managers often give informal guidance regarding the impact of work on benefits. When their degree of knowledge is low, they error on the side of discouraging individuals to work. This has had a negative impact on Oregon's Employment First efforts, and will highly detrimental to implementation of the Lane v. Brown settlement agreement. Furthermore, case managers typically do not have the skills, expertise, or time needed to provide what is a highly complicated and technical benefits analysis, and also develop an individualized plan for effectively managing benefits.

These agencies will similarly benefit from maintained and expanded capacity to provide supported employment services.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

The Oregon Council on Developmental Disabilities, the Oregon Intellectual and Developmental Disabilities Coalition, Employment First, Vocational Rehabilitation, the Work Incentives Network, Disability Rights Oregon/WIPA (Plan for Work), and the Oregon Department of Education.

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP is an equity initiative. Through it, state agencies and programs and their partners will increase the integrated and competitive employment of people with disabilities, with a particular focus on persons with intellectual and developmental disabilities. Oregonians with disabilities experience unemployment and underemployment at significantly higher rates than other Oregonians. Those with significant disabilities experience unemployment and underemployment at yet higher rates. In addition, the incidence of disability is greater among a number of other historically disadvantaged populations, including Latinos and African-Americans.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Best practice would allow all individuals with I/DD who go to Vocational Rehabilitation to seek competitive, integrated employment could get the basic level of benefits counseling. Currently, as described above, there are waits for benefits counseling through the current programs and prioritizations which may mean that individuals are not able to get benefits counseling before they get or begin a job. In order to make this readily available and price this POP, currently known averages were used. It is predicted that on average basic benefits planning would take four hours to complete.

Of those who get a job, 60% will require more intensive benefits counseling. On average, that would be roughly eight additional hours.

Below are how many individuals went to VR from ODDS in previous years:

2012	909
2013	947
2014	1,248
2015	1,392

The estimate for those enrolling in 2016 is 1,660. A moderate estimate of growth for 2017-2019 will be a 3% growth estimate. Therefore, we can presume 1,761 individuals in 2018 and 1,814 in 2019.

In order to look at the cost of fully funding the proposed supported employment rates, ODDS/Employment First reviewed current funding levels as compared with implementation of the proposed rates.

Implementation Date(s): 7/1/2017

End Date (if applicable): ongoing

a. Will there be new responsibilities for Office of Developmental Disability Services? Specify which Program Area(s) and describe their new responsibilities.

Office of Developmental Disability
Services – maintain waiver criteria for new
service.

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. See Addendum A - Administrative Services Division LC/POP Impact Questionnaire (pages 12-13).
No.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.
No.

- 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.**

No

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

There will be outreach and training requirements. The training already exists from programs in other areas. So the expense will be offering the training more during the first year to training providers. These include: travel for training, software upgrades (specifically Adobe Captivate is required), materials for the training, and in service costs.

- f. What are the ongoing costs?**

Training and technical assistance as well as monitoring and auditing to ensure the service is being provided as outlined in the waiver and credentials are maintained.

- g. What are the potential savings?**

When individuals with Intellectual and Developmental Disabilities are able to go to work their cost per case often goes down. Additionally, with federal match on this service it saves Oregon Revenue.

- h. Based on these answers, is there a fiscal impact?**

Yes. The General Fund portion of the funding is required prior to being able to add the service to the waiver to receive the federal match.

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>
Special Payments	3,292,605	0	5,740,888	9,033,493		
Total	\$3,292,605	\$0	\$5,740,888	\$9,033,493	0	0.00

Department of Human Services, ODDS - Fiscal Impact Summary by Program Area:

	ODDS	Total
General Fund	\$3,292,605	\$3,292,605
Other Fund	\$0	\$0
Federal Funds- Ltd	\$5,740,888	\$5,740,888
Total Funds	\$9,033,493	\$9,033,493
Positions	0	0
FTE	0.00	0.00

What are the sources of funding and the funding split for each one?

Federal Funds are Medicaid.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Child Welfare
Program Name: Child Well-Being Program
Policy Option Package Initiative: Safe, Healthier Communities
Policy Option Package Title: Family Foster Care Rate Reimbursement
Policy Option Package Number: 108
Related Legislation: N/A

Summary
Statement:

Reimbursement rates for Family Foster Care have not been adjusted to the cost of living for a decade. In 2009 rates were adjusted to 90% of the cost of care based on a 2007 rate methodology. In 2011, these rates were reduced by an additional 10% due to department budget cuts. Families coming forward to provide foster care has continued to diminish over the last 5 years in part due to the low reimbursement rates. The current daily rate is \$18.90 per day for a child under age 5 years old or \$24.36 per day for a teenager. This is intended to cover the costs of food, shelter, clothing, school supplies, extracurricular activities, etc... Based on the methodology created in 2009 Oregon is currently providing only 40-46% of the actual cost of care. Other states have been sued due to the low rate of family foster care payments and Oregon continues to increase the risk of a class action lawsuit.

The amounts for this increase assume a 6 month phase in with updated rates effective 1/1/2018.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$22,964,172	\$0	\$14,258,082	\$37,222,254

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED? This policy option package would bring the basic family foster care rate up to 80% of the actual cost of care to raise foster children. This is intended to be Phase I of a three Phase legislative process to bring the Family foster care rates back to the actual cost of care. The three phases would be intended to gain a portion of the actual costs of care per biennium until 2021-23 which would then have the family foster care rates equal to the actual cost of care to raise foster children. (Increase to 80% in 2017-19, 90% in 2019-21, and 100% in 2021-23).

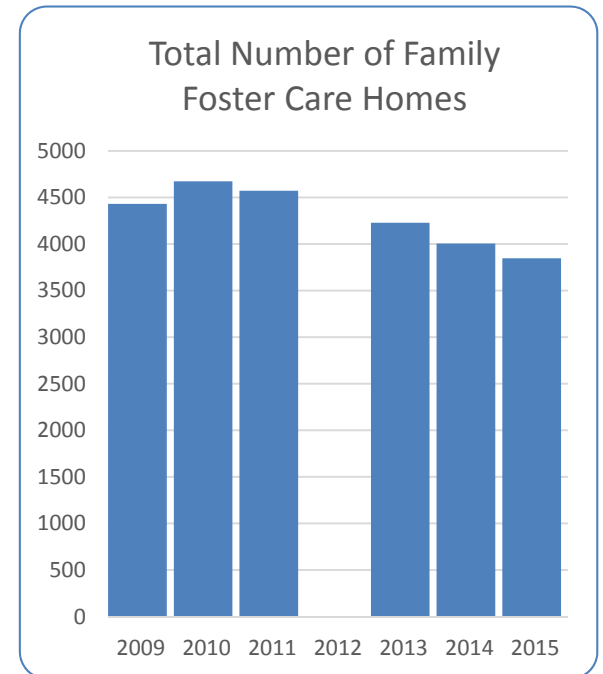
17-19 POP for Foster Care Rates					Biennial Figures	62.00%	38.00%
**Base Rate set at 80%	Current	New	difference	ADP	TF	GF	FF
	rate	rate					
Foster care 0-5 @ 80%**	\$575.00	\$ 980.14	\$ 405.14	2164	\$ 15,780,863.70	\$ 9,784,135.50	\$ 5,996,728.21
Foster Care 6-12 @ 80%**	\$655.00	\$ 1,037.98	\$ 382.98	1727	\$ 11,906,622.88	\$ 7,382,106.19	\$ 4,524,516.69
Foster Care 13+ @ 80%**	\$741.00	\$ 1,126.60	\$ 385.60	1241	\$ 8,613,532.80	\$ 5,340,390.34	\$ 3,273,142.46
					\$ -	\$ -	\$ -
Foster care Shelter rate 0-5	\$ 24.60	\$ 40.11	\$ 15.51	101	\$ 28,232.50	\$ 17,504.15	\$ 10,728.35
Foster care Shelter rate 6-12	\$ 28.00	\$ 42.02	\$ 14.02	59	\$ 14,783.77	\$ 9,165.93	\$ 5,617.83
Foster care Shelter rate 13+	\$ 31.60	\$ 44.93	\$ 13.33	22	\$ 5,374.38	\$ 3,332.12	\$ 2,042.26
					\$ -	\$ -	\$ -
Foster Care Enhanced Shelter rate 0-5	\$ 29.40	\$ 63.79	\$ 34.39	1.00	\$ 618.94	\$ 383.74	\$ 235.20
Foster Care Enhanced Shelter rate 6-12	\$ 33.50	\$ 65.69	\$ 32.19	1.10	\$ 637.30	\$ 395.13	\$ 242.17
Foster Care Enhanced Shelter rate 13+	\$ 37.90	\$ 68.60	\$ 30.70	2.60	\$ 1,436.79	\$ 890.81	\$ 545.98
					\$ -	\$ -	\$ -
Enhanced Supervision 1**	\$212.00	\$ 240.00	\$ 28.00	55.49	\$ 27,966.96	\$ 17,339.52	\$ 10,627.44
Enhanced Supervision 2**	\$414.00	\$ 468.00	\$ 54.00	31.47	\$ 30,588.84	\$ 18,965.08	\$ 11,623.76
Enhanced Supervision 3**	\$850.00	\$ 960.00	\$ 110.00	16.18	\$ 32,036.40	\$ 19,862.57	\$ 12,173.83
					\$ -	\$ -	\$ -
Personal Care Level 1	\$207.00	\$ 230.60	\$ 23.60	55.49	\$ 23,572.15	\$ 14,614.73	\$ 8,957.42
Personal Care Level 2	\$413.00	\$ 461.20	\$ 48.20	31.47	\$ 27,303.37	\$ 16,928.09	\$ 10,375.28
Personal Care Level 3	\$620.00	\$ 691.80	\$ 71.80	16.18	\$ 20,911.03	\$ 12,964.84	\$ 7,946.19
Personal Care Level 4	\$620.00	\$ 691.80	\$ 71.80	11.81	\$ 15,263.24	\$ 9,463.21	\$ 5,800.03
TOTAL request					\$ 36,529,745.05	\$ 22,648,441.93	\$ 13,881,303.12

17-19 POP for Foster Care Rates					Biennial Figures		
**Base Rate set at 100%	Current	New	difference	ADP	62.00%	38.00%	
	rate	rate			TF	GF	FF
Foster care 0-5 @ 100%**	\$575.00	\$1,225.81	\$ 650.81	2164	\$ 25,350,497.19	\$ 15,717,308.26	\$ 9,633,188.93
Foster Care 6-12 @ 100%**	\$655.00	\$1,296.47	\$ 641.47	1727	\$ 19,943,111.00	\$ 12,364,728.82	\$ 7,578,382.18
Foster Care 13+ @ 100%**	\$741.00	\$1,407.25	\$ 666.25	1241	\$ 14,882,692.50	\$ 9,227,269.35	\$ 5,655,423.15
					\$ -	\$ -	\$ -
Foster care Shelter rate 0-5	\$ 24.60	\$ 50.16	\$ 25.56	101	\$ 46,520.89	\$ 28,842.95	\$ 17,677.94
Foster care Shelter rate 6-12	\$ 28.00	\$ 52.49	\$ 24.49	59	\$ 25,828.63	\$ 16,013.75	\$ 9,814.88
Foster care Shelter rate 13+	\$ 31.60	\$ 56.13	\$ 24.53	22	\$ 9,890.00	\$ 6,131.80	\$ 3,758.20
					\$ -	\$ -	\$ -
Foster Care Enhanced Shelter rate 0-5	\$ 29.40	\$ 79.75	\$ 50.35	1.00	\$ 906.35	\$ 561.94	\$ 344.41
Foster Care Enhanced Shelter rate 6-12	\$ 33.50	\$ 82.08	\$ 48.58	1.10	\$ 961.80	\$ 596.32	\$ 365.48
Foster Care Enhanced Shelter rate 13+	\$ 37.90	\$ 85.72	\$ 47.82	2.60	\$ 2,237.87	\$ 1,387.48	\$ 850.39
					\$ -	\$ -	\$ -
Enhanced Supervision 1**	\$212.00	\$ 300.00	\$ 88.00	55.49	\$ 87,896.16	\$ 54,495.62	\$ 33,400.54
Enhanced Supervision 2**	\$414.00	\$ 585.00	\$ 171.00	31.47	\$ 96,864.66	\$ 60,056.09	\$ 36,808.57
Enhanced Supervision 3**	\$850.00	\$1,200.00	\$ 350.00	16.18	\$ 101,934.00	\$ 63,199.08	\$ 38,734.92
					\$ -	\$ -	\$ -
Personal Care Level 1	\$207.00	\$ 230.60	\$ 23.60	55.49	\$ 23,572.15	\$ 14,614.73	\$ 8,957.42
Personal Care Level 2	\$413.00	\$ 461.20	\$ 48.20	31.47	\$ 27,303.37	\$ 16,928.09	\$ 10,375.28
Personal Care Level 3	\$620.00	\$ 691.80	\$ 71.80	16.18	\$ 20,911.03	\$ 12,964.84	\$ 7,946.19
Personal Care Level 4	\$620.00	\$ 691.80	\$ 71.80	11.81	\$ 15,263.24	\$ 9,463.21	\$ 5,800.03
TOTAL request					\$ 60,636,390.85	\$ 37,594,562.33	\$ 23,041,828.52

	Current Total Fund	Current Rate	New Rate	Change	New Cases/Year	Total Fund	GF	FF
Adoption Assistance							50.02%	49.98%
	136,672,213	\$533	\$1,063	\$530	800	\$635,984	\$318,119	\$317,865
Guardianship Assistance							33.33%	66.67%
	20,658,502	\$514	\$1,024	\$510	300	\$229,652	\$76,543	\$153,109
80%			\$851	\$424		\$508,787	\$254,495	\$254,292
80%			\$819	\$408		\$183,722	\$61,235	\$122,487

2. WHY DOES DHS PROPOSE THIS POP?

The Department must bring the family foster care rates back into parity with the cost of raising a foster child due to the fact that families can no longer afford to provide family foster care due to the department’s low rate of reimbursement. The department has experienced a continual decline (see chart) in the total numbers of families making themselves available to provide family foster care. A total of 826 fewer families providing foster care in 2015 than in 2010.



In addition, the wider the gap grows between actual cost of providing care and the departments actual reimbursement rate (projected as 63.1% below the actual cost of care) the department increases the risk of a lawsuit and/or federal sanction for failing to provide a reasonable maintenance payments to cover the cost of providing family foster care.

42 U.S.C. §§ 675(4) (A).

The term "foster care maintenance payments" means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, reasonable travel to the child's home for visitation, and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement.

There have been a few lawsuits in various states to enforce this federal standard. The State of California and The State of Washington to name a few.

http://www.cachildlaw.org/Misc/9thCir_Opinion.pdf

<http://www.fpaws.org/content/lawsuit-media-statement-12-8-14>

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Having a strong and well supported family foster care system is critical to provide safe, nurturing and available family foster care for children in need of care. Family foster care is the primary tool in which to

provide temporary safe placement for children. Over 11,000 children are served through family foster care each year in Oregon. The lower rate of available family foster care maybe attributed to reduced safety, increased placement instability, or increased workload for staff who are searching for appropriate placements for children.

The department (and children) has experienced poor outcomes for children in placement stability, placement matching, and turnover rates of foster parents. These become poor performance measures for federal reporting.

Additionally, the cost of overtime for staff working long hours seeking placements for children, and staff burnout due to stress and lack of resources for children must also be factored into the department outcomes.

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?

Indirectly this POP is associated with performance measures for Safety in Foster Care and Placement Stability in foster care, and Diligent Recruitment for Children. Having available and appropriately supported family foster care is crucial to the safety and stability of children in foster care.

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 statute change is necessary.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

This POP is one which has been attempted to be moved forward each biennium but has not been prioritized for the department since 2009. Other priorities for the department have been moved forward; Differential Response, SB964, Data supports, staff positions (OBI, OCI, Lean, etc...). Not moving all or a significant portion of this POP forward will continue to decline the resource pool for children, increase vulnerability of safety for children, over load foster families, and decline in staff retention.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

The department will continue to be challenged to recruit a sufficient number of foster families to care for children to provide safe and supported family foster care placements. Not funding this POP will increase the gap between the department’s rates and the actual cost of care which increases the risk of lawsuits which has been brought forward in other states.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The other state agencies that provide a family foster care system for children with reimbursement are DHS-Developmental Disability and Oregon Youth Authority. Both of these state agencies reimburse at a rate higher than the current DHS-Child Welfare rate and even with this requested increase Child Welfare will still be below the other two state agencies.

Other Oregon Foster Care Programs	Monthly Rate (comparison for teenager)
DHS Developmentally Disabled	\$1500 plus+ (individual rate assessment)
Oregon Youth Authority	\$1003
Private Foster Care Agencies (BRS)	\$1500
DHS Child Welfare	\$ 741 (26-50% less than other agencies)

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

- Oregon Foster Parent Association is acutely aware of the deficit of reimbursement by DHS.
- Oregon Foster Youth Connection is another entity who is invested in adequate support for family foster care to ensure children and youth are afforded all opportunities in the community and need well supported and financially supported family foster families.

- Oregon Alliance of Children Program continues to advocate for rates for therapeutic foster families which are impacted by the department Child Welfare rates.

10. WHAT IS YOUR EQUITY ANALYSIS?

Family foster care reimbursement rates are the same across the state regardless of geography, race, or socio-economic status of the foster family. There is a different rate reimbursement based on the age of the child but that is consistent across the state as well. It should be addressed that there is an over-representation of children of color in foster care which is also a factor in that the number of foster families of color does not equate to the over-representation of children of color.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): January 1, 2018

End Date (if applicable): N/A

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

No.

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 Impact.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

No Impact.

- 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.**

No Impact.

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

No Impact.

- f. What are the ongoing costs?**

The following Charts will show the estimated costs for these rates at 100% of the current calculation, for the 2019-2021 biennium as a starting point for planning purposes. The factors will have to be updated in accordance with forecasted caseload data and calculations from the USDA, the Oregon Employments Department and the DHS Childcare Provider Guide.

17-19 POP for Foster Care Rates - Projected Start Point for 2019-2021					Biennial Figures		
**Base Rate set at 100%	Current	New	difference	ADP	62.00%	38.00%	
	rate	rate			TF	GF	FF
Foster care 0-5 @ 100%**	\$575.00	\$1,225.81	\$ 650.81	2164	\$ 33,800,662.92	\$ 20,956,411.01	\$ 12,844,251.91
Foster Care 6-12 @ 100%**	\$655.00	\$1,296.47	\$ 641.47	1727	\$ 26,590,814.67	\$ 16,486,305.09	\$ 10,104,509.57
Foster Care 13+ @ 100%**	\$741.00	\$1,407.25	\$ 666.25	1241	\$ 19,843,590.00	\$ 12,303,025.80	\$ 7,540,564.20
					\$ -	\$ -	\$ -
Foster care Shelter rate 0-5	\$ 24.60	\$ 50.16	\$ 25.56	101	\$ 62,027.86	\$ 38,457.27	\$ 23,570.59
Foster care Shelter rate 6-12	\$ 28.00	\$ 52.49	\$ 24.49	59	\$ 34,438.17	\$ 21,351.67	\$ 13,086.50
Foster care Shelter rate 13+	\$ 31.60	\$ 56.13	\$ 24.53	22	\$ 13,186.67	\$ 8,175.73	\$ 5,010.93
					\$ -	\$ -	\$ -
Foster Care Enhanced Shelter rate 0-5	\$ 29.40	\$ 79.75	\$ 50.35	1.00	\$ 1,208.47	\$ 749.25	\$ 459.22
Foster Care Enhanced Shelter rate 6-12	\$ 33.50	\$ 82.08	\$ 48.58	1.10	\$ 1,282.40	\$ 795.09	\$ 487.31
Foster Care Enhanced Shelter rate 13+	\$ 37.90	\$ 85.72	\$ 47.82	2.60	\$ 2,983.83	\$ 1,849.98	\$ 1,133.86
					\$ -	\$ -	\$ -
Enhanced Supervision 1**	\$212.00	\$ 300.00	\$ 88.00	55.49	\$ 117,194.88	\$ 72,660.83	\$ 44,534.05
Enhanced Supervision 2**	\$414.00	\$ 585.00	\$ 171.00	31.47	\$ 129,152.88	\$ 80,074.79	\$ 49,078.09
Enhanced Supervision 3**	\$850.00	\$1,200.00	\$ 350.00	16.18	\$ 135,912.00	\$ 84,265.44	\$ 51,646.56
					\$ -	\$ -	\$ -
Personal Care Level 1	\$207.00	\$ 230.60	\$ 23.60	55.49	\$ 31,429.54	\$ 19,486.31	\$ 11,943.22
Personal Care Level 2	\$413.00	\$ 461.20	\$ 48.20	31.47	\$ 36,404.50	\$ 22,570.79	\$ 13,833.71
Personal Care Level 3	\$620.00	\$ 691.80	\$ 71.80	16.18	\$ 27,881.38	\$ 17,286.45	\$ 10,594.92
Personal Care Level 4	\$620.00	\$ 691.80	\$ 71.80	11.81	\$ 20,350.99	\$ 12,617.62	\$ 7,733.38
TOTAL request					\$ 80,848,521.14	\$ 50,126,083.11	\$ 30,722,438.03
					\$ 80,848,521.14	\$ 50,126,083.11	\$ 30,722,438.03

	Current Total Fund	Current Rate	New Rate	Change	New Cases/Year	Total Fund	GF	FF
Adoption Assistance							50.02%	49.98%
	136,672,213	\$533	\$1,063	\$530	800	\$847,978.08	\$424,159	\$423,819
Guardianship Assistance							33.33%	66.67%
	20,658,502	\$514	\$1,024	\$510	300	\$306,203.20	\$102,058	\$204,146

In addition to what is already in the 2017-2019 budgeted amounts for these programs and not including the increased or decreases for changing data points, the estimated additional costs for the 2019-2021 Biennium at 100% funding would be:

TF	GF	FF	Description of figures
\$ 82,002,702	\$ 50,652,299	\$ 31,350,403	100% Funding for 2019-2021
\$ (37,222,254)	\$ (22,964,172)	\$ (14,258,082)	2017-2019 Funding @ 80% @ 18 Months
\$ 44,780,449	\$ 27,688,128	\$ 17,092,321	Minimum Increase with 6 month phase in.

g. What are the potential savings?

There are not direct cost savings assumed in this POP. Indirectly, the savings gained will be for child’s safety and placement stability and a reduction in staff workload by having an adequate supply of stable family foster care settings.

h. Based on these answers, is there a fiscal impact?

Yes

TOTAL FOR THIS PACKAGE

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>
Special Payments	22,964,172	0	14,258,082	37,222,254
Total	22,964,172	\$0	14,258,082	37,222,254

DHS - Fiscal Impact Summary by Program Area:

	Foster Care	Adoptions	Guardianship	Total
General Fund	\$22,648,442	\$254,495	\$61,235	\$22,964,172
Other Fund	\$0	\$0	\$0	\$0
Federal Funds- Ltd	\$13,881,303	\$254,292	\$122,487	\$14,258,082
Total Funds	\$36,529,745	\$508,787	\$183,722	\$37,222,254
Positions	0	0	0	0
FTE	0.00	0.00	0.00	0.00

What are the sources of funding and the funding split for each one?

Child Welfare Revenue Impact:

<u>Description of Revenue</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>
Title IV-E Foster Care (Comp Srce 0975)	0	13,881,303	13,881,303
Title IV-E Adoptions (Comp Srce 0975)	0	254,292	254,292
Title IV-E Guardianship (Comp Srce 0975)	0	122,487	122,487
Total	\$0	14,258,082	14,258,082

2017-19 Policy Option Package

<u>Agency Name:</u>	Department of Human Services
<u>Program Area Name:</u>	Child Welfare
<u>Program Name:</u>	Child Well-Being Program
<u>Policy Option Package Initiative:</u>	N/A
<u>Policy Option Package Title:</u>	Behavioral Rehabilitation Services – Daily Rate Increase
<u>Policy Option Package Number:</u>	109
<u>Related Legislation:</u>	N/A
<u>Program Funding Team:</u>	Safe, Healthier Communities

Summary
Statement:

Update the rate model for Behavioral Rehabilitation Services (BRS) program to pay contracted providers for cost increases above inflation. Rates directly impact state agencies access to these programs. The BRS rate model has not been kept current since first established in 1998. Simply adding inflation to the previous biennium rate has not kept pace with significant cost increases. Some of the most heavily used programs have closed over the past two biennia. More programs have signaled if they don't receive more financial support from the state they will also have to close soon.

This package is most importantly about child and youth safety as well as maintaining access to this essential part of the system serving Oregon's most vulnerable children. Without increases to the rate state agencies will continue to have pressure on the BRS system as provider costs increase and the rate remains inadequate.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> Package Pricing:	\$2,116,547	\$0	\$3,823,804	\$5,940,351

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP is a three State Agency initiative and must be moved forward as a consistent package; Oregon Health Authority, Oregon Youth Authority and Department of Human Services.

The policy option package updates the model for an accurate relief factor, staff and proctor/foster home training due to turnover and training for all staff keeping current on new standards trauma informed, developmentally appropriate, gender and culturally responsive programs.

This policy option package updates the rate model as follows:

1. Update the relief factor included in the rate model. The rate model includes a relief factor for direct care/front line staff. The relief factor provides the additional staff in the model needed to cover supervision of children/youth when staff call in sick, schedule vacations, take holidays, and attend training. The relief factor is updated to meet current staffing standards. (Comprehensive Workgroup recommendation #3)
2. Update the rate model for costs to continually train new staff and proctor/foster homes. The turnover rate for direct care/front line staff and proctor/foster homes is significant for these programs. The training investment and costs for providers is significant. The model update includes 33% turnover rate and provides additional resources necessary to continually reinvest and train these essential front line staff and proctor/foster homes. (Comprehensive Workgroup recommendation #4)

3. Update the rate adding resources for all staff to receive training so staff remain current on new standards and expectations for trauma informed, developmentally appropriate, gender and culturally responsive programs. (Comprehensive Workgroup recommendation #5)

These updates will all be factored into an increase in the daily rate per child served.

2. WHY DOES DHS PROPOSE THIS POP?

OYA, DHS and OHA participate in the Medicaid State Plan Behavior Rehabilitation Services program. The updates to the rate model included in the policy option package were based on work completed through a joint effort of the three state agencies, providers and child advocates. A 2011 lawsuit filed by providers and settled in 2014 included a requirement for a comprehensive review of the program including eligibility, program standards, design and rates. The settlement agreement stipulated State Agencies shall seek “approval to pursue additional funding for BRS programs during the 17-19 budget cycle.” BRS is a Medicaid program and Foster Care Title IV-E program used by OYA, DHS and OHA. County Juvenile Departments access the federal match for BRS through contracts with OHA.

A subgroup of the larger BRS review committee spent a year reviewing the rate model. The subcommittee made a number of recommendations. Some of those changes were included current service level. This POP includes only recommendations; 3, 4, and 5 as noted above.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Adequate and appropriately funded training is essential if Oregon is to meet its obligation in protecting and caring for the most vulnerable children and youth.

1. Child and Youth safety will be improved.
2. The number of programs closing will be eliminated or significantly reduced to one to two programs.
3. State agencies will be able to recruit more providers expanding the geographically locations in Oregon

4. Increase the number of regularly contracted beds enhancing state agencies ability to place some of the state's most challenging children.
5. Improve the quality of the programs through enhancing training resources.

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?

DHS must provide safe and therapeutic services for children in need. DHS does this through the Medicaid funded program for BRS. OYA, DHS and OHA participate in the Medicaid State Plan Behavior Rehabilitation Services program. During this past 3 years these agencies have worked to bring parity among the state agencies in the rates (Oregon Administrative Rules), it is imperative the three state agencies remain committed to the same rate structure.

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 Impact.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The department has already been experiencing the alternative of doing nothing with some providers giving their contracts back and ending their service due solely to their lack of ability to provide supplemental funding for this program. The department has been struggling to recruit and retain quality programs for children.

The department has moved forward in the Comprehensive Review process as a result of a Settlement Agreement from the original lawsuit which began in 2011. Failure to move forward may result in a new lawsuit.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

The department will continue to experience programs ending their service due to financial reasons and it is likely the remaining programs will bring forward a lawsuit once again due to the lack of funding.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Oregon Youth Authority
Oregon Health Authority

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

Oregon Alliance for Children Programs
Oregon Foster Youth Connection
Youth M.O.V.E Oregon
Disability Rights of Oregon
Coalition of Advocates for Equal Access for Girls

10. WHAT IS YOUR EQUITY ANALYSIS?

The BRS comprehensive review committee sought to be as inclusive as possible from varying perspectives of service recipients, advocacy groups, private agencies and state agencies. Collectively these groups moved forward the recommendations for system reform and system financing,

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

- a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.**

Child Welfare – Contract Amendments

- 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. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).
No impact.**

- c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.
No impact.**

- 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.
No impact.**

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?
No impact.**

- f. What are the ongoing costs?
Daily rate changes will be built into standard contracts.**

- g. What are the potential savings?
No direct savings.**

h. Based on these answers, is there a fiscal impact?
 Yes

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>
Special Payments	2,116,547	0	3,823,804	5,940,351		
Total	\$2,116,547	\$0	\$3,823,804	\$5,940,351	0	0.00

DHS - Fiscal Impact Summary by Program Area:

	Well Being	Total
General Fund	\$2,116,547	\$2,116,547
Other Fund	\$0	\$0
Federal Funds- Ltd	\$3,823,804	\$3,823,804
Total Funds	\$5,940,351	\$5,940,351
Positions	0	0
FTE	0.00	0.00

What are the sources of funding and the funding split for each one?

Federal Funds are Medicaid.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Child Welfare Program, Delivery and Design
Program Name: N/A
Policy Option Package Initiative: N/A
Policy Option Package Title: SB222 Legal Representation Package
Policy Option Package Number: 110
Related Legislation: N/A
Program Funding Team: Safe, Healthier Communities

**Summary
Statement:**

Historically, DOJ's billable hour model has been considered cost-prohibitive in juvenile dependency cases and has been a deterrent to DHS accessing and utilizing DOJ for full representation—including attendance at all hearings, regular case consultation, impromptu legal advice, and regular participation in case worker training, meetings, and staffing. A block grant model will allow DOJ to manage cases according to a workload method of case assignment with each DOJ attorney carrying a consistent number of weighted cases. In this model, each dependency case is assigned to an attorney who handles it from petition to permanency. This case assignment method 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. This POP is in addition to the above the legal representation pop that will provide DHS sufficient resources to cover current estimated AG billings. This pop assumes a total fund block grant funding model of \$45 million TF for full representation and assumes the exception to DHS representation in these cases is lifted.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$7,548,036	\$0	\$12,957,561	\$20,505,597

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would change require that the Department of Justice represent the Department of Human Services Child Welfare Program from the point of petition to case closure, and all things in between. In addition, this POP would change the financial relationship from hourly billing to a “Block Grant”.

2. WHY DOES DHS PROPOSE THIS POP?

There are a number of reasons that this POP is being proposed at this time. The primary issue is that it support the work of the Oregon Task Force on Dependency Representation that was established by Senate Bill 222 during the 78th Oregon Legislative Assembly. In addition, Oregon statutes require that “any action, suit, or proceeding may be prosecuted or defended by a party in person, or by attorney, *except that the state or a party that is not a natural person appears by attorney in all cases, unless otherwise specifically provided by law.*” Under most circumstances, the Attorney General is the legislatively mandated attorney for the state. An exception to this legislative requirement is in place for the DHS in dependency proceedings. Temporary legislation passed in 2014 and extended by Senate Bill 222 in 2015 currently provides that DHS “may appear without the Attorney General at: (1) Any hearing held after the hearing required under ORS 419B.305 has been held; and (2) Any proceeding where the district attorney represents the state, provided the positions of the department and the state are not in conflict with respect to issues raised for consideration or determination in the proceeding.”ⁱ This Legislation sunsets in 2017.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Currently the agency is in a position of creating savings from an already distressed workforce. If this program is funding at 100% we could reduce the vacancy rate of Child Welfare and be better able to respond to and meet the Safety, Permanency, and Well Being needs of children and families.

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 is expected to impact the following measures:

Performance Measure	Indicator	National documents that recommend this performance measure	Is this collected/ reported?
Outcome Measures			
Successful Permanency	Total percentage of children reaching permanency*	ABA Indicators of Success for Parent Attorneys (“Indicators of Success”) ⁱⁱ ; Toolkit for Court Toolkit for Court	Currently Collected and Reported by DHS

Performance Measure	Indicator	National documents that recommend this performance measure	Is this collected/ reported?
		Performance Measures in Child Abuse & Neglect Cases (“Toolkit Measures”) ⁱⁱⁱ	
	Reunification <ul style="list-style-type: none"> • Median Months to Reunification (FO.02.1) • Percent of cases where permanency found through reunification 	Indicators of Success; Toolkit Measures	Currently Collected and Reported by DHS
	Adoption <ul style="list-style-type: none"> • Median Months to Adoption (FO.02.2) • Percent of cases where permanency found through adoption 	Indicators of Success; Toolkit Measures	Currently Collected and Reported by DHS

Performance Measure	Indicator	National documents that recommend this performance measure	Is this collected/ reported?
	Guardianship <ul style="list-style-type: none"> • Median Months to Guardianship • Percent of cases where permanency found through guardianship 	Indicators of Success; Toolkit Measures	Currently Collected by DHS
Parent and Child Contact	Visitation Between Parents & Children <ul style="list-style-type: none"> • Type • Location • Supervision 	Louisiana Child Attorney Quality Assurance Indicators (“LA Indicators”) ^{iv}	Currently Collected by DHS
Timeliness of Hearings	Continuances and set overs <ul style="list-style-type: none"> • Number • Person requesting • Reason 	National Center for State Courts CourTools (with regard to hearings/trials) ^v	Not currently collected

Performance Measure	Indicator	National documents that recommend this performance measure	Is this collected/ reported?
<p>*Although the total percentage of children achieving permanency may increase, it is important to note that permanency outcomes may not necessarily all improve together. Getting more children reunified and into guardianships, for example, might lead to a reduction in the percentage of children who are adopted, nonetheless, this scenario would still be an improvement in overall permanency outcomes.</p>			

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, however the Task Force recommends, if adopted, would eliminate a pending Leg Concept pertaining to Continued Legal Representation.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Continue the current suspension of legislation that allows Child Welfare staff to appear in court without legal representation and continue the practice of delaying the hiring of staff to generate the savings necessary to pay for the nearly \$12 million of DOJ expenses in excess of current budget authority. This consideration is currently occurring and is impacting the department’s ability to respond to and adequately manage the safety, permanency, and well-being of children.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

The Department would continue to absorb the cost which impacts our ability to respond to and adequately manage the safety, permanency, and well-being of children which impacts our ability to meet federal performance expectations, resulting in substantial loss of IV-E Funding.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The Department of Justice, Attorney General's Office, would be effected. They would need to manage the entirety of Child Welfare legal representation within legislatively established budget.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

By way of their participation in the Oregon Dependency Representation Task Force the composition of the Task Force included:

- Two members of the Oregon Senate appointed by the President of the Senate;
- Two members of the Oregon House of Representatives appointed by the Speaker of the House;
- Two Department of Human Services (DHS) representatives appointed by the Governor;
- Two District Attorneys (DAs) appointed by the Governor;
- Three attorneys who provide legal defense services to children and parents in the dependency system appointed by the Governor;
- Three judges with juvenile court experience appointed by the Chief Justice of the Oregon Supreme Court;
- One Court Appointed Special Advocates (CASA) appointed by the Chief Justice of the Oregon Supreme Court;
- One person representing the Citizen Review Board (CRB) appointed by the Chief Justice of the Oregon Supreme Court; and
- Two representatives from the Attorney General's Office.

10. WHAT IS YOUR EQUITY ANALYSIS?

Not available at this time.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

The primary assumption affecting this POP is that that recommendations from the Oregon Dependency Representation Task Force will be accepted as is.

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

No

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.

Yes, this would prevent delays in hiring which in turn decreases caseloads to a level that is closer to the legislative intent. Exact numbers are difficult if not impossible to calculate

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.

No

- 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?**
The ongoing costs would be consistent with the current requested amount.
- g. What are the potential savings?**
None
- h. Based on these answers, is there a fiscal impact?**
Yes

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>
Services & Supplies	7,548,036	0	12,957,561	20,505,597		
Total	\$7,548,036	\$0	\$12,957,561	\$20,505,597	0	0.00

DHS - Fiscal Impact Summary by Program Area:

	CW Delivery & Design	Total
General Fund	\$7,548,036	\$7,548,036
Other Fund	\$0	\$0
Federal Funds- Ltd	\$12,957,561	\$12,957,561
Total Funds	\$20,505,597	\$20,505,597
Positions	0	0
FTE	0.00	0.00

What are the sources of funding and the funding split for each one?

Federal Funds are Medicaid.

ⁱ 2014 Or. Laws Chap. 106 (H.B. 4156, 77th Leg. Assemb., Reg. Sess. [Or. 2014]).

ⁱⁱ *ABA Indicators of Success*, *supra* note 115.

ⁱⁱⁱ Flango & Kauder, *supra* note 113.

^{iv} *Indicators of Quality Representation for Louisiana Children’s and Parents’ Attorneys* (2014).

^v NATIONAL CENTER FOR STATE COURTS, COURTTOOLS: TRIAL COURT PERFORMANCE MEASURES, MEASURE 5 (2005), *available at* http://www.courttools.org/~media/Microsites/Files/CourTools/courttools_Trial_measure5_Trial_Date_Certainty.ashx.

2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Child Welfare Program
Program Name: Child Welfare Program
Policy Option Package Initiative: N/A
Policy Option Package Title: Enhanced Professional Training for Child Welfare Professionals
Policy Option Package Number: 111
Related Legislation: N/A
Program Funding Team: Safe, Healthier Communities

Summary
Statement:

This Policy Option Package (POP) enhances the training available to Child Welfare Staff to increase skill sets, improve retention, and professionalize the workforce. The POP funds the development of an “Advanced Caseworker Certificate” program. Senior workers will be nominated to this program. It will include advanced learning and field observation to confirm the skills are learned and practiced. Successful graduates will receive a differential.

This POP additionally funds the development of comprehensive supervisor and manager skills training, to teach management staff how to be successful in management service.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option Package Pricing:</u>	\$241,916	\$0	\$80,466	\$322,382

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

There are 2 areas of training to be covered by this POP to enhance the Quality of Child Welfare Practice.

- 1) Establishment of a “Certificate of Advanced Casework” program – This would be available for senior CW workers via nomination/selection process. The workers would go through intensive advanced training on CW concepts, engagement skills, Trauma Informed Practice, and other evidence based topics. They would be field evaluated for competency and delivery of the advanced practice elements prior to ever receiving the certificate. Successful graduates would be eligible for a shift differential of 5%. They would need to be “re-certified” every few years.
- 2) Expand on the current Cohort Based training for Child Welfare Supervisors – to teach critical skills related to supervision. The current training module includes basic management tasks (Contracts, Essentials of Human Resources (HR), (State P-Card of Oregon Transaction System (SPOTS) card, etc.). However, it doesn’t teach supervisors how to Supervise. This enhancement would focus on clinical skills, 7 step problem solving, strategic planning, resource management, etc. We would similarly establish a cohort for Child Welfare Program Managers to teach them how to effectively manage. Topics would include vision setting, budget management, 7 step problem solving, strategic planning, data informed decision making, etc.

2. WHY DOES THE DEPARTMENT OF HUMAN SERVICES PROPOSE THIS POP?

Child Welfare Casework is a technically complicated, stressful, and evolving profession. Currently, there is no way to recognize this work as a professional skill, nor is there any way for senior caseworkers to advance. As a result, senior caseworkers are forced to choose between hitting a plateau as a worker, and taking a pay cut to become a supervisor. Not all workers are interested in management, nor are they all suited for the differing skill set. Allowing workers to be certified in Advanced Casework Skills allows for them to be distinguished amongst their peers as having achieved a different level of mastery. They would also be able to be assigned to mentor/coach/train new workers to fidelity in the Oregon Safety Model.

Child Welfare has excessive turnover locally, and nationally. Effective and available supervision has been identified is the key contributor to retaining qualified staff. Additionally, Child Welfare is currently failing almost all Federal Measures (See Statewide Assessment released May 2016). The profession of Child Welfare habitually promotes senior caseworkers in to supervision. However, supervisors are lacking the tools necessary to adequately move into the new role. As a result, supervisors tend to become technical/policy experts for their units, rather than taking on the mentoring/coaching/training/strategic role supervisors should play. Similarly, agency management does not have a training regimen, which prepares them for the role of managing resources, setting priorities, evaluating root cause, and strategically planning.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Both of these training efforts are designed to enhance the skill set of workers and management staff. They will increase retention and accountability to the individual jobs.

4. IS THIS POP TIED TO A (AGENCY NAME) PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL (AGENCY NAME) MEASURE THE SUCCESS OF THIS POP?

Indirectly, turnover and a lack of professional/advanced training, impacts all of the agencies key performance measures.

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

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Some of this work can be done within the existing budget for Child Welfare. This POP will establish the funding to design the training elements for both management staff and workers. The Advanced Caseworker

Certification would go through a school of higher education, and would need some level of accreditation to be accepted as a professional Certificate. This POP would also formally recognize the agencies' intent to provide a pay differential for those holding a certificate.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Failing to fund the “Certificate of Advanced Casework” would keep Child Welfare in the same system of being unable to retain senior workers. It would further inhibit our ability to recognize the professionalism of this career.

Failing to fund the trainings for supervisors and managers would prevent Child Welfare from being able to move quickly to enhancing the skills of all management service staff. As noted previously, many supervisors and managers currently do not have the skills to effectively perform all the expectations of their jobs. At the supervisory level, this continues to lead to high turnover of line staff. At the management level, it continues to lead to sub-excellent systems of performance, disparate outcomes for clients, and inefficient planning. Child Welfare would continue to seek opportunities to enhance these skills, but it would be less targeted and coordinated.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Tribal Child Welfare agencies would be invited to participate in the supervisor/manager trainings, as we do with other Child Welfare Trainings. We would also work with Tribes to see if they want “slots” in the Advanced Caseworker Trainings. DHS would not be responsible for paying for Tribal Certification or for any shift differential of Tribal Staff.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None yet.

10. WHAT IS YOUR EQUITY ANALYSIS?

Child Welfare is experiencing disproportionate turnover amongst it's' staff. African American workers are leaving the agency at the highest rate. Enhanced supervisory training will include targeted supervisory techniques, which intend to effect retention.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

The Advanced Caseworker Certification will require significant curriculum development, and intensive field based observation/testing. Each initial cohort will only be able to hold approximately 30 people and would take approximately 1 year to complete. Therefore, likely no more than 60 workers per bi-ennium would get the certificate; and likely no more than 10% of the caseworker workforce would be receiving the differential at any time in the future.

The management/supervisory cohort trainings would require a significant amount of curriculum development. This would be a 1 time cost for the biennium. Ongoing participation in the supervisory/management trainings would be absorbed as part of the ongoing professional development (training) dollars in the Service and Supply Budget.

Implementation Date(s): January 1, 2018

End Date (if applicable): N/A

a. Will there be new responsibilities for The Department of Human Services? Specify which Program Area(s) and describe their new responsibilities.

None identified.

- 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. See Addendum A - Shared Services Legislative Concept (LC)/POP Impact Questionnaire (at the end of this document).**

There may be a small impact to the Child Welfare Training unit to track ongoing registration and completion of the various trainings.

- c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

No negative impact to client groups, or impact to caseloads.

- 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.**

One new Training & Development Spec 2 will be added. Some casework staff will be eligible for a shift differential. This would be limited to no more than 60 additional people per biennium. The shift differential would only apply to a maximum of 30 people in the 17-19 biennium, and would be for less than 1 fiscal year.

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

Startup costs are limited to curriculum development.

- f. What are the ongoing costs?**

For the caseworker certificate, there will be ongoing curriculum development/modification work. There will also be costs associated with in-field testing of students. Finally, a shift differential is proposed for successful candidates.

For the management/supervisory training, the ongoing costs will be absorbed in the agency training budget allocation.

g. What are the potential savings?

Bending the curve to decrease the amount of turnover will have significant savings in training costs and outcomes for clients. Increasing the effective management skills of the organization will have increased outcomes for clients and reduced inefficiencies.

h. Based on these answers, is there a fiscal impact?

Yes.

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	213,379	0	71,125	284,504	1	1.00
Services & Supplies	9,330	0	3,109	12,439		
Special Payments	19,207	0	6,232	25,439		
Total	\$241,916	\$0	\$80,466	\$322,382	1	1.00

DHS - Fiscal Impact Summary by Program Area:

	CW Delivery & Design	Total
General Fund	\$241,916	\$241,916
Other Fund	\$0	\$0
Federal Funds- Ltd	\$80,466	\$80,466
Total Funds	\$322,382	\$322,382
Positions	1	1
FTE	1.00	1.00

What are the sources of funding and the funding split for each one?

Federal Funds are Medicaid.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Child Welfare Program
Program Name: Child Welfare Program
Policy Option Package Initiative: N/A
Policy Option Package Title: CW Staffing to 90% of Workload Model
Policy Option Package Number: 112
Related Legislation: N/A
Program Funding Team: Safe, Healthier Communities

Summary Statement:

The Child Welfare Program is currently funded at 86.5% of the Workload Model. However, the program is underperforming in most areas because the gap between staff and expectations continues to be too wide to perform at a high level. This POP is proposed to bring the Child Welfare staffing up to 90% of what the Workload Model calculates as being needed to do the job.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option Package Pricing:</u>	\$11,124,977	\$0	\$2,663,712	\$13,788,689

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

When the Child Welfare Workload model was developed by McKinsey and Associates in 2008, and adopted by the Legislature in 2009, there was a recognition that the Child Welfare Program could implement systemic improvements and add staff, to jointly close the gap between what the model said was needed, and what was actually needed to do the job. The Child Welfare Program has implemented numerous efficiencies, and continues to do so. However, even with the efficiencies, the program continues to underperform against the State Legislative and Federal expectations.

This POP is being proposed to bring the Child Welfare staffing levels up from the current 86.5% of the Workload Model to 90% of the Model.

2. WHY DOES DHS PROPOSE THIS POP?

The current staffing levels, coupled with a soaring turnover rate, prevents the Program from being able to perform to expectations. This particular POP also recognizes the need to more adequately staff offices with support staff who can ease the administrative burdens; allowing case workers more time to spend with families in the field.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS?

This POP provides a critically needed staffing level which will help stabilize the workforce and also increase the agency performance. Having enough staff is directly related to the agency's ability to provide services to assure the safety, well-being, and permanency needs of abused/neglected children are being met.

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, staffing is fundamentally tied to all of the Department of Human Service's (DHS) performance measures.

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.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

DHS continues to implement a variety of efficiencies. We have also temporarily paused the ongoing roll out of a major initiative to ensure the practice model is being solidly performed. However, with vacancies, the agency continues to operate at much closer to 80% staffing. Furthermore, a substantial number of Child Welfare staff are within their first 2 years of employment, and still learning how to adequately do the work.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Child Welfare will continue to operate at current levels. We are not passing most of our Federal measures. We have already begun suffering financial penalties for lack of performance and would expect continued loss and/or additional jeopardy of Federal funding.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

From a customer services standpoint, other agencies stand to gain to the extent Child Welfare can better cover the other parts of work they are supposed to be doing.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None.

10. WHAT IS YOUR EQUITY ANALYSIS?

The Child Welfare Program has an ongoing drive to safely and equitably reduce children in foster care. We furthermore have numerous disproportionality efforts. Having higher staffing will positively impact the work we are trying to do.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

The technical adjustment to the Child Welfare Workload Model will result in the need for more staff. The staff calculated in this POP are based on current earnings ratios, at the agency CSL level.

Implementation Date(s): 1/1/18

End Date (if applicable): Ongoing

This POP adds Child Welfare staff to positively impact the program outcomes. Funding of this POP would allow for immediate recruitment of positions.

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

N/A.

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. See Addendum A – Shared, OIS and Central Offices Services LC/POP Impact Questionnaire.

None specified.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

This POP will add staff to Child Welfare to do the work intended. Currently, the workload is being covered by redeploying staff from other parts of the Child Welfare system, leading to sub-optimal performance in all areas.

This POP will not increase the caseloads.

- 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.**

This POP does not create new classifications, but does enhance the number of staff to do the work.

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

Standard costs associated with adding staff of existing classifications.

- f. What are the ongoing costs?**

Standard costs associated with adding staff of existing classifications.

- g. What are the potential savings?**

By increasing the staffing levels to the legislatively intended levels, Child Welfare will better be able to assure safety, well-being, and permanency of children. This will ultimately lead to lower system costs associated with long term foster care.

- h. Based on these answers, is there a fiscal impact?**

Yes.

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	7,920,454	0	1,980,099	9,900,553	99	74.25
Services & Supplies	1,049,784	0	262,566	1,312,350		
Special Payments	2,154,739	0	421,047	2,575,786		
Total	\$11,124,977	\$0	\$2,663,712	\$13,788,689	99	74.25

DHS - Fiscal Impact Summary by Program Area:

	CW Delivery & Design	Total
General Fund	\$11,124,977	\$11,124,977
Other Fund	\$0	\$0
Federal Funds- Ltd	\$2,663,712	\$2,663,712
Total Funds	\$13,788,689	\$13,788,689
Positions	99	99
FTE	74.25	74.25

What are the sources of funding and the funding split for each one?

Federal Funds are Medicaid.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Child Welfare
Program Name: Child Welfare
Policy Option Package Initiative: N/A
Policy Option Package Title: Adoption Applicable Child Savings Fund
Policy Option Package Number: 113
Related Legislation: Legislative Concept Request 007 completed 4/1/2016
Program Funding Team: Safe, Healthier Communities

**Summary
Statement:**

Title IV-E Adoption Assistance is the federal funding source used to pay adoption assistance subsidies for approximately 80% of the children receiving such subsidies in Oregon. Section 473 of the Social Security Act requires that states expand Title IV-E Adoption Assistance eligibility to include a new set of criteria for “applicable children” which will increase the number children who will be eligible for Title IV-E adoption assistance significantly. The children determined eligible for Title IV-E adoptions assistance due to the “applicable child” provision only will generate general fund savings and the federal law (Section 473(a) (8) requires the Department of Human Services (DHS) to spend these savings on allowable Title IV-B or IV-E services (with no less than 30% of the spending being spent on post-adoption or post-guardianship services). Furthermore, these savings must be used to supplement, not supplant, any Federal or non-Federal funds used to provide any service. The federal contribution for the subsidies is at the FMAP rate, which means that Oregon’s General Fund spending is reduced by about 64% for IV-E-eligible children.

To comply with federal law, DHS needs to be able to segregate and carry forward unspent savings between biennia. It’s not possible to spend an amount during a

biennium that's exactly equal to the amount saved during the period, because the savings for each federal fiscal year are calculated after the federal funds have been claimed. Every other year this will occur after the close of the biennium. Also, because of the nature of child welfare services, it's impossible to predict to the dollar how much will be spent in a given period. Fluctuating caseloads, judicial requirements, and the complex needs of families served all contribute to a degree of imprecision.

The only vehicle for segregating and carrying forward unspent savings from one biennia to the next is a fund that is separate and distinct from the General Fund. A change to state statute is required to create the Adoption Applicable Child Savings Fund.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option Package Pricing:</u>	\$0	\$6,260,791	\$0	\$6,260,791

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

Create an Adoption Applicable Savings Fund that is separate and distinct from the General Fund. The separate fund would allow DHS to carry forward savings from previous biennia. The savings would be used to pay for additional Title IV-E or Title IV-B allowable services to support DHS' initiatives of improving safety and outcomes for children in foster care or adoption services.

2. WHY DOES DHS PROPOSE THIS POP?

To comply with federal law and maximize federal reimbursement for foster care and adoption services.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

The Adoption Applicable Child Savings will allow the DHS to provide additional services to foster care and adoption assistance families to support the DHS initiatives of reducing the number children who enter foster care, improving safety of children in foster care and increasing post adoption services.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? No IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

The Administration on Children and Families have specific reporting requirements for the Adoption Applicable Child Savings. DHS must report annually how much savings the State has generated, how the savings were calculated, how the savings have been spent and the outcomes.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? Yes IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

Legislative Concept was completed and submitted in April 2016. The statute would be new and added to ORS 418.

Proposed Statutory Language:

Adoption Applicable Child Savings Fund. (1) There is established in the State Treasury, separate and distinct from the General Fund, the Adoption Applicable Child Savings Fund (“the Fund”). Interest earned by the Fund shall be credited to the Fund. Moneys in the Fund are retained in the Fund and do not revert to the General Fund. The Fund consists of:

- (a) Moneys received by the Department of Human Services for adoption assistance payments that are General Fund Applicable Child Savings, calculated as required by Section 473(a)(8) of the Social Security Act;
- (b) Amounts donated to the Fund;

- (c) Amounts appropriated or otherwise transferred to the Fund by the Legislative Assembly;
- (d) Investment earnings received on moneys in the Fund; and
- (e) Other amounts deposited in the Fund from any source.
- (2) Moneys in the Fund are continuously appropriated to the Department of Human Services for the purpose of funding child welfare services as required by Section 473(a)(8) of the Social Security Act.
- (3) Moneys in the Fund shall be used to supplement existing funds used for child welfare services and shall not be used in lieu of these existing funds.
- (4) Moneys in the Fund may be invested and reinvested as provided in ORS 293.701 to 293.857.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

No other options were considered because the only way to spend the Applicable Child Savings DHS needs dedicated general funds.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

DHS would not be in compliance with the Title IV-E State Plan because the Applicable Child requirements have been incorporated into the Title IV-E State Plan. States without an approved Title IV-E State Plan would be unable to draw down any Title IV-E funds which is the biggest federal funding source for the Child Welfare program. Without the dedicated fund, the DHS will be unable to spend the Applicable Child Savings because the program requires a general fund match. If the DHS is unable to spend the savings it will result in continued Secretary of State Single State Audit findings.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

None.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None, this is the responsibility of DHS, Oregon's Title IV-E Agency

10. WHAT IS YOUR EQUITY ANALYSIS?

N/A.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): 7/1/2017

End Date (if applicable): N/A

- a. **Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.**
None identified.
- 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.**
N/A.
- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**
N/A.
- 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.**
No.
- 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?**
None identified.
- g. **What are the potential savings?**
None identified.
- h. **Based on these answers, is there a fiscal impact?**
Yes.

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>
Special Payments	0	\$6,260,791	0	\$6,260,791		
Total	\$0	\$0	\$0	\$0	0	0.00

DHS - Fiscal Impact Summary by Program Area:

	Well Being	Permanency	Total
General Fund	\$0	\$0	\$0
Other Fund	\$4,382,554	\$1,878,237	\$6,260,791
Federal Funds- Ltd	\$0	\$0	\$0
Total Funds	\$4,382,554	\$1,878,237	\$6,260,791
Positions	0	0	0
FTE	0.00	0.00	0.00

What are the sources of funding and the funding split for each one?

Other Funds are General Funds which have been transferred to the State Treasury to be able to use and carry forward between biennia.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Child Welfare
Program Area Name: Office of Safety and Permanency for Children, Child Well-Being
Program Name: Independent Living Subsidy Program
Policy Option Package Initiative: N/A
Policy Option Package Title: Independent Residence Facilities
Policy Option Package Number: 114
Related Legislation: LC 513
Program Funding Team: Safe, Healthier Communities

Summary Statement:

The Policy Option Package (POP) will allow the Independent Living Subsidy Program to extend the time assistance is available to foster youth/young adults in transition. Legislative Concept (LC) 513 changes will allow more flexibility of the productive activities requirement, allowing for more developmentally appropriate transitional housing supports and options for foster youth transitioning to adulthood and self-sufficiency. LC 513 will allow youth to leave foster care fully prepared and able to have financial resources necessary to live independently. Without the changes youth may need to drop out of school in order to work full-time to afford housing and be ill prepared for living independently.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option Package Pricing:</u>	\$60,000	\$0	\$0	\$60,000

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

Currently the Independent Living Subsidy (aka Subsidy) Program is limited to 12 months and requires full-time productive activity (school, work or combination of the two). This POP and LC513 changes will allow the Subsidy Program to provide assistance for up to 24 to 30 months to foster youth/young adults in transition out of foster care, to adulthood and self-sufficiency. LC513 will also allow more flexibility of the productive activities requirement.

2. WHY DOES DHS PROPOSE THIS POP?

The Independent Living Program (ILP) Youth Transitions Five Year Planning Workgroup recommended more flexibility in the amount of time a youth could access the Subsidy Program and more flexibility in the productive hours requirement to provide more developmentally appropriate transitional housing supports and options for foster youth in transition to living and managing the adult responsibilities involved with a first move-out from a foster home.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

The changes will assist the Agency to meet the mission “To help Oregonians in their own communities achieve wellbeing and independence through opportunities that protect, empower, respect choice and preserve dignity.” As well a meet the Agency’s following goal: People are safe and living as independently as possible.

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?

DHS is in the process of determining the performance measure for youth transitions. Data for the Subsidy Program is currently reported in the federally required Child Welfare Annual Progress and Services Report.

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.

Yes, LC 513 has been submitted to amend Oregon Revised Statute (ORS) 418.475.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Alternatives would require youth to attempt to access Family Unity Program Vouchers (FUP/Section 8) for housing. There are two (2) to five (5) year wait lists for the FUP vouchers. Youth and young adults in foster care preparing for transition do not have the ability to wait multiple years for housing assistance. The other alternative would be to maintain youth in a foster care placement, with minimal preparation or practice of daily living skills (money management, time management, household maintenance, decision making).

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Youth will exit foster care or the Subsidy Program without being fully prepared or able to have the financial resources necessary to live independently. Youth may need to drop out of school in order to work full-time to afford housing. Not implementing LC513 could lead to increased homelessness for foster youth transitioning out of the foster care system.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

DHS Self-Sufficiency Programs could see an increase in the number of young adults accessing food stamps and Temporary Assistance to Needy Families (TANF). If youth are not able to locate or maintain a job, crime rates could increase as youth resort to illegal means to meet their financial responsibilities. Additional foster care placements would be needed to meet the need of children and youth remaining in foster care.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

The following agencies and programs were members of the five year planning workgroup: Oregon Housing and Community Services, New Avenues for Youth (Multnomah Co.), LifeWorks Northwest (Washington Co.), and J Bar J (Deschutes Co.), in addition to DHS caseworkers/supervisors from Washington County, Marion County, and Multnomah County, as well as a foster youth from Washington County.

10. WHAT IS YOUR EQUITY ANALYSIS?

None identified.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): January 1, 2017

End Date (if applicable): n/a

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

N/A.

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.

No. Youth are already in foster care.

- 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.**
No new staff required.
- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**
None – training is already available on a quarterly basis via NetLink. This would require minimal time to update the presentation.
- f. What are the ongoing costs?**
Up to \$600 per month for the additional months a youth may remain on the Subsidy Program.
- g. What are the potential savings?**
N/A.
- h. Based on these answers, is there a fiscal impact?**
Yes.

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>
Special Payments	60,000	0	0	60,000		
Total	\$60,000	\$0	\$0	\$60,000	0	0.00

DHS - Fiscal Impact Summary by Program Area:

	Well Being	Total
General Fund	\$60,000	0
Other Fund	\$0	\$0
Federal Funds- Ltd	\$0	\$0
		\$60,00
Total Funds	\$60,000	0
Positions	0	0
FTE	0.00	0.00

What are the sources of funding and the funding split for each one?

State General Funds.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Vocational Rehabilitation
Program Name: Vocational Rehabilitation
Policy Option Package Initiative: Workforce and Innovation Opportunity Act
Policy Option Package Title: Youth Transition and Career Technical Education
Policy Option Package Number: 115
Related Legislation: N/A
Program Funding Team: Federal Mandate

Summary Statement:

The Workforce Innovation and Opportunity Act (WIOA) calls for Oregon Vocational Rehabilitation (VR) to collaborate with school districts to provide, or arrange for the provision of, pre-employment transition services (PETS) 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 PETS at all 14 VR branch offices. The Oregon Department of Education estimates the target population eligible for PETS to be about 26,000 students with disabilities.

Oregon has become a champion for Career and Technical Education (CTE). Students with disabilities who participate in Career and Technical Education programs are 18.3% more likely to graduate. Pre-employment transition services build on Oregon's investments in CTE programs. This POP will align Career and Technical Education investments with the new Workforce Innovation and Opportunity Act regulations for pre-employment services and the coordination of those service between local Vocational Rehabilitation offices and school districts across the state. This POP will provide equitable access for students with disabilities into CTE programs and other pre-

employment training opportunities, such as career pathways at community colleges, as well as non-traditional education, such as apprenticeships and trades programs.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$1,369,271	\$0	\$0	\$1,369,271

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 and to create policy, practice and oversight that will provide greater access to CTE, postsecondary education and training for students with disabilities:

- Increase coordination between the Department of Human Services/VR, local education agencies and higher education institutions:
 - High school based CTE including CTE Hubs
 - Career Pathway Program within the Community College system (17 in Oregon)
 - STEM (science, technology, engineering and math)programs including STEM Hubs in Oregon
 - Apprenticeships and the trades
 - Targeting local programs that support Oregon's six Career Learning Areas
 - Focus on Industry Sector Strategies and Work Ready Communities

Implement specific Pre-Employment Transition Coordination requirements set forth in WIOA:

- Attend individualized education program meetings for students with disabilities, when invited
- Work with the local workforce development boards, one-stop centers, and employers to develop work opportunities for students with disabilities, including internships, summer employment and other employment opportunities available throughout the school year, and to expand access to Career and Technical Education including apprenticeships

- Work with schools, including those carrying out eligibility activities under the Individuals with Disabilities Education Act, to coordinate and ensure the provision of pre-employment transition services under this section
- When invited, attend person-centered planning meetings for individuals receiving Medicaid services.

Create and update Vocational Rehabilitation policy and practice to include this program, outcomes and oversight

In collaboration with the local educational agencies, the new staff requested in this POP would arrange for the provision of the following pre-employment transition services for all students with disabilities in need of such services who are eligible or potentially eligible for VR services. The five new required services are as follows:

- 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

The implementation of this POP would require additional staff:

- Six Pre-Employment Transition Specialists (PA1)
- Clerical Support OS2
- Policy Analyst (OPA4)
- Manager (PEME) – Transition and Workforce Manager

2. WHY DOES DHS PROPOSE THIS POP?

The Department of Human Services (DHS) supports this POP due to the increased need for meaningful coordination between education’s CTE system and the VR system as demonstrated by new regulations (WIOA). It is estimated that there are 26,000 students with disabilities in Oregon between the age of 16 and

21 that are the target population in WIOA. Recent findings show that students with disabilities who participate in CTE programs are closing the achievement gap and are 18.3% more likely to graduate. These students are graduating with employable skills and ready to enter the job market. Therefore, these students are not reliant upon DHS and other supports as they transition out of secondary education. This POP will coordinate and align systems and structures for student entry, navigation, completion, and exit/re-entry to careers. This POP advances the mission of DHS, VR, the Governor and the Legislature's ORS 351.009 40/40/20 achievement goals for post high school outcomes.

A recent study by the Brookings Institution found that 50% of STEM jobs do not require a bachelor's degree. At a local level the Brookings Institution found in their research in the Portland-Vancouver-Hillsboro metropolitan area there were 201,820 STEM jobs and 46.4% required an Associate's Degree or less as minimum qualifications for the jobs. Considering the earnings potential for STEM and CTE jobs, students with disabilities seeking employment directly after high school find that this is a viable entry point to a career. The average earnings for these STEM jobs was \$57,533 compared to the non-STEM wages at the same education level which was \$34,970. Jobs in the STEM economy constitutes a 64% increase in earnings for job seekers Associate's Degree or less education.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

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 that reflects the working face of Oregon. This POP will also empower Oregon students with disabilities to have equal access to training opportunities in Career and Technical Education programs that lead to employment outcomes where they will be able to support themselves and their families with stable, living wage employment.

In turn this will allow people with disabilities to make choices about their own lives and to live as independently as possible.

And ultimately VR will be able to provide culturally specific and responsive disabilities services to students seeking education in CTE or a STEM courses of study.

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 about 26,000 youth with disabilities in more than 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 Pre-Employment Transition Services.

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.

6. 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.

7. 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.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The Department of Education, Local Education Districts, Community Colleges, Tribal Vocational Programs, and WorkSource Oregon would be directly impacted since they too have direct responsibilities in implementing the WIOA.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

The Oregon Department of Education, Local Education Agencies, Career and Technical Education HUBs and community college career pathway programs.

10. WHAT IS YOUR EQUITY ANALYSIS?

Services and access to services will be provided taking into consideration the barriers toward successful outcomes. The WIOA will utilize the DHS Service Equity Framework following its guiding principles of Engaging with Communities, Data and Evidence Base practices, Developing Champions, Directing investment and resources, Customizing Services and Creating Dialogue. The goal is to provide Service Equity focusing on communities at disparity, communities of color, tribal and underrepresented. The data collected will have a component of race and ethnicity identification in order to demonstrate the impact on the diverse communities.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): 1/1/2018

End Date (if applicable): N/A

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

No.

- 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.**
No.
- 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.**
New staff as follows:
6 – PA1, 1 OS2, 1 OPA4, 1 PEME. These are permanent full-time positions.
- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**
Normal startup costs for new employees covered in the position pricing model.
- f. What are the ongoing costs?**
Normal ongoing cost for personnel.
- g. What are the potential savings?**
None.
- h. Based on these answers, is there a fiscal impact?**
Yes.

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	1,089,848	0	0	1,089,848	9	6.75
Services & Supplies	273,771	0	0	273,771		
Special Payments	5,652	0	0	5,652		
Total	\$1,369,271	\$0	\$0	\$1,369,271	9	6.75

DHS - Fiscal Impact Summary by Program Area:

	VR - Basic Rehabilitative Services	Total
General Fund	\$1,369,271	\$1,369,271
Other Fund	\$0	\$0
Federal Funds- Ltd	\$0	\$0
Total Funds	\$1,369,271	\$1,369,271
Positions	9	9
FTE	6.75	6.75

What are the sources of funding and the funding split for each one?
 State General Funds.

2017-19 Policy Option Package

<u>Agency Name:</u>	Department of Human Services
<u>Program Area Name:</u>	Office of Licensing and Regulatory Oversight
<u>Program Name:</u>	Nursing Facility Licensing Unit
<u>Policy Option Package Initiative:</u>	N/A
<u>Policy Option Package Title:</u>	Nursing Facility Complaint Investigations
<u>Policy Option Package Number:</u>	116
<u>Related Legislation:</u>	N/A
<u>Program Funding Team:</u>	N/A

Summary Statement:

Federal rule requires all complaints (including allegations of abuse/neglect and non-abuse allegations) and self-reported incidents (when necessary) against a Medicare or Medicaid certified nursing facilities be investigated by federally trained and certified nursing facility surveyors. All nursing facilities in Oregon are currently Medicare and/or Medicaid certified, therefor the Centers for Medicare and Medicaid Services (CMS) requires federally trained, qualified and certified staff to investigate allegations against a nursing facility to determine if facilities meet the conditions of participation in the Medicare and Medicaid programs. Currently in Oregon, federally qualified and QIS registered nursing facility surveyors investigate approximately one-third of all nursing facility abuse/neglect complaints and self-reported incidents. Adult Protective Services (APS) investigates the remaining two-thirds of the nursing facility abuse/neglect complaints. There are no staff available to investigate non-abuse complaints. This POP includes staff necessary for the Nursing Facility Survey Unit (NFSU) to investigate many non-abuse complaints.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$253,993	\$0	\$1,519,145	\$1,773,138

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

NFSU would investigate all non-abuse complaints as required by state statute and federal rule. Staff would be trained and federally qualified (following 8 month comprehensive CMS and state required training, testing, certification and registration) to survey using the federal survey and certification process as required by federal rule. Staff would be hired regionally to reduce travel time and cost, and decrease response times.

2. WHY DOES DHS PROPOSE THIS POP?

This POP is necessary to comply with federal rule and state statute. This POP also has a positive impact on resident care and services in nursing facilities and helps reduce abuse/neglect.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

This POP gives us staff needed to investigate licensing violation, which are currently not being investigated. Investigating licensing violations is required by federal rule and state law.

CMS requires extensive and comprehensive training and testing of NFSU surveyors necessary for investigation of all nursing facility complaints using federal process. The federal process requires NFSU to utilize federal enforcement and remedies in addition to state remedies. Federal remedies include: a required plan of correction for all citations, revisit survey(s) to assure the plan has been implemented, federal civil money penalties (which are typically higher than state civil money penalties), potential denial of payment for new admissions, decertification from the Medicare and Medicaid programs, and more. All of which lead to better care outcomes for residents living in nursing facilities. NFSU is also required to investigate facility system issues in addition to the allegations specific to the resident victim. Unlike APS, NFSU is required to investigate an expanded sample of residents to determine the scope of identified deficient practice(s). NFSU’s work is supported by the federal

survey and certification Medicare grant in addition to state Medicaid and general funds. This additional work for NFSU outlined in this POP would require a request for additional federal Medicare survey and certification funds from CMS.

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, the timeliness of complaint investigations is defined and measured by federal rule, state statute and state rule. Performance is measured by the DHS enterprise quarterly business review and annually as part of CMS federal performance measures.

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 change is required.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Under state law, APS or local office staff could investigate non-abuse complaints. Additionally, if non-federally trained, certified and registered staff investigate nursing facility complaints outlined in this POP, we be further out of compliance with federal rule. This leads to potential federal remedies, including risk of federal funding loss and/or federal grant performance deductions. If funding is not granted to investigate non-abuse complaints, it puts residents at risk.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Residents will be at risk; non-compliance with federal requirements with potential for loss of funding and/or financial performance deductions or penalties.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

APD (including local units) and APS/OAAPI.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

APD.

10. WHAT IS YOUR EQUITY ANALYSIS?

Minorities and persons with low incomes experience worse health outcomes on nearly every indicator (e.g., access to insurance, incidence of disease, rates of disability, age at death). The shift to community-based settings has not been even across all groups; African Americans are more likely to reside in a NF and in NFs with the lowest scores on quality of care indicators. This POP will have a positive impact on resident care and services in nursing facilities and helps reduce abuse/neglect.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

This assumes the staff are hired at the classifications below in section (d).

Implementation Date(s): 1/1/18

End Date (if applicable): N/A

a. Will there be new responsibilities for Office of Licensing and Regulatory Oversight? Specify which Program Area(s) and describe their new responsibilities. Yes

The Office of Licensing and Regulatory Oversight, Nursing Facility Survey Unit will be required to assume all non-abuse complaints currently not being investigated. Due to the federal requirements for sample expansion for investigation of nursing facility complaints, there will be an increase in the length of time it takes to investigate and document nursing facility abuse/neglect complaints compared to an investigation completed by APS.

New communication and work with all local units statewide for referral of all non-abuse nursing facility complaints.

Compliance Specialists will be required to apply corrective action analysis and remedies to assure providers are in substantial compliance with state and federal rules/regulations for all nursing facility non-abuse complaints.

- 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. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).**

Yes. These surveyors would need to be equipped with Yoga Twist tablets and have initial and ongoing OIS technical support for staff located throughout the state in local units and while in facilities. Staff also need routine and reliable local access to a DHS network and the ASPEN suite. Surveyors will need permanently designated appropriate work space in the regional local units. Staff will need access to dedicated cars/SUVs in regional local units.

- c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

Yes – Increase in non-abuse complaint investigations conducted in nursing facilities.

- 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.**

New staff positions required:

7 surveyors (Client Care Surveyor; Level 28), 21 months first biennium, permanent thereafter

1 manager (PEM D; Level 31X), 21 months first biennium, permanent thereafter

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

Each surveyor and trainer would need training (including mandatory out of state training by CMS) and examination to become federally qualified surveyors, each person would also need the standard issued equipment and Yoga Twist and iPhone; approx. \$5,000 per surveyor and trainer)

f. What are the ongoing costs?

See new positions required above and additional associated operational costs, (e.g. cars/SUVs, training, communication, lodging/travel per diem, work space rent, increase costs associated with due process, and other associated indirect costs).

g. What are the potential savings?

N/A.

h. Based on these answers, is there a fiscal impact?

Yes.

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	177,639	0	1,065,467	1,243,106	8	7.04
Services & Supplies	52,477	0	314,735	367,212		
Special Payments	23,877	0	138,943	162,820		
Total	\$253,993	\$0	\$1,519,145	\$1,773,138	8	7.04

DHS - Fiscal Impact Summary by Program Area:

	Program Design Services	Total
General Fund	\$253,996	\$253,996
Other Fund	\$0	\$0
Federal Funds- Ltd	\$1,519,142	\$1,519,142
Total Funds	\$1,773,138	\$1,773,138
Positions	8	8
FTE	7.04	7.04

What are the sources of funding and the funding split for each one?

Federal Funds are Medicaid Admin (grant #100100).

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Shared Services / Office of Payment Accuracy and Recovery (OPAR)
Program Name: DHS Self-Sufficiency Program
Policy Option Package Initiative: Employment Related Day Care (ERDC) Child Care Providers
Policy Option Package Title: ERDC Provider Investigator
Policy Option Package Number: 117
Related Legislation: N/A
Program Funding Team: N/A

**Summary
Statement:**

This POP is important to DHS Self-Sufficiency Programs in ensuring service excellence and accountability in our Employment Related Daycare (ERDC) program. The POP would sustain the pilot program requested by the DHS Self-Sufficiency Programs Director to dedicate one Investigator 2 (Inspector) to reviewing and inspecting ERDC providers. The objective of the inspections is to “promote the safety and integrity of Oregon’s child care subsidy program.”

This pilot program is proving to be a valuable tool by identifying risk factors at child care provider locations; in increasing child safety and accountability, and identifying providers that are not in compliance with requirements so action can be taken. This POP would create a permanent Investigator 2 (Inspector) position and provide funding for the position. Without the POP, the pilot will close and the current ERDC monitoring efforts would end.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> Package Pricing:	\$172,765	\$147,951	\$0	\$320,716

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP is important to Self-Sufficiency Programs in ensuring service excellence and accountability in our Employment Related Daycare (ERDC) program.

The POP would sustain the pilot program which involves one Inspector reviewing and inspecting ERDC providers. The pilot program has proven to be a valuable tool in increasing child safety, accountability and identifying providers that are not in compliance with requirements so action can be taken.

Since the pilot began in early 2016, inspections have discovered several risk and safety factors. Safety issues are often were corrected at the time of discovery through educational guidance. Prior to the pilot, minimal direct oversight was in place for ERDC providers.

2. WHY DOES DHS PROPOSE THIS POP?

Several significant child care provider fraud and quality of care issues have recently been disclosed which led to this pilot. This action is the logical extension of making permanent a program that is working as a pilot.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Improved child safety, quality of care and fiscal accountability are three primary outcomes of this activity. Oversight also typically inspires lax providers to improve to the minimum standard, as well as provides the

necessary assurances that the state is getting the service it is paying for. The oversight will potentially decrease the risk of adverse legal action. It also provides a dedicated and trained investigative resource to follow-up on hotline fraud referrals about childcare providers.

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 activity would fall under the program integrity core process of our management map. The specific measure would be a tier 3 measure around number of visits and completed investigations. The outcomes of the investigations would be tracked and reported in conjunction with the visits and investigation so a return on effort can be determined.

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.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Repurposing existing investigative staff was considered but they are currently dealing with a heavy workload of primarily SNAP- and TANF-related fraud investigations. Any redeployment of this staff would only make the workload and backlog bigger for remaining staff. Also, last full session DHS had a POP for additional SNAP and TANF investigative resources that did not make the final legislative cut. The problems leading to that POP request have not diminished.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Returning to the status quo where ERDC child care provider facilities would not be subject to any direct oversight from DHS. Increased risk to the State and program as potential safety and quality of care concerns would go unidentified.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

None.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

DHS ERDC program.

10. WHAT IS YOUR EQUITY ANALYSIS?

No identified equity issues.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Investigator 2 starting at step 2.

Implementation Date(s): January 1, 2018

End Date (if applicable): N/A

- a. **Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.**
N/A.
- 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.**
None.
- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**
None.
- 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.**
Currently, the Investigator 2 position is a job rotation. We would need a new Investigator 2 position as well as the permanent funding. Once established, this will be a full-time, permanent, 24-month position.
- e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**
Minimal.
- f. **What are the ongoing costs?**
Typical of a full-time, permanent, 24-month position.

g. What are the potential savings?

Some overpayment recovery is anticipated, but increased accountability and program integrity are the primary objectives. It is unlikely that recoveries will be significant.

h. Based on these answers, is there a fiscal impact?

Yes.

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	134,884	0	134,884	1	1.00
Services & Supplies	24,814	13,067	0	37,377		
Special Payments	147,951	0	0	147,951		
Total	\$172,765	\$147,951	\$0	\$320,716	1	1.00

DHS - Fiscal Impact Summary by Program Area:

	DHS Shared Services	DHS SAEC	Total
General Fund	\$0	\$172,765	\$172,765
Other Fund	\$147,951	\$0	\$147,951
Federal Funds- Ltd	\$0	\$0	\$0
Total Funds	\$147,951	\$172,765	\$320,716
Positions	1	0	1
FTE	1.00	0.00	1.00

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 2015-17 Cost Allocation Model where we have applied the aggregate DHS/OHA fund splits of General Fund, Other Fund and federal fund. Available revenue sources are based on grants which are entitlement grants that are matched, and grants that are not federally capped and are available to programs or offices within DHS/OHA.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Shared Services
Program Name: Office of Adult Abuse Prevention & Investigations (OAAPI)
Policy Option Package Initiative: Intellectual/Developmental Disabilities (I/DD)
Policy Option Package Title: OAAPI Workload for DD
Policy Option Package Number: 118
Related Legislation: N/A
Program Funding Team: N/A

**Summary
Statement:**

Significant legislative changes intended to increase safety of vulnerable Oregonians have been signed into law over the last 10 years. Unfortunately, the investment of the resources necessary to respond to those changes has not occurred. As a result, DHS is currently not in compliance with multiple statutory requirements related to safety and are not providing mandated levels of training and oversight to a growing cohort of abuse investigators and protective service workers.

This POP addresses this critical lack of compliance by adding four new positions to the Office of Adult Abuse Prevention and Intervention (OAAPI) workforce to serve the Intellectual and Developmental Disabilities (I/DD) program. Doing so will directly address and support DHS's I/DD core value of safety and ensure that the Legislature's expectations regarding the safety of Oregonians with intellectual and developmental disabilities are met.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> Package Pricing:	\$638,003	\$553,824	\$0	\$1,191,827

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

Many significant legislative changes intended to increase safety of the vulnerable Oregonians served by the I/DDI/DD program have been signed into law over the last 10 years, including HB 2175, HB 2442 and HB 4151.

Unfortunately, the investment of the resources necessary to respond to those changes has not occurred. As a result, DHS is currently not in compliance with multiple statutory requirements related to safety and is not providing mandated levels of training and oversight to a growing cohort of abuse investigators and protective service workers.

This POP addresses this critical lack of compliance by adding four new positions to the OAAPI workforce that will serve I/DD by:

- Providing the level of review and oversight of I/DD-related abuse screenings and investigations statewide that is required by statute but not fully occurring today;
- Ensuring that DHS’s and I/DD’s response to abuse is consistent and standardized as required by statute, rather than subject to wide variations across programs and populations as it is currently;
- Providing consistent, transparent and legally-sufficient due process to Oregonians substantiated for abuse by I/DD and its partners, as required by statute but not fully provided today, to ensure that I/DD-related abuse history can be considered when DHS determines fitness for employment;
- Developing policy and protocols to ensure that I/DD-related abuse information is used and shared as required by statute within DHS and with state partners, providers and the public;

- Providing the full range of core competency and advanced training needed to ensure that I/DD program contractors conduct objective, unbiased and legally sufficient screenings and investigations as required by statute;
- Ensuring quality assurance of the work conducted by I/DD program contractors as required by statute, including development and analysis of performance metrics to ensure safety and the provision of sufficient internal controls to identify areas of risk before they become systemic or impact client safety; and,
- Providing the full range of policy development, technical assistance and operational support that is required by statute to I/DD program staff and contractors as they respond to ever-growing service needs.

Specifically, this POP will provide staffing to meet the requirements of the following statutes that affect the I/DD program and reflect the steady growth in the vulnerable populations that I/DD serves:

HB 2175 and HB 2442 (2009 Session)

House Bills 2175 and 2442 created new authority, requirements and expectations for DHS's use of abuse history. Among other things, HB 2175 provided clear statutory authority for DHS to consider a person's abuse history when conducting a determination of their fitness for employment.

HB 2442 expanded the abuse definitions for I/DD clients and required DHS to fulfill many new requirements related to investigation of reported abuse of I/DD clients, including the development of standardized policies, procedures and training related to screening and investigation of reports of abuse. New requirements for notifications were imposed as well, such as the requirement that DHS – when it has a record of substantiated abuse committed by an employee of a home health agency, in-home care agency, adult foster home or residential facility – notify the employer and the employee or potential employee of the substantiation, in writing.

Unfortunately, the resources necessary to fully implement the requirements of HB 2175 and 2442 were not allocated at passage, leaving DHS unable, to the present day, to complete the work required by law.

HB 4151 (2014 Session)

House Bill 4151 created additional new requirements and expectations for the investigation of abuse of I/DD clients residing in long-term care facilities. Among other things, it called for the creation of a statewide database of reports of abuse and required DHS to work toward standardization of procedures and protocols for receiving reports of abuse and investigating them. It also set new statutory timeframes for the completion of investigation reports.

As the shared service office responsible for policy development, program coordination and training of abuse investigators for APD and I/DD, OAAPI estimated an additional eight FTE would be required to complete the work necessary to comply with HB 4151. Unfortunately, only one Operations & Policy Analyst 3 position was provided to OAAPI at the passage of HB 4151, leaving OAAPI unable to complete the work required by law.

Without the additional resources provided by this POP, OAAPI will be unable to provide to the I/DD program the services required by statute and established in Service Level Agreements to ensure the safety of Oregon's most vulnerable populations.

2. WHY DOES DHS PROPOSE THIS POP?

This POP would create needed positions for OAAPI, a DHS Shared Service providing abuse-related services to the DHS I/DD program through a Service Level Agreement. The increase in positions would increase safety for the vulnerable populations served by I/DD by ensuring that all abuse-related statutory requirements are fully implemented.

The positions created by this POP would provide comprehensive abuse-related services to I/DD and its contractors, including policy analysis and development, program coordination, training and curriculum development, research and prevention initiatives, and operational support.

To fully implement the requirements of HB 2175, HB 2442 and HB 4151 for the I/DD program, OAAPI requires the following positions to be created by this POP:

One (1) Compliance Specialist 3 (CS3) Position

One full-time CS3 is needed to perform the statewide oversight necessary to ensure that over 1,400 I/DD community and facility abuse investigations conducted annually by I/DD contractors and OAAPI meet the requirements of HB 2175, HB 2442 and HB 4151, and to manage the increased due process requirements (including requests for reconsideration) for substantiated perpetrators.

One (1) Operations & Policy Analyst 3 (OPA3) Position

One full-time OPA3 is needed to perform the statewide management, issuance, review and revision of administrative rules, policies and procedures necessary to ensure that over 1,400 community and facility abuse investigations conducted annually by I/DD contractors and OAAPI meet the requirements of HB 2175, HB 2442 and HB 4151.

One (1) Training & Development Specialist 2 (TDS2) Position

One full-time TDS2 is needed to perform curriculum development and training delivery needed to ensure that the abuse investigations conducted and documented by I/DD contractors and OAAPI meet the specific requirements of HB 2175, HB 2442 and HB 4151.

One Research Analyst 2 (RA2) Position

One full-time RA2 is needed to perform data maintenance, analysis and reporting on the more than 1,400 I/DD community and facility abuse investigations reviewed and processed annually by OAAPI staff to meet the requirements of HB 2175, HB 2442 and HB 4151.

TOTAL

Four additional OAAPI staff required to meet I/DD legislative requirements.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

This POP will directly address and support DHS’s core belief that every Oregonian deserves to live in safety and free from abuse, neglect and financial exploitation, and ensure that the Legislature’s expectations regarding the safety of Oregonians with intellectual and developmental disabilities are met.

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 is directly tied to DHS Performance Measures related to safety. The success of this POP would be measured by improvement in Outcome Measures O1a, Re-Abuse Rate; and O1b, Abuse Rate, as well as Process Measures OP1a, Inconclusive Disposition of Investigations; OP1b, Timeliness of Response; and OP1c, Timeliness of Investigation Completion.

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.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The positions requested in this POP have been requested through DHS workforce strategies but positions have not been transferred to OAAPI to meet this need.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Continued non-compliance with statute and legislative expectations around the safety of vulnerable Oregonians.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

None

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP will allow DHS to fully implement laws requiring standardization of practices across the state and across populations, leading to increased equity in the response to the abuse of different vulnerable populations.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Permanent positions with implementation date of January 1, 2018.

Implementation Date(s): January 1, 2018

End Date (if applicable): None

- a. **Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.**

These responsibilities were previously required by legislation over the last 10 years including HB2175 (2009 session); HB2442 (2009 session) and HB4151 (2014 session). The new responsibilities are for Shared Services (OAAPI) in support of the I/DD Program.

- 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.**

Equipment, OIS and HR support will be needed for the positions associated with this POP.

- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

No.

- 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.**

This POP will require new staff as follows:

- (1) Compliance Specialist 3 Position, Permanent, 18 months
- (1) Operations & Policy Analyst 3 Position, Permanent, 18 months
- (1) Training & Development Specialist 2 Position, Permanent, 18 months
- (1) Research Analyst 2 Position, Permanent, 18 months

- e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

No significant modifications are needed to computer systems; new materials, outreach and training are covered by the positions requested.

f. What are the ongoing costs?

Budget to support permanent costs of the positions.

g. What are the potential savings?

Reduced risk to the vulnerable adults by allowing DHS to fully implement laws related to standard practice for abuse investigations and legislative expectations related to safety of vulnerable adults.

h. Based on these answers, is there a fiscal impact?

Yes.

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	513,516	0	513,516	4	3.00
Services & Supplies	84,179	40,308	0	124,487		
Special Payments	553,824	0	0	553,824		
Total	\$638,003	\$553,824	\$0	\$1,191,827	4	3.00

DHS - Fiscal Impact Summary by Program Area:

	DHS Shared Services	DHS SAEC	Total
General Fund	\$0	\$638,003	\$638,003
Other Fund	\$553,824	\$0	\$553,824
Federal Funds- Ltd	\$0	\$0	\$0
Total Funds	\$553,824	\$638,003	\$1,191,827
Positions	4	0	4
FTE	3.00	0.00	3.00

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 2015-17 Cost Allocation Model where we have applied the aggregate DHS/OHA fund splits of General Fund, Other Fund and federal fund. Available revenue sources are based on grants which are entitlement grants that are matched, and grants that are not federally capped and are available to programs or offices within DHS/OHA.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Shared Services
Program Name: Office of Adult Abuse Prevention & Investigations (OAAPI)
Policy Option Package Initiative: Aging & People with Disabilities (APD)
Policy Option Package Title: OAAPI Workload for APD
Policy Option Package Number: 119
Related Legislation: HB 2175 (2009), HB 2442 (2009), HB 4084 (2012), HB 4151 (2014)

**Summary
Statement:**

Significant legislative changes intended to increase safety of vulnerable Oregonians served by the DHS Aging & People with Disabilities (APD) program have been signed into law over the last 10 years. Internal audits have also highlighted critical weaknesses in APD's safety and protection system for Oregon's ever-growing vulnerable populations of older adults and adults with physical disabilities.

Unfortunately, the investment of the resources necessary to respond to these changes has not occurred. As a result, DHS and APD are currently not in compliance with multiple statutory requirements and audit recommendations related to safety; are not keeping up with the rate of growth in protected populations; and are not providing statutorily-mandated levels of training and oversight to a growing cohort of abuse investigators and protective service workers.

This Policy Option Package (POP) initiates a step forward in addressing this critical lack of compliance by adding six new positions to the OAAPI workforce to serve the APD program. Doing so will directly address and support the DHS core value of safety and ensure that the

Legislature’s expectations regarding the safety of Oregon’s older adults and adults with physical disabilities are met.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$983,039	\$856,690	\$0	\$1,839,729

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

Many significant legislative changes intended to increase safety of the vulnerable Oregonians served by APD have been signed into law over the last 10 years, including HB 2175, HB 2442, HB 4084 and HB 4151. Internal audits have also highlighted critical weaknesses in APD’s safety and protection system for Oregon’s ever-growing vulnerable populations of older adults and adults with physical disabilities.

The investment of the resources necessary to build the infrastructure required to address these changes has not occurred. Any investments that have occurred have been in program at the field level, with no corresponding growth for mandated central office oversight and coordination functions.

As a result, DHS and APD are currently not in compliance with multiple statutory requirements and audit recommendations related to safety; are not keeping up with the rate of growth in protected populations; and are not providing statutorily-mandated levels of training and oversight to a growing cohort of abuse investigators and protective service workers.

This gap has been recognized by many observers, including the Adult Safety Protection Team convened in 2011 by the former DHS Director, which contracted with national experts who determined the APD’s central and shared services teams for APS were critically under-staffed and therefore unable to provide essential oversight services and technical assistance to workers serving vulnerable adults.

This POP addresses a critical lack of compliance and capacity by adding new positions to the OAAPI workforce that will serve APD by:

- Providing the level of review and oversight of APD-related abuse screenings and investigations statewide that is required by statute but not occurring today;
- Ensuring that the DHS and APD response to abuse is consistent and standardized as required by statute, rather than subject to wide variations across programs and populations as it is currently;
- Providing consistent, transparent and legally-sufficient due process to Oregonians substantiated for abuse by APD, as required by statute but not provided today, to ensure that APD-related abuse history can be considered when DHS determines fitness for employment;
- Developing policy and protocols to ensure that APD-related abuse information is used and shared as required by statute within the DHS and with state partners, providers and the public;
- Providing the full range of core competency and advanced training needed to ensure that program staff conduct objective, unbiased and legally sufficient investigations as required by statute;
- Ensuring quality assurance of the work conducted by program staff as required by statute, including development and analysis of performance metrics to ensure safety and the provision of sufficient internal controls to identify areas of risk before they become systemic or impact client safety;
- Providing the full range of policy development, technical assistance and operational support that is required by statute to APD program staff and contractors as they respond to ever-growing service needs.

Specifically, this POP will provide staffing at OAAPI to partially meet the requirements of the following statutes and audit recommendations that affect the APD program, and to reflect the steady growth in the vulnerable populations that APD serves:

HB 2175 and HB 2442 (2009 Session)

House Bills 2175 and 2442 created new authority, requirements and expectations for DHS's use of abuse history. Among other things, HB 2175 provided clear statutory authority for the DHS to consider a person's abuse history when conducting a determination of their fitness for employment. HB 2442, among other things, required that the DHS— when it has a record of substantiated abuse committed by an employee of a home health agency, in-home care agency, and adult foster home or residential facility – notify the employer and the employee or potential employee of the substantiation, in writing.

Full implementation of these laws would have required APD to develop new infrastructure for the notification of substantiated perpetrators of findings and the provision of due process to perpetrators prior to the required sharing of their abuse information. Unfortunately, the resources necessary to complete the work required to comply with HB 2175 and 2442 were not allocated at passage, leaving DHS unable, to the present day, to complete the work required by law.

HB 4084 (2012 Session)

House Bill 4084 created new requirements and expectations for the investigation of abuse of vulnerable adults served by APD, including increased reporting to legislative groups studying elder abuse and the development of new training and continuing education curricula for persons who investigate reported abuse of older adults and adults with physical disabilities. Required areas of additional training included risk assessment, investigatory techniques, evidence gathering and report writing.

Full implementation of this law would have required additional investment in training and development resources, but unfortunately, the resources necessary to complete the work required to comply fully with HB 4084 were not allocated at passage, leaving DHS unable to fully complete the work required by law.

HB 4151 (2014 Session)

House Bill 4151 created additional new requirements and expectations for the investigation of abuse of vulnerable adults served by APD. Among other things it called for the creation of a statewide database of reports of abuse and required DHS to work toward standardization of procedures and protocols for receiving reports of abuse and investigating them. It also set new statutory timeframes for the completion of APD investigation reports.

As the Shared Service responsible for policy development, program coordination and training of program staff conducting abuse investigations, OAAPI estimated an additional eight FTE would be required to complete the work necessary to comply with HB 4151 and support the program staff conducting the investigations. Only one Operations & Policy Analyst 3 position was provided to OAAPI at the passage of HB 4151, leaving OAAPI unable to complete the work required by law.

DHS Internal Audit #12-013

Thousands of cases of substantiated abuse every year are not currently considered by DHS when determining an applicant's fitness for employment as a care provider. This is largely due to a lack of notification to substantiated perpetrators in APD community APS cases, and the lack of opportunities for perpetrators to appeal substantiations before they are used in fitness determinations.

For this reason, DHS's Internal Audit #12-013 report dated April 7, 2014, recommended that OAAPI notify substantiated perpetrators in APD community APS cases formally of a substantiation and provide an opportunity to contest the finding. Doing so would remove the barrier to considering that abuse history in fitness determinations and sharing it with others as required by law.

To meet this requirement OAAPI needs additional Program Analysts to review over 9,000 APD community APS cases annually, cases that are not currently reviewed by OAAPI or APD central office staff, and

provide notification and administrative review opportunities to perpetrators. To date, no additional staff have been allocated for this work, and it remains undone.

Growth in Vulnerable Populations – and DHS Program Staff that Serve Them

The demographic growth in populations considered ‘vulnerable’ in statute is well-known, especially in the case of older adults eligible for protection by APD programs. Overall, DHS programs are seeing approximately a 10% annual increase in abuse reports and investigations, with APD’s annual rate of increase being closer to 15%. In response to the general increase in services required by older Oregonians, including protective services and abuse investigations, APD successfully introduced a POP in 2013 which provided for a 38% increase in staffing levels at APD and AAA offices around the state. Such increases are necessary, but must be matched with central office and shared service investments to support those additional staff in the field.

OAAPI received no additional positions from that POP to help train and support the new APD and AAA staff, and has struggled to provide the minimal level of training, policy interpretation and development, direct technical assistance, program review and coordination, research, data analysis and prevention initiatives required by our Service Level Agreement with APD.

Without the additional resources provided by this POP, OAAPI will be unable to provide to APD the services required by statute, recommended by audit and established in the Service Level Agreement with APD to ensure the safety of some of Oregon’s most vulnerable adults.

2. WHY DOES DHS PROPOSE THIS POP?

This POP would create needed positions for OAAPI, a DHS Shared Service providing abuse-related services to APD programs through a Service Level Agreement. The increase in positions would increase safety for the vulnerable populations served by APD by ensuring that all abuse-related statutory requirements are fully implemented.

The positions created by this POP would provide comprehensive abuse-related services to APD including policy analysis and development, program coordination, training and curriculum development, research and prevention initiatives and operational support.

To fully implement the requirements of HB 2175, HB 2442, HB 4084, HB 4151 and Audit #12-013, OAAPI requires 37 new positions to be created by the APD program for the 10-year period.

However, as a step forward, the following positions will enable OAAPI to initiate this important work, improve the ability to address and support APD's core value of safety and ensure the Legislature's expectations are met:

One (1) PEM D Position

The PEM-D is needed to provide the supervision and management for staff to ensure compliance with HB 2175, HB 2442, HB 4084, HB 4151 and the recommendations of Audit #12-013.

One Operations & Policy Analyst 4 (OPA4) Position

One full-time OPA4 is needed to provide the advanced policy/legal analysis skills necessary to address long overdue gaps in policy, procedure and administrative rule for APD programs and guide the process of revising and aligning them to meet the needs for consistency and sufficiency called for in HB 2175, HB 2442, HB 4084, HB 4151 and the recommendations of Audit #12-013.

One Compliance Specialist 3 (CS3) Position

A full-time CS3 is needed to perform the statewide oversight necessary to ensure that over 13,000 APD community and facility abuse investigations conducted by APD and AAA staff annually meet the requirements of HB 2175, HB 2442, HB 4084, HB 4151 and the recommendations of Audit #12-013, and to manage due process procedures (including petitions for reconsideration) for substantiated perpetrators.

Two Program Analyst 2 (PA2) Positions

Two full-time PA2's are needed to perform the individual review of over 13,000 APD community and facility abuse investigations annually to ensure that the abuse investigations conducted and documented by APD and AAA staff meet the requirements of HB 2175, HB 2442, HB 4084, HB 4151 and the recommendations of Audit #12-013. This will involve extensive case-by-case review and follow-up with field staff to make necessary adjustments for compliance and legal sufficiency, as well as assisting Compliance Specialists with due process reviews and issues.

One Administrative Specialist 2 (AS2) Position

One full-time AS2 is needed to provide the operational and administrative support needed to ensure that the required notifications and due process procedures are provided for the more than 13,000 community and facility abuse investigations conducted annually by APD and AAA staff, in accordance with the requirements of HB 2175, HB 2442, HB 4084, HB 4151 and the recommendations of Audit #12-013.

TOTAL

Six additional OAAPI staff to initiate compliance with legislative requirements and audit recommendations.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

This POP will directly address and support DHS's core belief that every Oregonian deserves to live in safety and free from abuse, neglect and financial exploitation, and ensure that the Legislature's expectations regarding the safety of vulnerable Oregonians are met.

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 is directly tied to DHS Performance Measures related to Safety. The success of this POP would be measured by improvement in Outcome Measures O1a, Re-Abuse Rate, and O1b, Abuse Rate, as well as

Process Measures OP1a, Inconclusive Disposition of Investigations; OP1b, Timeliness of Response; and OP1c, Timeliness of Investigation Completion.

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.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The positions requested in this POP have been requested through DHS workforce strategies but positions have not been transferred to OAAPI to meet this need.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Continued non-compliance with statute and legislative expectations around the safety of vulnerable Oregonians served by APD.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

None.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None.

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP will allow DHS to fully implement laws requiring standardization of practices across the state and across populations, leading to increased equity in the response to the abuse of different vulnerable populations.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Permanent positions with an implementation date of January 1, 2018.

Implementation Date(s): January 1, 2018

End Date (if applicable): None

- a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.**

These responsibilities were previously required by legislation enacted over the last 10 years or per audit findings. The new responsibilities impact Shared Services (OAAPI) in support of the APD program.

- 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.**

Equipment, OIS and HR support will be needed for the positions associated with this POP.

- c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

No.

- 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, this POP will require new staff as follows:

- (1) Principle Executive Manager D Position, Supervisory, Permanent, 18 months
- (1) Operations & Policy Analyst 4 Position, Permanent, 18 months
- (1) Compliance Specialist 3 Position, Permanent, 18 months
- (1) Administrative Specialist 1 Position, Permanent, 18 months

(2) Program Analyst 2 Positions, Permanent, 18 months

Total: Six additional OAAPI staff to initiate compliance with legislative requirements and audit recommendations related to safety of vulnerable adults.

- e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**
No significant modifications are needed to computer systems; new materials and outreach and training will be covered by the positions that are requested as part of this POP.
- f. **What are the ongoing costs?**
Budget to support the permanent costs of these positions.
- g. **What are the potential savings?**
Reduced risk to vulnerable adults by allowing APD and OAAPI to fully implement legislative expectations and audit findings related to safety of vulnerable adults.
- h. **Based on these answers, is there a fiscal impact?**
Yes.

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	796,228	0	796,228	6	4.50
Services & Supplies	123,349	60,462	0	186,811		
Special Payments	856,690	0	0	856,690		
Total	\$983,039	\$856,690	\$0	\$1,839,729	6	4.50

DHS - Fiscal Impact Summary by Program Area:

	DHS Shared Services	DHS - SAEC	Total
General Fund	\$0	\$983,039	\$983,039
Other Fund	\$856,690	\$0	\$856,690
Federal Funds- Ltd	\$0	\$0	\$0
Total Funds	\$856,690	\$983,039	\$1,839,729
Positions	6	0	6
FTE	4.50	0.00	4.50

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 2015-17 Cost Allocation M model where we have applied the aggregate DHS/OHA fund splits of General Fund, Other Fund and federal fund. Available revenue sources are based on grants which are entitlement grants that are matched, and grants that are not federally capped and are available to programs or offices within DHS/OHA.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Shared Services Human Resources Center
Program Name: Safety and Health
Policy Option Package Initiative: N/A
Policy Option Package Title: Emergency Management/Business Continuity
Policy Option Package Number: 120
Related Legislation: N/A
Program Funding Team: N/A

**Summary
Statement:**

Emergency Management:

Under ORS 401, Emergency Management Services, the Department of Human Services (DHS) is tasked with assisting in statewide emergency response activities during natural and man-made disasters. Currently the Department of Human Services has dedicated 0.50 FTE to these critical emergency response operations. This POP would increase the FTE providing these critical services to 1.50 FTE.

Business Continuity Management:

The Department of Human Services (DHS) is required to develop and maintain a comprehensive business continuity program (BCP). Policy requirements include DAS Policy 107-001-010 and DHS|OHA Policy 010-006. Funds received from the Federal Government to carry out many state led programs will also list BCP and disaster recovery plans as requirement in the funding stream.

Currently the DHS has dedicated 0.50 FTE to develop and implement a comprehensive business continuity program that covers nearly 11,000 employees and 200 locations statewide. This POP would increase the FTE providing these critical services to 0.75 FTE.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$454,501	\$481,664	\$90,546	\$1,026,711

1. **WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?**

Emergency Management:

Oregon's emergency planning and operations continues to grow throughout all state agencies. The Governor, Legislative Representatives, and Emergency Management officials recognize the need for Oregon's government to be prepared for disasters and to act quickly to protect its citizens. With that comes growing expectations that all state agencies commit resources to developing, implementing and exercising emergency operations plans.

The state's most notable planning related to the Cascadia Subduction Zone has significantly expanded during the last three to four years. New statewide operational and recovery plans are in development. Existing plans are being revised and the Oregon Legislature continues to receive and pass into law legislative bills specific to Oregon's emergency response operations. Most recently, the Governor signed Executive Order 16-07, the Governor's Disaster Management Framework, which directs the formation of the Governor's Disaster Cabinet and the Governor's Economic Recovery Council. These committees will require additional DHS resources on top of the responsibilities and obligations the agency already has.

Other emergency management changes within Oregon and nationally include:

- During the last regular Legislative session, the Governor signed into law the placement of a State Resilience Officer. The appointment of this position is to provide oversight on all state emergency planning efforts and is one of the Governor's 2016 Priorities.
- The Legislature has committed millions of dollars towards the seismic retrofitting of Oregon public schools to protect our children and educators.
- At the national level, the U.S. Military's Defense Support of Civil Authorities has identified the Cascadia Subduction Zone a top 10 national concern.

The outcome of developing a DHS Emergency Operations Unit under DHS's Emergency Management Operations will be to develop the agency's ability to adequately prepare for disasters, collaborate with other state agencies and NGOs to coordinate disaster response operations, meet the requirements outlined by the Governor, monitor Legislative activity, train all stakeholders, and, most importantly protect and serve the citizens that survive disasters in Oregon. Implementation to begin working towards meeting the minimum requirements would involve the following staff:

- +2 FTE Operations Policy Analysts 3
 - Assist with the development and implementation of DHS emergency operations and recovery plans and collaborate with other state agencies during planning operations and emergency response exercises
 - Work with DHS Legislative Liaisons and the DHS Emergency Preparedness and Business Continuity Program Manager to track and monitor proposed Legislative activity that may impact DHS operations
 - Respond to the Oregon Emergency Coordination Center during Presidential or Governor declared disasters. Large scale disasters will require 24/7 operational support
 - Maintain situational awareness and communicate with the DHS Director and the DHS|OHA Emergency Preparedness and Business Continuity Program Manager during emergency response activities that impact DHS operations
 - Assist Oregon County Emergency Managers in the development of statewide emergency response operations and Support Oregon County Emergency Managers emergency response operations when disasters negatively impact county resources
 - Design, develop, and operate a DHS Agency Operations Center for disaster response operations
 - Develop testing and exercise programs for DHS|OHA operations
 - Develop, coordinate and deliver emergency management training
 - Provide family emergency preparedness training to all DHS|OHA employees

**note: Emergency management, and family preparedness training will cover approximately 11,000 employees and 200 locations statewide and will also include external stakeholders.*

This POP creates and provide resources for DHS to begin to meet its minimum obligations to protect and serve Oregonians and would provide much needed resources to allow for work with other state, local and county governments to adequately respond to disasters of all sizes, and serve the requests of the Governor in times of crisis. This POP also provides DHS with the capabilities to prepare, plan, and train its employees and external stakeholders on emergency response operations which will reduce loss of life, restore DHS client safety and benefits more quickly, and aid in a more efficient economic recovery for state and local governments and business, large and small.

Business Continuity Management:

DHS needs to look to the future and plan for the unexpected. Comprehensive Business Continuity Plans effectively prepare employees to respond to unplanned business interruptions, maintain critical business services and keep our clients stable and out of harm's way. Each year more than one million Oregonians depend on the services provided through DHS. These services must continue regardless of circumstances that might negatively impact DHS operations and services.

A snapshot of services provided to Oregonians was presented to the Legislature in early 2015. DHS services at that time included:

- 5,437 adults and 10,630 children are under Protective Services to keep them safe
- 6,831 domestic violence victims were provided safety services
- One in five Oregonians receive food benefits to prevent hunger
- 52,990 low income families receive TANF (Temporary Assistance for Needy Families) cash assistance
- 387,318 seniors receive meals and health services
- 36,858 seniors and people with disabilities are assisted with daily living activities
- 22,441 people with developmental disabilities were provided assistance to help them live safely and independently

In addition to the one million people depending on our services, a significant statewide or regional disaster will create a surge of new clients that may have not required are services previously. Every year Oregonians who do not normally rely on DHS for services are displace or negatively impacted by disasters. DHS needs to be prepared to not only deal with its current clients but also to provide the same services and care to the potential surge from disaster survivors.

The outcome of the POP will ensure that DHS can begin to develop a strong, comprehensive business continuity program. This will safeguard Oregonians who depend on the agency for their safety and well-being and who are protected and continue to receive critical services during times when DHS capabilities have been limited from a negative unforeseeable event. This POP creates a Business Continuity Management Unit housed within the DHS Emergency Management Program.

Implementation to meet the minimum requirements would involve the following staff:

- +One FTE Operations Policy Analyst 3 (permanent)
 - Assist with the development and implementation of BCP for field offices and DHS|OHA business functional areas that support field activities.
 - Work with OIS to ensure that BCPs align with the DHS|OHA IT disaster recovery plans.

- Provide leadership and guidance to all levels of management regarding BCP operations.
- Provide leadership and guidance to the executive leadership during a continuity of operations event.
- Evaluate business continuity management goals and objectives and make recommendations for changes when necessary.
- Ensure that comprehensive continuity of operations planning at the enterprise level remains consistent.
- Assist with the coordination of the DHS|OHA Enterprise Business Continuity Management Governance Council
- Evaluate DHS|OHA BCP policies and protocols and make recommendations when necessary.
- Develop, implement and maintain an ongoing BCP Testing and Training Program
- Provide technical support for the implementation of DHS|OHA comprehensive business continuity plans
- Assist with the BCP implementation and training for all 16 business continuity planning Districts throughout the state and with other business functional areas. This implementation and training will cover all 11,000 employees and 200 locations managed by DHS|OHA throughout Oregon.
- Advise the Emergency Preparedness and Business Continuity Program Manager on BCP implementation progress

2. WHY DOES DHS PROPOSE THIS POP?

Emergency Management:

Historically agencies throughout Oregon have dedicated minimal resources to emergency management operations. However, in the last several years this concept of operations has changed significantly.

Each year Oregon is impacted by potentially devastating weather-related events such as ice storms, flooding, high winds and wildfires. In 2015 wildland fires devastated multiple communities throughout Oregon

affecting children, families and their community's economic capabilities. In December, 2015 storms flooded several counties throughout northwest Oregon and lead to a Presidential Disaster Declaration, which is now providing public assistance to those communities affected by the devastation. Oregon also experiences several human created tragedies that includes industrial accidents and random acts of violence -- most recently, the tragedy at Umpqua Community College. All of these events tax the already underfunded resources of DHS. Currently, the agency is not capable of responding to any disaster that would require immediate deployment for a 24-hour response. This leaves survivors of disasters in harm's way and potentially increases further loss of life.

Devastating events on the Gulf Coast and Eastern Seaboard of the United States and the massive earthquakes and resultant tsunamis' in Indonesia and Japan have changed Oregon's view related to emergency planning, response and recovery operations at all levels of government, to include the Governor and the Legislature. Geologically, Oregon is exposed to the same earthquake and tsunami hazards that impacted Japan in 2011 and Indonesia in 2004. California, Oregon, Washington Oregon, Alaska and British Columbia, Canada are all evaluating the lessons learned from those devastating events and strengthening emergency response capabilities. As an OERS Council member, DHS will need to expand emergency management capabilities to ensure the agency can meet the ever growing demands of a robust emergency management system for Oregon.

Business Continuity Management:

Historically, minimal resources have been committed to Business Continuity Management. In 2009, DAS policy set forth requirements for all state agencies to develop, implement, test and maintain BCPs. Meeting the DAS Policy and other federal requirements for a comprehensive BCP has been a struggle for DHS|OHA due to the size of the organizations and the lack of resources committed to the program. Today, 0.5 FTE is dedicated to developing and implementing Business Continuity Plans for nearly 11,000 employees and 200 locations throughout Oregon. This minimal support for business continuity management is not uncommon in government, however, due to numerous events during the last several years. This concept of operations is beginning to change.

Disasters throughout the United States and the world have brought into focus the importance of government's necessity to survive a disaster or unplanned interruption of services, quickly recover from the event and return to normal operations. The federal government requires all federal agencies to develop and maintain a Business Continuity Plans, referred to as a Continuity of Operations Plan (COOP), and continues to emphasize to state governments and tribal nations the necessity to develop continuity of operations plans that align with the federal government. Today, most federal funding that is received by state and local governments and federal contractors requires the development and implementation of a BCP. DHS also is required to work in conjunction with other state agencies to develop, implement, test and maintain BCPs.

DHS executive management has renewed commitment to the business continuity planning process in the last two years. DHS|OHA has adopted an agency specific policy, an enterprise BCP charter, and organized an Enterprise Business Continuity Governance Council. Although these are positive steps in securing our capabilities to provide critical services, the agency is beginning to realize that more resources are necessary to achieve success with business continuity management

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Emergency Management:

As federal and state government expectations regarding emergency management operations change, so must the expectations of leadership in DHS. DHS' vision, mission and goals all focus on the safety, health and independence for all Oregonians. It is critical that DHS is positioned to meet the agency's vision, mission and goals during the good times and in times of crisis when the citizens of Oregon need assistance the most.

Properly funding a DHS Emergency Management Operations Unit will further our capabilities and allow us to better serve and protect children, families, the elderly, persons with access and functional needs, and others who depend on us today and adjust our operations to provide services for those who may depend on us after a disaster. We must remain accountable to the people we are here to serve at all times.

Business Continuity Management:

Without an adequately developed BCP, DHS will not be capable of effectively meeting the agency's mission and goals during times of crisis. DHS' vision, mission and goals all focus on the safety, health and independence for all Oregonians. It is critical that DHS is positioned to meet the agency's vision, mission and goals during the good times and also in times of crisis when the citizens of Oregon need assistance the most. Properly funding business continuity programs for DHS ensures that the agency will be able to provide uninterrupted critical safety, wellness, and life safety services regardless of circumstances.

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?

Emergency Management:

Although this POP is not directly tied to a particular performance measure, whether it be a Key Performance Measure or Quarterly Business Review performance measures, having an organized management structure to respond during emergencies is critical.

Implementation plans and timelines will be established to ensure the agency is developing capabilities to meet its current and future responsibilities. Ultimately, the success of this POP will be measured by the progress of emergency planning development and implementation, exercise and testing and our capabilities will increase.

Business Continuity Management:

Although this POP is not directly tied to a particular performance measure, whether it be a Key Performance Measure or Quarterly Business Review, performance measures, having an organized management structure to respond during emergencies is crucial. Failure to develop, implement and maintain business continuity plans will ensure that DHS is unable to meet any of its performance measures in times of crisis.

Implementation plans and timelines have been established to ensure the agency is developing capabilities to meet its current and future responsibilities. Ultimately the success of this POP will be measured by the implementation and testing of business continuity plans and our increased capabilities to protect Oregonians in times of crisis.

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.

Emergency Management:

No. This POP does not require changes to an existing statute or require a new statute. The objective of this POP is to obtain the minimum resources to adequately develop and execute plans and operations to meet existing regulations outlined in ORS 401, Emergency Management and Services.

Business Continuity Management:

No. This POP provides the resources necessary to begin meeting the agency's minimum obligations.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Emergency Management:

Historically the alternative has been to develop ad hoc responses to disasters as they arose. This is a high-risk solution that invites error and poor judgment. Decision making is made with little or no information and is usually without coordination with other organizations. An example of this arose from the Vernonia floods in 2007. DHS stood up its SNAP assistance (Supplemental Nutrition Assistance Program) during the same time the Oregon Food Bank was distributing food to those in need. Because funding for both programs comes from the same source at the USDA, only DHS was allowed to have expenses reimbursed. Pre-planning and collaboration before the floods would have established systems so that both DHS and the Oregon Food Bank could work collectively and both would have been reimbursed for their services.

Other alternatives in emergencies have been to use existing internal resources and relying on the voluntary efforts of other state agencies and NGO's. Although partners such as the Department of Administrative Services, the Oregon Health Authority, Oregon Housing and Community Services and the American Red Cross are interested in helping, they have their own emergency management programs to execute. Although some progress has been made, this alternative is unreliable and unsustainable.

Business Continuity Management:

DHS has struggled with the development and implementation of business continuity programs. This struggle was partially due to the complexity of creating a comprehensive plan, the size of the organization and the recognition at the enterprise level that more resources were necessary. The limited resources that were committed to the process resulted in a few small successes and no clear path to an enterprise plan. In 2014, DHS executive management agreed to a new implementation model that provided comprehensive implementation of an enterprise wide plan. The plan identified 16 Business Continuity Planning Districts, initial training for all management staff and the development of a BCP Local Planning Guide, Core BCP

Elements developed by Central Program Management and an implementation schedule. A new BCP Policy specific to DHS/OHA, a charter and an Enterprise BCP Governance Council also has been developed.

Although this is a positive start to meeting basic business continuity management requirements the current resource of 0.5 FTE is not capable of moving BCP from development and initial implementation to a sustainable program. BCP training alone for 11,000 employees in 200 locations throughout the state significantly overwhelms existing resources.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Emergency Management:

Failure to fund this POP will generate several negative impacts which include:

- Citizens impacted by disasters will be less likely to receive life sustaining disaster relief necessities in times of crisis
- Children and the elderly who survive a disaster will be at a heightened risk of neglect and abuse
- The potential for post-disaster harm or additional loss of life will increase
- DHS will be unable to adequately respond to requests from the Governor, other collaborating agencies and NGOs during a disaster
- DHS will continue to lack the resources to meet its current responsibilities outlined in ORS 401, Emergency Management Services, Governor's Executive Order 16-07, Governor's Disaster Management Framework, Oregon's Emergency Operations Plan, the Cascadia Playbook, and the Oregon Recovery Plan

Business Continuity Management:

Without strong Business Continuity Plans, we potentially expose our clients to unacceptable hazards and a reduced standard of living and will not be able to effectively provide critical services to clients during an unplanned business interruption or major disaster. Some of these services include:

- Supplemental Nutritional Assistance Program (SNAP) Benefits
- New-born screening
- Temporary Assistance for Needy Families (TANF)
- Immediate Trauma and Crisis Assistance
- Response to Elderly or Child Abuse Claims
- Core Function Public Health Laboratory Testing
- Infectious, communicable, genetic, and chronic diseases
- Protective services for adults and children
- Safety services for victims of domestic violence
- Adult and Child Protective Services
- And much more

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Emergency Management:

This POP results in a positive impact. State, county, tribal and local governmental agencies will be positively impacted by this POP. The ability for DHS to meet its minimum obligations by developing, implementing and executing statewide mass care strategies will reduce disaster response times, increase protections and services to survivors of disasters and accelerate individual, community, and state economic recovery.

Business Continuity Management:

DHS|OHA business continuity management will also play a significant role in Oregon's overall continuity of government operations during regional and statewide disasters. DHS is responsible for statewide mass care strategies and Oregon Public Health is responsible for facilitating health and medical resources under Oregon's Emergency Operations Plan and State Recovery Plan. DHS and OHA are also required by statute to be an active member with the Oregon Emergency Response System which is activated for disasters and will be required to

serve on the Governor's Disaster Cabinet and Economic Recovery Council at the request of the Governor. Without effective business continuity plans DHS|OHA will be unable to fully meet these obligations.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

N/A

10. WHAT IS YOUR EQUITY ANALYSIS?

Emergency Management:

Individuals with access and functional needs are an underserved population in emergency management operations. External resources that aided DHS in protecting this population were voluntarily provided through the Oregon Office on Disability and Health through a CDC grant. The grant funding expired June 30, 2016 and left a significant gap in Oregon's capabilities to address these concerns.

In emergency management, people with access and functional needs includes individuals whose pre-disaster circumstances create barriers to obtaining or understanding information, or the ability to react as the general population in order to respond to public safety instructions, and access to services. Circumstances that may create barriers include, but are not limited to: age, physical, mental, emotional or cognitive status, cultural, ethnic, religion, language, citizenship or socio-economic status.

This POP would include development of statewide plans and implementation of those plans, provide assistance and outreach to local and county governments, and collaborate with other stakeholders and organizations in an effort to reduce the risk to Access and Functional Needs Communities.

Business Continuity Management:

In 2015 DHS reported to the Legislature that more than one million Oregonians rely on services provided by DHS. A large majority of those services are provided to at-risk children and adults, low-income families, people with access and functional needs, and people with disabilities.

This POP provides the necessary resources to develop programs, training, and implementation strategies to protect and serve the populations that rely on our critical services.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): January 1, 2018

End Date (if applicable): N/A

a. Will there be new responsibilities for Department of Human Services? Specify which Program Area(s) and describe their new responsibilities.

No. This POP is to meet existing DHS obligations.

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. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).

Minimal impact which can be worked into current Shared Services Human Resources operations.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

N/A.

- 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.**

Three permanent, full-time positions will be added.

- 18 months 2017-2019
- 24 months 2019-2021

Positions are as follows:

- +Three permanent Operations Policy Analyst 3

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

Beyond salary/Other Personnel Expense; initial start-up costs associated are service and supply related; cubicle configuration, computer/keyboard.

- f. What are the ongoing costs?**

On-going Service and Supply related charges associated with having a position filled. Cost allocation of rent/utilities, some office expenditures and limited travel periods

- g. What are the potential savings?**

N/A.

- h. Based on these answers, is there a fiscal impact?**

Yes.

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	451,431	0	451,431	3	2.25
Services & Supplies	53,115	30,233	10,268	93,616		
Special Payments	401,386	0	80,278	481,664		
Total	\$454,501	\$481,664	\$90,546	\$1,026,711	3	2.25

Department of Human Services - Fiscal Impact Summary by Program Area:

	DHS HR Shared	DHS SAEC	Total
General Fund	\$0	\$454,501	\$454,501
Other Fund	\$481,664	\$0	\$481,664
Federal Funds- Ltd	\$0	\$90,546	\$90,546
Total Funds	\$481,664	\$545,047	\$1,026,711
Positions	3	0	3
FTE	2.25	0.00	2.25

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 15-17 Cost Allocation model where we have applied the aggregate DHS/OHA fund splits of GF, OF and FF. Available revenue sources are based on grants which are entitlement grants that are matched and grants that are not federally capped and are available to program or office within DHS/OHA.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Shared Services Human Resources Center
Program Name: Background Check Unit
Policy Option Package Initiative: N/A
Policy Option Package Title: Background Check Unit Rap Back Staff
Policy Option Package Number: 121
Related Legislation: N/A

**Summary
Statement:**

Steadily increasing numbers of background checks per year and growing complexity of work combined with stagnant or decreased staffing for the Background Check Unit (BCU) over the last few biennia have resulted in mounting backlogs and processing timelines for background checks. The FBI Rap Back program is a fingerprint-based system providing instant responses to regulatory agencies about new criminal history for enrolled providers. The FBI Rap Back program is expected to lead to a long-term reduction in background check growth.

While implementing Rap Back requires an initial outlay in staffing and fingerprinting costs over the first two years, it offers numerous efficiencies that begin offsetting costs in the third year of implementation.

The result would be timely, quality background checks with ongoing reporting of new criminal history via Rap Back to vastly improve the health, safety and financial wellness of vulnerable Oregonians served by DHS and the Oregon Health Authority (OHA).

Rap Back will also create greater portability and accelerated hiring for Rap Back-enrolled subject individuals to assist regulated Oregon employers in meeting required staffing levels and providing quality service.

Lastly Rap Back will assist in reducing long-term background check growth with resulting savings in staffing, fingerprinting and related costs.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	\$7,122,062	\$8,462,818	\$1,424,160	\$17,009,040

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

The FBI Rap Back program is a fingerprint-based system providing instant responses to regulatory agencies about new criminal history for enrolled providers. The FBI Rap Back program is expected to lead to a long-term reduction in background check growth.

Working toward Rap Back is a requirement of the CMS National Background Check Grant (NBCG) approved by DHS executives and funded by the Oregon Legislature in 2013. The DHS NBCG project manager collaborated with legislators, the Department of Administrative Services (DAS), the Oregon State Police (OSP), and BCU to develop legislation allowing implementation of Rap Back in Oregon. The passage of HB2228 (2015) is the first step in instituting Rap Back. However the passage of the bill and its potential impact comes with some caveats:

- OSP does not expect to be able to implement Rap Back until the beginning of 2018 due to IT systems changes required to administrate Rap Back.
- The FBI recently completed its review of the 2015 legislation and found that the bill did not provide required language allowing the FBI to compare Rap Back enrolled fingerprints with those from

criminal and homeland security databases. The specific changes to that language needed are currently included in the 2017-19 Rap Back legislative concept being submitted by DHS.

- New legislation will be needed to add the required FBI language, allowing the FBI to retain fingerprints. That language was the most contested section in hearings on the bill during the 2015 Oregon State Legislative Session.
- The Oregon program as currently legislated would be voluntary.
- Rap Back only affects individuals that are fingerprinted.
- The FBI may require the program to apply only to specific employment and consequently not apply to portability tools such as the Long-Term Care Registry.

There are also new processes that must be implemented to support Rap Back enrollment for DHS purposes, especially regarding child protective service and adult protective service checks that must be maintained periodically.

Rap Back would also require BCU to perform annual validations with employers that providers continue to work, and report, to the FBI regarding validation outcomes. Consequently, while numbers of background checks will reduce considerably, complexity of work will reduce only marginally for a net reduction in BCU workload by 2020.

Upon implementation in 2017, it will take two years to enroll individuals into Rap Back. As of the 2019-21 biennium Oregon should begin to see the beneficial effects of Rap Back on raw background check numbers. Rap Back-related fees will continue to run more expensive than current projections for non-Rap Back fingerprint costs from 2017-21.

However more federal programs are requiring mandatory fingerprint-based checks, and most background check programs the Oregon legislature has implemented in recent sessions have also been fingerprint-based. In addition, over time there will be position-related savings due to Rap Back constraining growth of recertification-related background checks.

At its full implementation, 2021-onward, Rap Back is projected to reduce background check growth if all background checks are fingerprint-based. Rap Back will not permanently decrease anticipated growth due to state and federal changes, however it will considerably level the growth curve in background check-related workload and Supplies & Services costs. Please note that Rap Back's benefits would not be limited to DHS and OHA Background Check Unit, but would assist all Oregon agencies currently running regulatory background checks.

Therefore fully implementing Rap Back will save time and money in future biennia.

The following recommendation assumes that Rap Back is implemented and DHS/OHA chooses to enroll in Rap Back. Legislation from the 2017 session may further affect BCU workload, however, such effects will be handled through the bill analysis process where permitted.

The recommendation is predicated on two additional assumptions concerning Rap Back implementation:

- The current projected implementation date by OSP is January 2018, assuming all technology and statutory barriers have been overcome.
- DHS and OHA require fingerprinting for all background checks in order to utilize the Rap Back program.

With attention to the factors described above, BCU recommends the following increases to BCU staffing for the 2017-19 biennium:

- 4.0 FTE permanent Administrative Specialist 1 (Fitness Determiner) positions

These positions would handle additional workload from additional fingerprint checks, mandatory Rap Back validation checks, and other related work to administering Rap Back enrollment and ongoing requirements from the FBI.

Other Services & Supplies projected costs for the 2017-2019 biennium if Rap Back is implemented are anticipated to increase by the following:

- +\$4,174,258 for fingerprint processing fees from OSP and the FBI above the workload-related POP costs.
- +\$3,453,338 for FBI Rap Back enrollment fee costs.
- +\$178,950 for agency-paid fingerprint capture for DHS and OHA employees and volunteers, Criminal Justice Information Services (CJIS) clearance, and Child Welfare foster and adoptive parents above the workload-related POP costs.

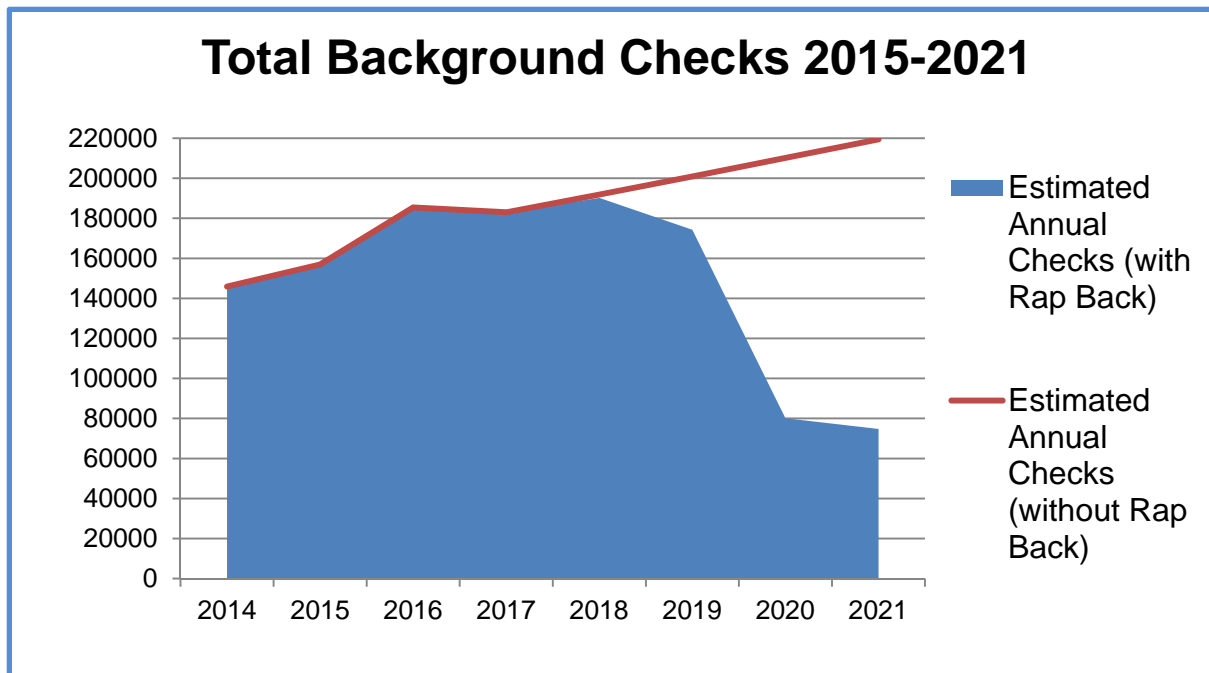
Implementation of Rap Back will also require an estimated \$200,000 in one-time IT upgrades and an additional \$60,000 for biennial maintenance costs for BCU's Criminal Records Information Management System (CRIMS) to allow BCU to offer subject individuals enrollment in Rap Back, annually validate employment of enrollees for the Oregon State Police and FBI, and receive and flag Rap Back updates on new criminal history for enrollees. However, these one-time costs will be handled by funds from the Centers for Medicare and Medicaid Services (CMS) National Background Check Grant (NBCG).

While the Background Check Unit does not currently charge fees for background checks completed for DHS and OHA-regulated programs, fee-for-service is an option as an alternative source of funding workload and Rap Back-related staffing, service and supply costs.

2. WHY DOES DHS PROPOSE THIS POP?

From 2012-2015, BCU has experienced a 41% increase in the total number of background checks. Workload complexity, as measured by the average time required to perform various tasks resulting in a fitness determination and annual background checks per year, has increased in the same period 54% due to new federal and state requirements. Numerous process improvements have been attempted without success in stemming growing backlog.

The following chart relates actual (2014 and 2015) and anticipated background check numbers through 2021 based on all growth factors combined with reductions. The red line shows estimated growth without Rap Back, and the blue depicts how Rap Back will affect total numbers of annual checks.

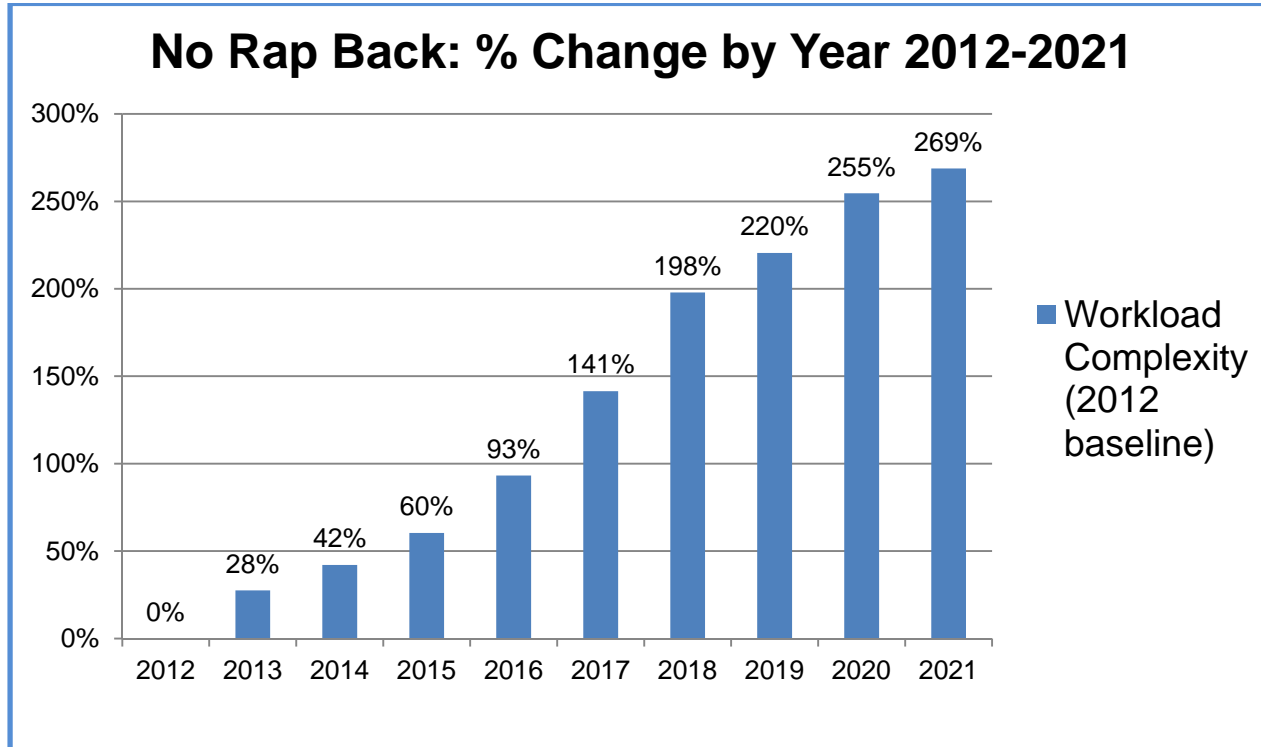


The following chart relates changes in total annual background checks and changes in overall complexity in hours of work per year as measured by:

- Average time required to perform various tasks resulting in a fitness determination; and

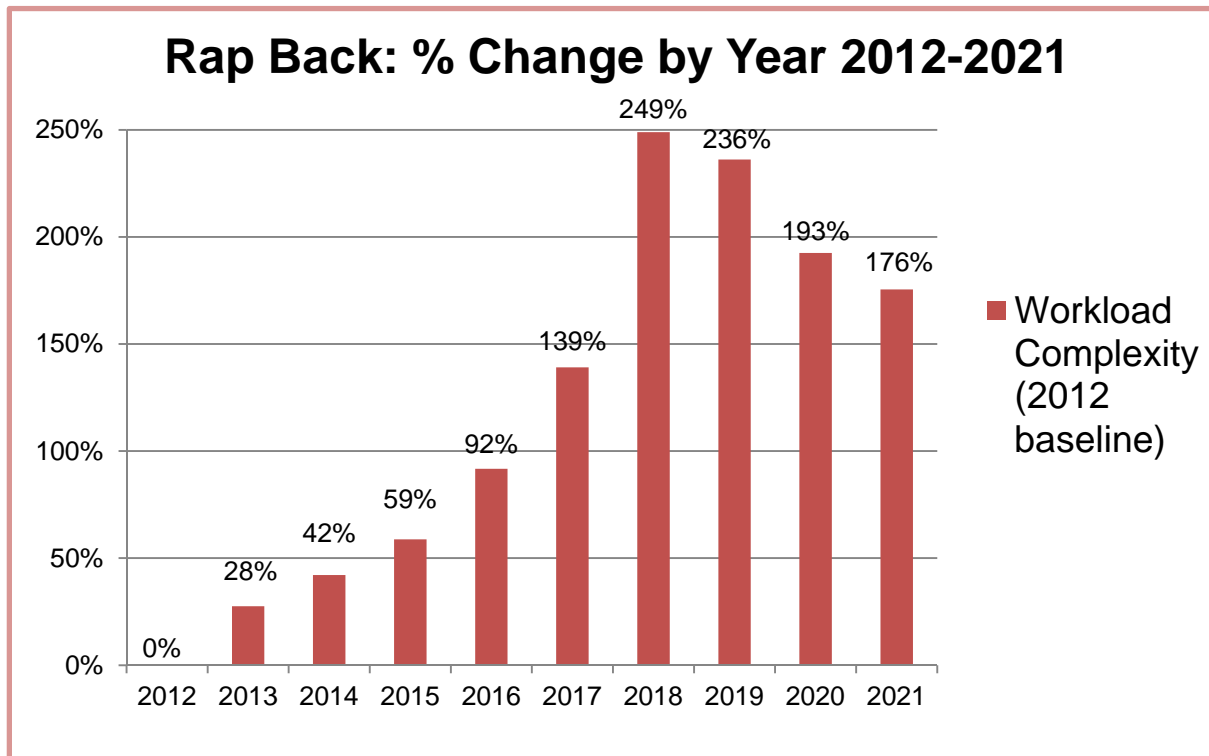
- Annual background checks per year.

2012 complexity is used as the baseline for comparison of complexity growth. The quantification of complexity takes into consideration forecasted increases in workload, effects of recent legislation, and efficiencies from RPIs and the Long-Term Care Registry (LTCR).



The next chart measures changes in complexity based on Rap Back being implemented effective January 2018. 2012 is once again used as the baseline for comparison.

Quantification of complexity considers forecasted increases in workload, effects of recent legislation, efficiencies from RPIs and the LTCR, and potential reductions due to Rap Back enrollment by subject individuals.



Future federal and state legislation may further affect BCU workload, however, the effects of additional requirements and populations needing background checks will be minimized considerably by Rap Back.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Comprehensive background checks promote the following:

- Safety and independence of those aging, disabled and intellectually/developmentally disabled Oregonians receiving services from DHS and OHA.
- Safety and wellness for children and youth served by DHS and OHA providers.
- Qualified staff and volunteers successfully passing background checks are able to support themselves and their families as providers through stable living wage employment.

Timely background checks due to matching workload versus staffing means that:

- Vulnerable Oregonians receiving care services from DHS and OHA acquire safe care and support more quickly, improving quality of life, especially for those Oregonians requiring emergent in-home services.
- Employers of facilities are able to maintain staffing levels and provide better care to vulnerable Oregonians receiving care and support in facilities.
- Employers in residential care, nursing, adult foster home, skilled nursing, and child care facilities and centers are able to attract and keep top recruits due to faster hiring processes. In addition, they are able to meet licensing requirements for staffing more easily.
- Oregonians who may be seeking employment, licensure or certification for their own or their family's independence and quality of life are able to acquire jobs faster.

Rap Back's immediate reporting of an enrolled subject individual's new criminal history from anywhere in the nation will considerably increase client health and safety.

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?

Quality Service Engagement – Increased speed of quality of background checks performed on providers in support of effective, safe employment, certification and licensing processes for vulnerable Oregonians and Oregon employers.

Safety – Re-abuse rates reduced through more timely identification of provider history.

People Living as Independently as Possible – Faster quality checks on in-home providers leading to safer care, more independence, and better support of Oregonians receiving in-home services.

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.

Yes.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

A variety of internal solutions to meet service delivery agreements have been attempted by BCU to match increases in raw numbers and workload complexity.

- Ongoing work with IT vendor Tailored Solutions and the OSP to achieve numerous process improvements via technology solutions. While useful in automating many time-consuming manual tasks it did not eliminate time spent on core fitness determination work.
- Day-long background check ‘events’ where all teams in the unit contribute to processing background checks. The effort assisted fitness determination work, but caused backlogs in Hearings, Compliance and Fingerprint Unit processes.
- Consistent monthly overtime work from October 2014 to March 2016. During that period BCU staff worked 1407.5 hours and processed 25,227 background checks.

To maximize the quantity processed, BCU staff working overtime focused on “cleans” - background checks that had no criminal or abuse history. Cleans are the quickest and easiest checks to complete. The effort was useful in eliminating cleans, but did not address the core fitness determination work of the majority of cases requiring careful research and evaluation of criminal and abuse history.

- Implemented the Long-Term Care Registry (LTCR) in January 2015.

To become active on the LTCR, a provider of long-term care must pass an LTCR-related background check. Active status avoids redundant background checks between employers as subject individuals change roles within or between LTCR-covered facilities throughout Oregon.

Since implementation, 73,961 providers of long-term care have achieved active status. As of April 2016, approximately 11,323 employers have been able to bypass redundant background checks.

In addition to savings of time for employers and clients in need of services, the LTCR has saved BCU approximately \$300,000 to date in labor and fingerprint processing costs for duplicative background checks.

The LTCR is expected to create a 17% reduction on long-term, care-related checks. However, per DAS population statistics, the long-term care population in Oregon will have exceeded 18% growth between 2014 and 2018, eliminating that gain.

Despite these efficiencies, background check numbers and complexity have continued to increase beyond what staffing and process improvements could complete, leading to growing backlogs.

The final alternative is to not expand background check staffing despite backlogs. This alternative has been rejected for the following reasons:

1. Potential health and safety factors from vulnerable Oregonians not receiving support from vetted, safe providers sooner;
2. Providers already on the job with new, unreported history not being caught earlier due to delayed recertification background checks;
3. Employers being unable to meet license-related staffing requirements established to maintain client safety and wellbeing.
4. Employers having staffing delays or losing quality candidates due to delays in background check processing.
5. Potentiality of increased tort claims due to compromised health and safety, and financial abuse.

Implementing Rap Back requires an initial outlay in staffing and fingerprinting costs over the first two years, however, it offers numerous efficiencies that offset costs over time:

- Reductions of redundant background checks for enrollees;
- Eliminates recertification background checks for enrollees;
- Contains steadily increasing background check numbers and costs;
- Improves safety and security to clients offered by continuously updated national reporting of criminal history.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Adverse effects of not funding this POP are as follows:

1. Without timely background checks, vulnerable Oregonians requiring emergent in-home care or facility-provided care may not have providers hired or facilities staffed sufficiently nor quickly for their health and safety needs.
2. Without timely review of background checks for currently working providers, providers with new, unreported history may not be removed from work for extended periods of time. Such an extension of review periods may lead to ongoing or repeated abuse and neglect of vulnerable clients, and causing harm or sometimes death.
3. Employers requiring certain staffing levels for licensing purposes may encounter licensing problems which affect the health, safety and wellness of the vulnerable clients they serve, and the financial security of the employees and their families who depend on the viability of the facility or center being licensed.
4. Employers serving DHS and OHA clients may lose highly competitive candidates to other facilities or centers that are not regulated by the Background Check Unit (i.e., facilities not serving Medicare and Medicaid-dependent clients) due to delays in background check processing.
5. Potentially escalating tort claims due to compromised health and safety, and financial abuse.
6. Steadily increasing background check volumes necessitating steady increases in staffing to maintain timely background checks.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

All state agencies, tribal governments and local governments currently doing background checks will have similar considerations to those of DHS and OHA.

Specific long-term benefits will be provided to agencies completing fingerprint-based checks as Rap Back necessitates fingerprinting for enrolment.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

SEIU

Oregon Health Care Association

Oregon State Police

Department of Administrative Services

10. WHAT IS YOUR EQUITY ANALYSIS?

Timely background checks provide greater equity of:

1. Care and service to vulnerable Oregonians;
2. Hiring for Oregon employers;
3. Employment, licensure or certification for Oregonians employed or seeking employment in BCU-regulated programs.

Enrolment in Rap Back will provide subject individuals with a single enrolment, thereby saving them money by eliminating ongoing processing and fingerprinting fees for criminal history checks related to recertification. Over time this will assist especially low-income providers.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): January 1, 2018

End Date (if applicable): Permanent

- a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.**

- Background Check Unit
- Emergency Medical Services and Trauma Systems (EMSTS)

EMSTS would have similar considerations in proportion as the Background Check Unit for enrolment in Rap Back, costs, and future savings.

- 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.**

Background Check Unit will receive the majority of impacts:

- Work stations will be required for new staff.
- Training will be required for new staff.

BCU will need additional funding for increases in fingerprinting and Rap Back enrollment costs unless fee-for-service is implemented together with Rap Back.

Additional positions for BCU and EMSTS (if needed) will increase impact for Records, FMLA/OFLA, Human Resource Analyst and Payroll units.

There will also be workload for Facilities and the Office of Information Services.

- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

No changes to client caseloads or direct client services.

However, DHS, OHA, Area Agencies on Aging, DD Brokerages, and other direct service staff assisting clients to find qualified, safe providers or assisting providers with enrollment processes will be beneficially affected by faster turnaround on background checks. Enrollment processes dependent on background checks will be completed more quickly leading to faster connections of clients with needed service providers.

- 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.**

The staff required for permanent positions (24 months per biennium) are +4.0 FTE permanent Administrative Specialist 1 (Fitness Determiner) positions.

Additional positions for Background Check Unit will increase impact for Records, FMLA/OFLA, Human Resource Analyst and Payroll units. There will also be workload for Facilities and the Office of Information Services.

- e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**

Training would be required for all new staff, and veteran staff regarding Rap Back enrollment and validations.

Implementation of Rap Back will also require an estimated \$200,000 in one-time IT upgrades to BCU's Criminal Records Information Management System to allow BCU to offer subject individuals enrollment in Rap Back, annually validate employment of enrollees for the OSP and FBI, and receive

and flag Rap Back updates on new criminal history for enrollees. However these one-time costs will be handled by funds from the Centers for Medicare and Medicaid Services (CMS) National Background Check Grant (NBCG).

f. What are the ongoing costs?

Services & Supplies projected costs for the 2017-19 biennium if Rap Back is implemented are anticipated to increase by the following:

- +\$4,174,258 for fingerprint processing fees from OSP and the FBI above the workload-related POP costs.
- +\$3,453,338 for FBI Rap Back enrollment fee costs.
- +\$178,950 for agency-paid fingerprint capture for DHS and OHA employees and volunteers, Criminal Justice Information Services (CJIS) clearance, and Child Welfare foster and adoptive parents above the workload-related POP costs.
- +\$60,000 for annual maintenance increases due to upgrades in the Criminal Records Information Management System (CRIMS) from implementing Rap Back.

g. What are the potential savings?

Potential savings from timely, quality background checks are based on reductions in risks to health and safety for vulnerable Oregonians served by DHS and OHA. There are savings for clients who receive more timely care, thereby preventing additional medical or support costs that might be incurred. By increasing health, safety and wellness, money will also be saved through prevention of investigations, hearings, and potential tort claims.

Employers will receive savings due to more timely hiring processes, less qualified staff lost due to waits on background checks, and potential fines or other licensing problems for not retaining statutorily-mandated staffing levels.

Approved individuals seeking work will be employed more quickly, which may preclude those who are currently unemployed from continuing to receive unemployment benefits or other State-provided support services.

Savings for Rap Back will come from two sources:

1. More federal programs are requiring mandatory fingerprint-based checks, and most background check programs the Oregon legislature has implemented in recent sessions have also been fingerprint-based. After the first two years of Rap Back implementation there will be position-related savings due to Rap Back constraining growth of recertification-related background checks.
2. Currently discovery of new criminal history for subject individuals depends on self-reporting, reporting from employers, community reporting, or catching the new history at recertification. Rap Back will offer continual monitoring and reporting on new history, increasing further the safety, security, and service benefits of background check processes.

h. Based on these answers, is there a fiscal impact?

Yes.

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	355,964	0	355,964	4	3.00
Services & Supplies	69,714	8,106,854	13,690	8,190,258		
Special Payments	7,052,348	0	1,410,470	8,462,818		
				\$17,009,04		
Total	\$7,122,062	\$8,462,818	\$1,424,160	0	4	3.00

DHS - Fiscal Impact Summary by Program Area:

	DHS Shared Services	DHS SAEC	Total
General Fund	\$0	\$7,122,062	\$7,122,062
Other Fund	\$8,462,818	\$0	\$8,462,818
Federal Funds- Ltd	\$0	\$1,424,160	\$1,424,160
			\$17,009,04
Total Funds	\$8,462,818	\$8,546,222	0
Positions	4	0	4
FTE	3.00	0.00	3.00

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 2015-17 Cost Allocation Model where we have applied the aggregate DHS/OHA fund splits of General Fund, Other Fund and federal fund. Available revenue sources are based on grants which are entitlement grants that are matched, and grants that are not federally capped and are available to programs or offices within DHS/OHA.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Statewide Assessments and Enterprise-wide Costs
Program Name: Facilities
Policy Option Package Initiative: N/A
Policy Option Package Title: DHS Facility Needs for Moves and Improvements
Policy Option Package Number: 122
Related Legislation: N/A

**Summary
Statement:**

The Office of Facilities Management in working with the DHS Facilities Advisory Board has identified facilities-related projects for the 2017-19 biennium, above and beyond the Current Service Level that would be necessary for the safety and well-being of clients and staff.

The requested Policy Option Package (POP) would allow for the following:

- The critical expansion of physical space for the Vocational Rehabilitation (VR) office in Grants Pass to address current and future Workforce Opportunity and Innovations Act (WIOA)-based operational and staffing needs. It would also provide funding for consolidation of various office spaces throughout Oregon that would provide one-stop client services in appropriate spaces for clients.
- Labor associated with landlord- and DAS-driven carpet replacement schedules in the Human Services Building (HSB) and field offices.

- Consolidation of the Adult and People with Disabilities (APD) locations to ease overcrowding and have one central location for all services in order to serve clients better.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option</u> <u>Package Pricing:</u>	\$7,525,386	\$0	\$1,505,077	\$9,030,463

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

Office of Facilities Management - DHS Major Projects Summary			
2017-2019 Biennium			
Priority	Project	Budget Request	Closing Buildings
1	Remodel/Possible Building Expansion (one time only)	\$400,000	N/A
2	Gold Beach-Brookings (Child Welfare (CW), Self-Sufficiency Programs (SSP), VR, APD)	\$1,555,329	94145 W 5th Pl, Gold Beach 97980 Shopping Center, Brookings 586 5th St, Brookings
3	Carpet Replacement - Field Offices	\$749,857	N/A
4	Washington County (APD)	\$1,693,148	11515 SW Durham Rd, Tigard 4805 SW Griffith, Beaverton
5	Gresham Multi-Service (CW, SSP)	\$3,854,789	355 NW Division, Gresham adding 9,210 sq. ft. from Kelly, Gresham
6	HSB (furniture lift)	\$200,000	N/A

7	3406 Cherry Ave - Breakroom Expansion (Office of Payment Accuracy and Recover (OPAR), Office of Licensing and Regulatory Oversight (OLRO))	\$150,000	N/A
8	Grants Pass - VR 725 NE 75t St (remodel)	\$150,000	N/A
9	Bend VR Expansion	\$277,340	N/A
	Total	\$9,030,463	

- Provide facility space for combined DHS programs, Self Sufficiency (SS), Child Welfare (CW), and Vocational Rehabilitation (VR), Aging and People with Disabilities (APD) and also some community partners.
- Consolidate the APD’s Beaverton and Tigard office into one central location in Beaverton and expand the Beaverton office.
- Provide funding for room expansion that is currently inadequate for the amount of staff assigned.
- The request for Grants Pass would allow for critical expansion of physical space for the VR office currently in operation. The implementation of the acquisition and remodel of the space would be conducted concurrent with day to day operations.
- Provide funding for the labor associated with carpet replacement in the Human Services building (HSB) as well as field offices all over the State. The Legislature authorized the Department of Administrative Services (DAS) to re-carpet HSB, however, DHS will need to pay for the furniture to be lifted in order to replace the carpet. The field office carpet replacements are driven by the properties’ landlords, who are required to re-carpet their leased space and property periodically to maintain a hazard free condition. It is the responsibility of the tenants (field offices, DHS Facilities) to provide the labor to lift & move furniture to accommodate the re-carpeting.

2. WHY DOES DHS PROPOSE THIS POP?

- CW staffing was dramatically reduced during the recent economic recession due to budget constraints. The Oregon Legislature has been restoring CW staffing as revenues permit. The CW caseload had not

dropped as it has in other areas and DHS is requesting that CW staffing be increased from 80% to 90% of earned staffing for the 2017-19 biennium.

- The current facilities are no longer adequate to house the number of staff working in the field areas. Parking spaces for some offices is not big enough to accommodate staff and clients.
- Consolidate CW and SS into the same facility in certain districts. Programs are currently in two different facilities causing hardship on clients needing to access multiple programs.
- Carpeting in the Human Services Building has not been changed since the building was first opened. Field offices are required by the landlord to replace the carpet in their property to continue to maintain a hazard-free condition and for the health and safety of the both the employees and clients.
- The Grants Pass VR office currently has four offices and one break/conference room. With the recent hiring of a 4th counselor for the office, all four offices will be in use daily with no extra room to accommodate any other staff. This has led to critical shortages of space for the Branch Manager, visiting Business Expert or contractors conducting testing/assessments with our clients. In addition, one staff member is a state trainer for the Contemplating Change Program. He is also responsible for maintaining materials/supplies for Contemplating Change and Motivational Interviewing for the entire State agency. All of these together make for an existing office that is not conducive to conducting routine business in a professional manner.
- The current facilities in Brookings and Gold Beach are no longer adequate to house the number of DHS staff working in these areas. Programs are currently in two different facilities approximately twenty five miles apart causing hardship on clients needing to access multiple programs. Child Welfare, Vocational Rehabilitation and Self Sufficiency are located in Gold Beach, APD has a presence in both Brookings and Gold Beach

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

- Ease of access for clients to access multiple programs and ensure a more holistic approach to achieving the agency’s mission and goals.

- Space expansion is critical for the effective continuation of VR services for the Josephine Co/Grants Pass area.
- APD's vision: Oregon's older adult people with physical disabilities and their families have easy access to services, supports early interventions that help maintain independence, promote well-being, honor choice, respect cultural preferences and uphold dignity. This is met by having a facility that meets the space needs of the worker to deliver these services.

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?

Indirectly – the incoming WIOA has predicated the need for expanded space to address services within the VR responsibility of WIOA.

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.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

- Remodeling current facilities = Not enough building space to fit current staff.
- Staying in the current facility that is becoming more and more inadequate as time goes by.
- Keep existing carpet, which could be in violation of leasing agreements in the field office and could put DAS in jeopardy of non-compliance for use of funding from the Legislature.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

- Staff are currently working in crowded conditions.
- Clients would continue to need to access specific services from building to building with very limited public transportation.

- Clients will continue to be required to travel long distances without adequate public transportation.
- The critical lack of space has led to a “hot racking” approach where individual counselors are needing to balance their physical space with outside entities (VR business expert, Branch Manager, VR contracted personnel). It is assumed that this will be exacerbated as WIOA has identified new client needs that will have to be addressed, increasing the need for conference/group meeting room space, etc. Storage of vital documents has also compounded the problem.
- Continuing with the existing carpeting can become potential health hazard and safety to both employees and clients.
- There is no additional room for growth in the current APD’s Tigard office. The current location gets frequent complaints about people getting lost when trying to find it. The layout of the office creates a safety issue for the front desk staff. The front desk is totally disconnected from the rest of the building, so when angry/escalated clients are in the lobby, there is no way for the manager or any other employees to hear what’s happening. An interview room was converted to a lactation room and the conference room can no longer accommodate everyone.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

None.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None

10. WHAT IS YOUR EQUITY ANALYSIS?

There are no identified inequities with this request

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 1, 2017

End Date (if applicable): June 30, 2019

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

No.

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?

No.

d. Will it take new staff or will existing positions be modified?

N/A.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

N/A.

f. What are the ongoing costs?

N/A.

g. What are the potential savings?

N/A.

h. Based on these answers, is there a fiscal impact?

Yes.

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>
Services & Supplies	7,525,386	0	1,505,077	9,030,463		
Total	\$7,525,386	\$0	\$1,505,077	\$9,030,463	0	0.00

DHS - Fiscal Impact Summary by Program Area:

	DHS SAEC	Total
General Fund	\$7,525,386	\$7,525,386
Other Fund	\$0	\$0
Federal Funds- Ltd	\$1,505,077	\$1,505,077
Total Funds	\$9,030,463	\$9,030,463
Positions	0	0
FTE	0.00	0.00

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 15-17 Cost Allocation model where we have applied the aggregate DHS/OHA fund splits of GF, OF and FF. Available revenue sources are based on Grants which are entitlement grants that are matched and grants that are not federally capped and are available to program or office within DHS/OHA.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Program Design Services
Program Name: Information Technology Business Supports
Policy Option Package Initiative: DHS Integrated Eligibility Project
Policy Option Package Title: Integrated Eligibility
Policy Option Package Number: 201
Related Legislation: N/A

Summary

Statement:

This POP will provide resources to support the continuation of the Department's Integrated Eligibility Project during FY17-19 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).

This POP would further the design, development, and implementation period for the Integrated ONE System – jointly shared by DHS and OHA for the purposes of Eligibility Determination work. DHS plans to put the system into pilot in the summer of 2018, followed by a four month implementation roll-out. 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 for work after the A87 Cost Allocation exception process expires.

This POP also has a corresponding POP at DAS Enterprise Technology Services for support of DHS' business needs, and is related to the Legacy System Project that DHS is undertaking to

ensure that functionality not assumed into the IE system from legacy systems will still be available for DHS business usage.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	\$11,959,788	\$29,037,599	\$101,794,707	\$142,792,094
DHS – PDS (ITBS)	\$7,609,969	\$18,275,000	\$101,794,707	\$127,679,676
DHS – DEBT SERVICE	\$4,349,819	\$0	\$0	\$4,349,819
OHA (DHS Sister POP)	\$0	\$10,762,599	\$0	\$10,762,599

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP will 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 Integrated Eligibility Project and its transition into maintenance and operations.

DHS has engaged with 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 that Oregonians can apply for and receive benefits from OHA or DHS in Medicaid, SNAP, TANF, or ERDC program areas. By the conclusion of the 15-17 biennium, the Department will have completed the Fit/Gap phase of the project, and begun the design, development, and implementation phase. Using iterative development, DHS will have completed all of the

design, and development activities should be underway. The first DHS testing activities are scheduled to occur in May 2017.

This POP continues those efforts, and sees the project through complete implementation and transition to maintenance & operations of the system. Implementation activities should be completed by December of 2018, followed by a warranty period and the beginning of maintenance and operation by June 30, 2019, resulting in the roll-out of the Integrated ONE system which will be used by both OHA and DHS.

2. WHY DOES DHS PROPOSE THIS POP?

DHS wishes to maximize the increased federal funding associated with this system project, by utilizing the A87 Cost Allocation Exception process, which allows for CMS 90/10 funding to be used for any system functionality that benefits Medicaid recipients. This increased federal funding greatly exceeds the amount of federal funds available from either USDA Food & Nutrition Services in support of SNAP system enhancements or Administration on Children & Families in support of TANF or ERDC system enhancements. This reduces the amount of state general fund necessary to support the technology upgrade off of legacy, mainframe based eligibility determination systems.

It will also enhance the potential for better care coordination for Oregonians by having all financial eligibility information in a singular system of record. It sets a common platform for both OHA and DHS eligibility, allowing for a systematic approach to further work to bring in additional programs and fully transition to a single eligibility system over the coming years.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS?

The project will assist Oregonians to achieve wellbeing and independence by providing timely and efficient eligibility determinations for the Department's programs. It will allow Oregonians to self-serve by applying through the applicant portal at times that are convenient for them, minimizing time needed in DHS field offices to complete the process. The system will also generate notices in seven languages and in five alternate formats, helping to reduce barriers for traditionally underserved populations. It will also gather and store applicants preferred race and ethnicity values allowing for culturally competent care.

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. 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

6. 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.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Failure to fund this POP would result in the IE project coming to a halt; and increased general fund cost to bring it to its eventual completion.

(a) What services and programs would be affected?

APD Non-MAGI Medicaid eligibility determination, SSP eligibility determination for SNAP, TANF, ERDC.

(b) What client or population groups would be affected?

All department clients of programs in (a) above, including aged and disabled adults, people living nearest to poverty line.

(c) What providers would be affected?

Medicaid providers, CDDPs/Brokerages (for financial eligibility only) and child care providers potentially

(d) Would federal or other funding be reduced?

Enhanced federal funding for the project runs out on December 31, 2018.

(e) Would the agency be out of compliance with federal requirements?

N/A

(f) What are the expected results?

Timely and correct eligibility determinations and redeterminations for Non-MAGI Medicaid, SNAP, TANF, ERDC

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

OHA is impacted because POP enhances their current system.

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.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None

10. 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. This will bring us into compliance with REAL+D work, and allow another way for communities and individuals in Oregon to interact with DHS.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 1, 2017 (ongoing-continuing 15-17 Investment)

End Date (if applicable): June 30, 2019

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

Aging & People with Disabilities

IT Business Supports

Intellectual/Developmental Disabilities

OIS

Self-Sufficiency Program

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. See Addendum A – Shared, OIS and Central Offices Services LC/POP Impact Questionnaire.

Yes – OIS and ITBS.

There will be additional costs associated with facilities for staffing.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

No, however, through the process of updating the system Oregon may find some of our eligibility criteria or work around determining benefits may not have been accurate and have subsequent changes to eligibility. We don't expect any substantial changes from this at this time and cannot model or predict beyond anecdotal assumptions.

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.

1.5 FTE of PEM G for 24 months (LD) (DHS)
1 Pub Affairs Specialist 3 for 24 months (LD) (DHS)
16 OPA3 for 18 months (LD) (DHS)
1 Office Mgr 2 for 18 months (LD) (DHS)
2 TDS 2 for 18 months (LD) (DHS)
1 ISS4 for 18 months (LD) (OHA)
3 ISS6 for 18 months (LD) (OHA)
10 ISS8 for 18 months (LD) (OHA)
3 PM2 for 18 months (LD) (OHA)
3 PM3 for 18 months (LD) (OHA)

These limited duration positions are being requested to allow program to backfill individuals that come onto the project. As part of our solutions for success, this project is bringing key subject matter experts from our field structure and from policy and business support to participate throughout the process. We want these individuals to come with their knowledge, so we will utilize the limited duration authority to allow program to fill behind key individuals while they are on the project.

1 PEME for 24 months (Perm) (DHS)
1 PEME for 24 months (Perm) (OHA)
6 OPA3 for 9 months (Perm) (DHS)
1 OPA4 for 24 months (Perm) (DHS)
1 OPA 4 for 24 months (Perm) (OHA)
2 TDS2 for 9 months (Perm) (DHS)
4 HSS4 for 24 months (Perm) (DHS)
2 PA1 for 24 months (Perm) (DHS)

There are also a PEM H and ESS2 who are work charging towards the IE project from DHS.

9 ISS8, an ISS7, FA3, PM1, PM3, PEM F, and PEM E dedicating time to this project from OIS.

There are 4 positions (2 OPA3 and 2 OPA4) from ITBSU who are on Modernization positions and working on this project. They will NOT be charging to IE, their time will be charged to ITBSU where the budget sits for their positions.

There are 9 positions from OIS who are on Modernization positions and working on this project. They will NOT be charging to IE, their time will be charged to the Shared Services Budget where their budget sits for those positions.

Additional modernization positions continue to support the original infrastructure that exists even with the implementation of Integrated ONE. OHA and DHS will continue to evaluate these positions and in subsequent releases and updates to the system, as legacy systems are sunset, these positions may be reallocated to Integrated ONE support. These positions continue to support the totality of the Modernization goal, in which Integrated ONE is the first step in setting the platform realization of that goal.

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**
There may be additional infrastructure costs, such as servers or costs to ETS, but these are being developed and projected into this POP.
- f. What are the ongoing costs?**
There are ongoing costs associated with maintenance and operations of the system, and is included in the cost projections.
- g. What are the potential savings?**
None.

h. Based on these answers, is there a fiscal impact?

Yes.

TOTAL FOR THIS PACKAGE
(DHS+OHA)

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	976,299	9,893,732	4,661,661	15,531,692	60	48.04
Services & Supplies	6,489,137	18,626,010	96,473,691	121,588,838		
Special Payments	144,533	517,857	659,355	1,321,745		
Debt Service	4,349,819	0	0	4,349,819		
Total	\$11,959,788	\$29,037,599	\$101,794,707	\$142,792,094	60	48.04

DHS - Fiscal Impact Summary by Program Area:

	DHS PDS (ITBS)	DHS Debt Svc	OHA/OIS	Total
General Fund	\$7,609,969	\$4,349,819	\$0	\$11,959,788
Other Fund	\$18,275,000	\$0	\$10,762,599	\$29,037,599
Federal Funds- Ltd	\$101,794,676	\$0	\$0	\$101,794,676
Total Funds	\$127,679,676	\$4,349,819	\$10,762,599	\$142,792,094
Positions	38	0	22	60
FTE	28.29	0.00	19.75	48.04

What are the sources of funding and the funding split for each one?

(DHS – PDS-ITBS) Revenue

Impact:

<u>Description of Revenue</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>
Medicaid (Comp Srce 0995)	0	102,867,645	102,867,645
GF Q-Bonds(Comp Srce 0555)	18,000,000	0	18,000,000
Other (Comp Srce 0975)	626,010	0	626,010
Total	\$18,626,010	\$102,867,645	\$121,493,655

(OHA -OIS) Revenue Impact:

<u>Description of Revenue</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>
NON-Add OF Limitation (0975)	\$10,762,599	0	\$10,762,599

Department of Human Services / Oregon Health Authority

2017-19 Policy Option Package

<u>Agency Name:</u>	Department of Human Services / Oregon Health Authority
<u>Program Area Name:</u>	Shared Services
<u>Program Name:</u>	Information Security and Privacy Office (ISPO)
<u>Policy Option Package Initiative:</u>	N/A
<u>Policy Option Package Title:</u>	ISPO Investments
<u>Policy Option Package Number:</u>	202
<u>Related Legislation:</u>	N/A

Summary Statement:

DHS and OHA store, process, transmit and share protected federally regulated information (e.g. Personally Identifiable Information (PII), Protected Health Information (PHI), Federal Tax Information (FTI), Payment Card Information (PCI), Social Security Number (SSN), Criminal Justice Information (CJI), etc.) in the business of serving Oregonians. Challenges protecting this information increase monthly with a growing volume and sophistication of malicious cyber targeting and attacks. This leads to an increased need for information security awareness and education initiatives for staff and partners.

The Information Security and Privacy Office (ISPO) is a DHS/OHA shared service program responsible for the physical, personnel and technical aspects of DHS/OHA information privacy and security protection. Increased funding supports:

- Proactive awareness and education program – DHS people, while our greatest asset, are our greatest privacy and security threat/vulnerability. Increased training is a critical element to managing this risk.
- Security incident management and threat detection – Improving environment security and reducing repeat incidents through more timely investigation, root-cause analysis, and mitigation of vulnerabilities.

- Integrate ISPO early in projects and contracts – Reducing risk, increasing compliance, and ensuring vendor accountability via early integration of consistent and relevant information security and privacy standards to contracts and projects.

Not funding this request significantly increases compliance, legal, financial and reputational risks for the DHS/OHA organizations and information.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	\$731,379	\$1,028,746	\$208,033	\$1,968,158
DHS	\$519,925	\$2,512	\$106,491	\$628,928
OHA	\$211,454	\$1,026,234	\$101,542	\$1,339,230

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP invests in DHS/OHA by ensuring ISPO staff levels are sufficient in key programs and permitting critical programs to operate that have not been in place in the past. This aligns to ISPO’s mission to provide comprehensive and proactive information security services.

Specifically, this POP investment provides ISPO staff for:

- Awareness & Education (A&E) – A&E helps prevent threats to DHS/OHA such as those from well-intentioned staff who cause data breaches, staff response to email phishing and ransom ware attacks targeting both DHS/OHA and individuals. This POP enables ISPO to provide periodic refresher training and other awareness and education in addition to annual compliance training. This POP allows ISPO to foster a culture of risk and security awareness throughout DHS/OHA via a formal, measurable A&E program provided online and onsite at DHS and OHA locations around the state.

- Information Security Incident Management – An information security incident management program is not only an industry best practice but also a federal compliance requirement for the many regulated data types DHS/OHA use. ISPO receives numerous incident notifications daily that staff are often unable to investigate. This presents a risk to DHS/OHA as no incident response, analysis, damage assessment, or root cause analysis occurs for them. Additional staff will allow this program to support the OIS Network Operations Center and provide liaison support to the State Enterprise Security Office Security Operations Center.
- Security Support to Programs – DHS/OHA have numerous high-profile systems supporting its programs (e.g. ONE, MMIS, AVATAR, OR-Kids, eXPRS, Public Health Lab, FSMIS, and others). These systems have complex information security compliance requirements that require proactive and subject matter expert (SME) support. Adding security support through an ISPO SME will ensure current and future compliance requirements are identified and mitigated pragmatically and will support and coordinate specific program-area A&E, vulnerability assessments, risk assessments, InfoEx and information security incident response.
- Security Support to Contracts and Projects – Currently, DHS/OHA contracts and projects are developed without dedicated or consistent information security advisory support. This places an unrealistic expectation on contracting staff and project managers to know if security language is sufficient or when language isn't included that should be. This lack of proactive information security advisory support increases organizational risk as inconsistent standards are applied to contracting and project specifications and DHS/OHA are unable to hold contractors accountable for these risks. Being proactive increases efficiency and reduces risk.

2. **WHY DOES DHS PROPOSE THIS POP?**

DHS/OHA is entrusted with personally identifiable information (PII) of Oregon's most vulnerable citizens along with numerous varieties of federally regulated information (e.g. PHI, FTI, SSN, CJI, PCI, etc.). Losing

access to any of these types of information will have a significant negative impact on DHS/OHA's ability to serve Oregonians and may result in legal, civil, financial, and/or reputational harm. ISPO's role is to safeguard this protected information and, as a shared service, must have the resources to accomplish that mission on behalf DHS and OHA.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Information is the core of DHS/OHA's ability to further their mission and goals. Without access to information shared with DHS/OHA by federal partners and entrusted to DHS/OHA by Oregon's citizens, the organization will be unable to meet its mission and goals. ISPO ensures DHS/OHA understands the compliance requirements for federally and state regulated information and advises on risk-based protection of this information while providing subject matter expert advisory services to ensure DHS/OHA is compliant.

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?

DHS/OHA will measure the success of this POP via ISPO key performance measures aligned with agency performance measures.

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.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Do nothing – continue with current staffing levels:

- This is a continued high risk for DHS/OHA. ISPO is “one deep” in several key programs. ISPO was originally created using extensive limited duration and double-fills. While some of these have been resolved over time, recent agency direction to eliminate double fills and limited duration positions has resulted in a reduction in two positions in ISPO and a third is at risk of being eliminated.

Contract for information security support:

- This will incur a substantial cost for DHS/OHA to contract and maintain information security support of the caliber and quantity needed. Contracted resources often do not reside locally, resulting in a four-day work week. This does not support the model of continuous monitoring, response and support, required by an organization as large and diverse as DHS/OHA.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Examples of adverse effects of not funding this POP are:

- Non-compliance with federal information security standards due to an ineffective information security program. This is exemplified by the lack of an incident management program, Awareness & Education staffed one-deep, and InfoEx unable to keep pace with the growing demand.
- Non-compliance through a lack of proactivity. Not having information security integrated early in projects, contracts and providing SME support to DHS/OHA programs has resulted in security taking a back seat, thus resulting in our current risks.
- Reactive, compliance-based information security Awareness & Education program. Doing the minimum required each year for compliance misses the point of an A&E program. DHS/OHA staff will continue to make “innocent” repeated mistakes leading to data breaches that cost DHS/OHA time to investigate and resolve and could lead to civil, financial, and reputational damages; not to mention the potential loss of use of the data.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The State Chief Information Security Officer, Enterprise Security Office (ESO), and other state agencies will be positively impacted by this POP. As a shared service for Oregon’s largest agency (DHS/OHA), ISPO collaborates with ESO daily and we leverage each other’s resources. Additionally, ESO will benefit from a reduction in DHS/OHA incidents allowing staff to address other issues. Finally, ISPO has collaborated with other agencies to support rotations of personnel to share best practices and offer new opportunities for professional growth.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

This POP is championed by OIS/ISPO on behalf of DHS/OHA. These agencies, representing collectively the largest volume of systems and data in the Oregon state system, are the core stakeholders and protectors of highly private data on behalf of the Oregonians they serve.

10. WHAT IS YOUR EQUITY ANALYSIS?

This POP requests to increase the number of ISPO positions by four. These positions will be filled in a manner that conforms to direction from the OHA Office of Equity and Inclusion and the DHS Office of Equity and Multicultural Services.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

- a. **Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.**

Additional responsibilities not identified at this time.

- 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.**

There will be addition funding requested for shared services:

- Facilities
- Lifecycle replacement
- HR support
- Telecommunications
- Mass Transit

- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

No changes anticipated due to this.

- 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. This POP's purpose is to request new permanent positions for staff to adequately support DHS and OHA. Permanent positions are essential due to the amount of time it takes to train ISPO staff to understand organizations as large and complex as DHS/OHA. Information security staff are in high-demand making it very difficult to hire quality limited duration or temporary candidates. The table below reflects the resources requested under this POP:

Personal Services	Position Type	Classification	Duration
Awareness & Education Analyst	PA3	29	P
Sr Information Security Incident Analyst	ISS8	33	P
Sr Information Security Advisor	ISS8	33	P
Sr Project & Contracts Security Analyst	ISS8	33	P
TOTAL			4

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

There will be initial information security training and certification costs for new hires.

f. What are the ongoing costs?

Information security and certification costs will recur annually.

g. What are the potential savings?

- Reduced risk of legal, civil, financial and/or reputational harm due to enhanced information security and privacy compliance standards for contracts, projects, and programs. .
- Reduced risk to DHS/OHA of the loss of use of required federal partner information due to non-compliance.
- Increased ability to hold vendors accountable to security and privacy standards through early integration of ISPO in the contracting and project life-cycle.
- Reduced cost associated with fixing compliance issues late in a project’s lifecycle by addressing security and privacy requirements earlier via proactive collaboration.
- Reduced risk of intentional or unintentional data breaches, phishing or ransom ware attacks through increased staff awareness regarding security and privacy. This will result in Office of Information Services staff spending less time responding to, and fixing, these issues.

h. Based on these answers, is there a fiscal impact?

Yes.

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	874,971	0	874,971	4	4.00
Services & Supplies	53,615	82,494	24,475	160,584		
Special Payments	677,764	71,281	183,558	932,603		
Total	\$731,379	\$1,028,746	\$208,033	\$1,968,158	4	4.00

DHS/OHA - Fiscal Impact Summary by Program Area:

	OHA Shared Services	OHA SAEC	DHS SAEC + Shared	Total
General Fund	\$0	\$211,454	\$519,925	\$731,379
Other Fund	\$932,316	\$93,918	\$2,512	\$1,028,746
Federal Funds- Ltd	\$0	\$101,542	\$106,491	\$208,033
Total Funds	\$932,316	\$406,914	\$628,928	\$1,968,158
Positions	4	0	0	4
FTE	4.00	0.00	0.00	4.00

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 15-17 Cost Allocation model where we have applied the aggregate DHS/OHA fund splits of GF, OF and FF. Available revenue sources are based on Grants which are entitlement grants that are matched and grants that are not federally capped and are available to program or office within DHS/OHA.

Department of Human Services 2017-19 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Statewide Assessments and Enterprise-wide Costs
Program Name: State Government Service Charges
Policy Option Package Initiative: N/A
Policy Option Package Title: SOS Performance Audits (No Fed Funds)
Policy Option Package Number: 203
Related Legislation: N/A

**Summary
Statement:**

The Secretary of State does a mix of performance and compliance audits. According to the Federal Uniform Guidance, 2 CFR Part 200.425 federal funds may not be used for performance audits. The Secretary of State has indicated that 39.42% of their audits are performance based. The DHS budget for 2017-19 is currently \$2,691,613 General Fund and \$2,750,136 federal funds, which assumes performance audits may be paid for with federal funds. In order to comply with the Federal Uniform Guidance, 2 CFR Part 200.425, DHS would need to backfill federal funds with just over \$1 million in General Fund to continue to appropriately pay for all audits anticipated by the Secretary of State.

If this POP is not funded, DHS will not be sufficiently budgeted to pay for performance audits done by the Secretary of State.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	\$2,760,700	(\$331,898)	(\$2,428,802)	\$0
DHS	\$1,396,388	\$48,917	(\$1,445,305)	\$0
OHA	\$1,364,312	(\$380,815)	(\$983,497)	\$0

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would be used to fund the anticipated performance audits performed by the Secretary of State as outlined in the 2017-19 Price List of Goods and Services for State Government assuming that 39.42% of the Secretary of State audits are performance based and cannot be paid with federal funds.

2. WHY DOES DHS PROPOSE THIS POP?

The goal of these audits is to provide information to improve public accountability and facilitate decision-making by parties with responsibility for overseeing or initiating corrective action. The issues that performance audits cover vary, but generally address whether agencies are operating economically and efficiently, or whether they are achieving desired results. In accordance with Federal Uniform Guidance, 2 CFR Part 200.425, performance audits may not be paid for with federal funds. Therefore DHS needs to backfill federal funds with General Fund to cover anticipated audit costs under the CFR.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Audits assist DHS in identifying where DHS is not or may not be in compliance with Federal and State Law.

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?

No.

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.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

As these services are essential to the daily operations of the agency and are provided on a statewide level, no alternatives were considered.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

DHS would not be funded to pay for performance audits anticipated by the Secretary of State.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

N/A.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

N/A.

10. WHAT IS YOUR EQUITY ANALYSIS?

N/A.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Per the Secretary of State 39.42% of audits are performance audits not eligible for federal funding. The remaining 60.58% are compliance or other audits that are eligible for federal funds. More recent

conversations have steered the figure as high as 55%, but that is not reflected in the pricing of this POP for both agencies.

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

- a. **Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.**
N/A.
- 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.**
N/A.
- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**
N/A.
- 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.**
N/A.
- e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?**
N/A.
- f. **What are the ongoing costs?**
N/A.

g. What are the potential savings?

N/A.

h. Based on these answers, is there a fiscal impact?

No, other than the impact of backfilling federal funds with general funds.

TOTAL FOR THIS PACKAGE
(DHS+OHA)

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Services & Supplies	2,760,700	(331,898)	(2,428,802)		0	
Total	\$2,760,700	(\$331,898)	(\$2,428,802)		0	0.00

DHS - Fiscal Impact Summary by Program Area:

	DHS SAEC	OHA SAEC	
General Fund	\$1,396,388	\$1,364,312	\$2,760,700
Other Fund	\$48,917	(\$380,815)	(\$331,898)
Federal Funds- Ltd	(\$1,445,305)	(\$983,497)	(\$2,428,802)
Total Funds	\$0	\$0	\$0
Positions	0	0	0
FTE	0.00	0.00	0.00

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 2015-17 Cost Allocation Model where we have applied the aggregate DHS/OHA fund splits of General Fund, Other Fund and Federal Fund. Available revenue sources are based on grants which are entitlement grants that are matched, and grants that are not federally capped and are available to program or office within DHS/OHA.

Department of Human Services / Oregon Health Authority 2017-19 Policy Option Package

Agency Name: Department of Human Services / Oregon Health Authority

Program Area Name: DHS Shared Services

Program Name: Office of Payment Accuracy and Recovery (OPAR)

Policy Option Package Initiative: N/A

Policy Option Package Title: Position Reconciliation and True-up

Policy Option Package Number: 204

Related Legislation: N/A

Program Funding Team: N/A

Summary Statement:

This POP is important to DHS’s Office of Payment Accuracy and Recovery’s (OPAR) ability to work with our program and federal partners in ensuring service excellence and accountability in our Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Employment Related Day Care (ERDC), and Medical programs.

The POP would reconcile and create the positions and funding necessary to sustain OPAR’s budget and operations. Once positions are created and approved, OPAR would be in a one position per person situation allowing for easier management and budgeting, as well as providing some certainty regarding OPAR’s ability to sustain Service Level Agreements over the long-term.

This would require establishing 23 positions and abolishing 17 for a total net biennial cost of approximately \$2.2 million (see attachments).

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	\$1,582,323	\$1,897,499	\$715,435	\$4,195,257
DHS	\$1,088,460	\$1,897,499	\$221,572	\$3,207,531
OHA	\$493,863	\$0	\$493,863	\$987,726

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This POP would reconcile and create the positions and funding necessary to sustain OPAR's budget and operations. Once positions are created and approved, OPAR would be in a one position per person situation allowing for easier management and budgeting.

2. WHY DOES DHS PROPOSE THIS POP?

Over a number of years OPAR had been the beneficiary of requests for additional services and has received the staff and budget to do so. However, these requests were not followed with positions and OPAR has been funding these additional permanent fulltime positions in subsequent biennia with a combination of holding unused positions vacant and Services & Supplies (S&S) savings. This approach is unsustainable and correction is needed. In order to sustain the current service level this correction would require the Personal Services (PS) funding and the positions.

Contributing to this problem was the 2013 legislatively mandated position sweep where 6 vacant OPAR positions that funded a number of other OPAR fulltime permanent staff were swept. The current DHS internal position true-up also revealed a small number of OPAR staff sitting on positions belonging to other parts of the agency. The true-up of these situations added to OPAR's unfunded fulltime permanent people problem.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

OPAR provides a valuable service to DHS and OHA generating over \$200 million in cost avoidance and cash recovery during a biennium. Though a reduction in staff would not close OPAR down, with an average ROI of \$8 returned for every \$1 invested, reducing the agencies investment and commitment to OPAR would appear counter-intuitive.

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?

OPAR utilizes a number of measures to ensure operations and services are delivered as expected. In this instance, we would likely be able to continue our commitment to deliver our services in 2017-19 as expected and in line with our commitment to our program customers in terms of cost avoidance, cash recovery, and other critical service delivery measures.

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.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Reducing staff to be in line with positions currently assigned to OPAR would require a significant reduction in personnel. This approach would not be our first choice as our program customers want our services, have committed to and invested in our services over the years, and would likely further invest if the opportunity and resources were available to do so.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

As staffing was reduced a reduction in cost avoidance, cash recovery, and timeliness of other critical client-related services would be unavoidable. We would also see an increase in backlogged work and the risk of non-compliance with the federal requirements our work is tied to.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Our programs – We recover and cost avoid for ERDC, TANF, SNAP, and medical. We also investigate and provide data verification, and client record correction services. This POP provides the opportunity to sustain operations and attain our service level commitments in these areas.

Program clients – We handle requests from field and service providers for emergent record correction within MMIS and ONE which enables clients to get the services they need. This POP provides the opportunity to sustain operations and attain our service level commitments in these areas.

Federal Partners – Our units are often involved in program elements that directly relate to federally required activities. This POP provides the opportunity to sustain operations and attain our service level commitments in these areas.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None.

10. WHAT IS YOUR EQUITY ANALYSIS?

No identified equity issues.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

OPAR would be in a one position per person situation allowing for easier management and budgeting.

Implementation Date(s): July 1, 2017

End Date (if applicable): N/A

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

N/A.

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.

None.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

None.

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.

The POP directly addresses position management issues. See attachments for details.

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?**
Typical of a fulltime, permanent, 24-month position.
- g. What are the potential savings?**
None
- h. Based on these answers, is there a fiscal impact?**
Yes

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	1,736,279	0	1,736,279	6	11.82
Services & Supplies	304,854	161,220	61,075	527,149		
Special Payments	1,227,469	0	654,360	1,931,829		
Total	\$1,582,323	\$1,897,499	\$715,435	\$4,195,257	6	11.82

DHS/OHA - Fiscal Impact Summary by Program Area:

	DHS Shared Services	DHS SAEC	OHA SAEC	Total
General Fund	\$0	\$1,088,460	\$493,863	\$1,582,323
Other Fund	\$1,897,499	\$0	\$0	\$1,897,499
Federal Funds- Ltd	\$0	\$221,572	\$493,863	\$715,435
Total Funds	\$1,897,499	\$1,310,032	\$987,726	\$4,195,257
Positions	6	0	0	6
FTE	11.82	0.00	0.00	11.82

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 2015-17 Cost Allocation Model where we have applied the aggregate DHS/OHA fund splits of General Fund, Other Fund and federal fund. Available revenue sources are based on grants which are entitlement grants that are matched, and grants that are not federally capped and are available to programs or offices within DHS/OHA.

Department of Human Services / Oregon Health Authority

2017-19 Policy Option Package

Agency Name: Department of Human Services / Oregon Health Authority
Program Area Name: Shared Services Human Resources Center
Program Name: Background Check Unit (BCU)
Policy Option Package Initiative: N/A
Policy Option Package Title: Background Check Unit Workload
Policy Option Package Number: 205
Related Legislation: N/A

Summary Statement:

Steadily increasing numbers of background checks per year and growing complexity of work combined with stagnant or decreased staffing for the Background Check Unit (BCU) over the last few biennia have resulted in mounting backlogs and processing timelines. BCU completes checks for a variety of groups including home care workers, personal support workers, subsidized child care providers, child caring agencies, System of Care and SPRF providers, and staff and volunteers from residential care, nursing, and adult foster home facilities.

The staff requested in this Policy Option Package (POP) would meet currently required needs to maintain timely background checks for all regulated groups handled by BCU, and meet all Supplies & Services needs and a majority of projected staffing needs due to program growth and new federal and state statutes to be implemented during the 2017-2019 biennium.

The result would be faster background checks to assist regulated Oregon employers in meeting their required staffing levels while maintaining health, safety and financial wellness for vulnerable Oregonians through quality background checks.

In addition, DHS has identified a variety of expansion options to current background check criteria for DHS and OHA providers whose fitness determination is completed by the Background Check Unit (BCU).

These options would provide more intensive background checks by improving communication about adverse actions on providers across unit and program lines, and increasing use of child protective service information across the DHS provider community. The result would be increased health, safety and financial wellness for vulnerable Oregonians.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	\$7,499,640	\$8,587,227	\$1,535,658	\$17,622,525
DHS	\$7,277,708	\$8,549,669	\$1,453,714	\$17,281,091
OHA	\$221,932	\$37,558	\$81,944	\$341,434

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

WORKLOAD-RELATED INCREASES

Steadily increasing numbers of background checks per year and growing complexity of work combined with stagnant or decreased staffing for the Background Check Unit (BCU) over the last few biennia have resulted in mounting backlogs and processing timelines for background checks.

Examples of how task complexity will have shifted from 2012-2017 are:

- 2012** • For almost all 2012 checks BCU only acquired Oregon criminal history records and sent those records to Qualified Entities (QEs) for fitness determination. By the end of 2012, to improve consistency of determinations and broaden depth of checks, BCU centralized fitness determination with BCU.
- 2013-2014** • In addition to running criminal history, BCU began evaluating that history, court and police records, abuse records, counseling and treatment records, weighed safety and risk factors, and documented and sent fitness determination to QEs.
- 2015-2016** • Centers for Medicare and Medicaid Services (CMS) required mandatory fingerprinting of all “high risk” roles.
 - Increasing requirements for FBI checks from new legislative programs. FBI and other national checks using out-of-state history are more difficult.
 - New review criteria for specific Adam Walsh programs.
 - CMS requirements necessitated a January 2016 rule change for many DD providers that previously did not require recertification. In 2015, 23,819 or 77.8% of DD providers did not require recertification but will now be on a two-year cycle.

- Changes in how FBI information was provided via LEDS requires due diligence fingerprinting in cases where an out-of-state identifier code is present. Expected to increase fingerprinting and related workload by 15% or more.
- 2017**
- As of October 2017 new Child Care Development Fund Block Grant (CCDFBG) requirements will add mandatory FBI and *national* child protective service (CPS) checks of *all* child care providers and household members (12,000+ individuals). Currently:
 - Only 5.7% of child care cases currently require FBI checks.
 - Only Oregon CPS checks are now required.

The staff requested in this policy option package would meet currently required needs to maintain timely background checks for all regulated groups handled by BCU, and meet projected needs due to program growth and new federal and state statutes implementing during the 2017-19 biennium.

Regulated groups for whom BCU completes background checks include but are not limited to home care workers, developmental disability and mental health personal support workers, subsidized child care providers, Child Caring agencies, Traditional Health Workers, System of Care (SOC) and Strengthening, Preserving and Reunifying Families (SPRF) providers, and staff and volunteers from residential care, nursing, and adult foster home facilities. BCU also handles background checks for employees, volunteers and contractors of the Department of Human Services and Oregon Health Authority.

The result of increased staffing would be faster background checks to assist regulated Oregon employers in meeting their required staffing levels while maintaining health, safety and financial wellness for vulnerable Oregonians through quality background checks.

Implementation would require the following staff:

- +15 POS/14.40 FTE permanent Administrative Specialist 1 (Fitness Determiner) positions

These positions are to handle 2017 and 2018 growth in complexity and volume, including work from new federal CCDBG out-of-state child protective service checks and other exclusion list checks effective 10/2017, and changes from the Centers of Medicare and Medicaid Services (CMS).

Please note that these positions are insufficient to match workload increases through 2019. Consequently DHS anticipates some backlog at the end of the biennium due to projected increases in complexity and numbers over the biennium.

- +1.0 POS/0.88 FTE permanent Principle Executive/Manager C (BCU Supervisor) positions

The PEM-C position would be added for the 2017-19 since staff additions would bring the total BCU classified staff to 58 (a 1:19 staffing proportion; without the position, the staffing ratio would be 1:29).

Managers provide crucial clinical supervision of fitness determination, hearings and policy staff, and improve consistency, manage audit and review processes, and maintain quality customer service in background check processes supporting client safety, security and health.

Current 2015-17 costs in Services & Supplies are expected to increase to a total \$8,842,569 for the 2017-19 biennium. These additional costs are itemized as:

- +\$5,335,316 from Oregon State Police and FBI fingerprint processing fees
- +\$37,739 total for Adam Walsh and Child Care out-of-state CPS check costs.
- +\$12,000 total for background check research site costs.
- +\$307,514 total for agency-paid fingerprint capture for DHS and OHA employees and volunteers, Criminal Justice Information Services (CJIS) clearance, and Child Welfare foster and adoptive parents.

- +\$50,000 for annual maintenance on the Criminal Records Information Management System (CRIMS).

These Services & Supplies costs are expected to increase due to the following factors:

- Increased statutory requirements for fingerprinting.

For example, the federal Child Care Development Block Grant Act of 2014 (CCDBG) requires mandatory fingerprinting for all child care providers by October 2017. This alone will require fingerprinting on approximately 11,000 more background checks for DHS child care providers per year.

- Steadily increasing numbers of background checks. Fingerprinting averages 40% in non-mandatory programs and 100% fingerprinting when mandatory.

In 2012, BCU completed 111,538 background checks across all DHS and OHA programs served. By 2015 that number had grown to 157,038, a 41% increase. These numbers are anticipated to increase +80% by the end of the 2017-19 biennium, resulting in approximately 207,654 checks requiring fingerprinting.

- To comply with FBI requirements, a reduced amount of FBI information is being presented in Oregon's Law Enforcement Data System (LEDS) checks, requiring increased fingerprinting for due diligence on potential out-of-state history.
- New CCDBG requirements for out-of-state child protective service checks on child care providers. Many states charge fees for these checks; the average is \$17 per check.

Remaining S&S costs would be consistent with trends from the 2015-2017 biennium.

BACKGROUND CHECK EXPANSION

DHS has identified a variety of expansion options to current background check criteria for DHS providers whose fitness determination is completed by the Background Check Unit (BCU). These include home care workers, personal support workers, subsidized child care providers, private licensed agencies, System of Care and SPRF providers, and staff and volunteers from residential care, nursing, and adult foster home facilities.

Each of these expansions will necessitate the following to implement:

- Permanent rules changes to allow use of the selected expansions as potentially disqualifying conditions.
- Additional permanent staffing to handle the increased workload per expansion option.
- Training on selected expansions for veteran background check staff and new staff.

The selected expansions are as follows, in order of DHS-recommended priority for implementation:

1. Establish a comprehensive process for sharing adverse actions and terminations taken by one unit with another (i.e. Provider Relations Unit, Office of Licensing and Regulatory Oversight, Direct Payment Unit and Background Check Unit).

This communication would allow separate units to review other units' adverse actions and terminations for fraud, health or safety concerns and apply that information to their provider enrolment processes where statute or rule allows.

Implementation would require one (1.0 POS/0.88 FTE) Administrative Specialist 1 to coordinate the information sharing at a total cost of \$146,319 per biennium.

2. Provide Child Protective Service (CPS) checks on all Aging and People with Disabilities (APD), Intellectual/Developmental Disability (I/DD), and mental health (OHA Health Systems) providers, regardless of whether they directly serve children.

BCU currently does CPS checks on all DHS and OHA employees and volunteers, all child care providers and their household members, Child Welfare provider (SOC, SPRF, etc.) determinations, Adam Walsh determinations, and various other positions serving children through other programs. Child Welfare (CW) foster and adoptive parents have CPS checks completed by branches as part of CW evaluation process. Most APD, DD and mental health (OHA Health Systems) providers do not currently receive CPS checks.

Implementation would require four (4.0 POS/3.52 FTE) Administrative Specialist 1 positions to perform CPS research and fitness determination at a total cost of \$585,276 per biennium. It would also require one (1.0 POS/0.88 FTE) Compliance Specialist 2 position to handle increases in hearing requests based on increases in abuse-related denials at a total cost of \$180,912 per biennium. Permanent rules changes are being made in November 2016 to allow information from this option to be considered as potentially disqualifying conditions.

Please note that projected numbers of these checks would require an additional +2.87 FTE Administrative Specialist 1 to maintain staffing-to-workload by 2019. Consequently at the requested staffing level there is anticipated to be some backlog from this expansion by the end of the biennium.

Another recommendation would be the use of the placement on the Centers for Medicare and Medicaid Services (CMS) Office of the Inspector General (OIG) Fraud List for Medicaid and Medicare, and other states' exclusion lists as potentially disqualifying conditions for all long term care-related subject individuals handled by the Background Check Unit. The CMS OIG and other states' exclusion lists may hold currently unconsidered information that reveal past history of abuse or fraud. The addition of these exclusion list

checks to long term care background checks is a requirement of the CMS National Background Check Program (NBCP) grant for which DHS was approved by the Oregon Legislature in 2013.

However implementation of the CMS exclusion lists across required programs would require additional staffing beyond this request, and based on the current level of funding, further expansion into CMS grant requirements would be impossible without incurring considerable backlogs.

FEE-FOR-SERVICE

Currently the Background Check Unit does not charge background check fees to subject individuals or Qualified Entities; the costs for regulatory checks are currently paid by the DHS and OHA programs BCU serves. The Background Check Unit has authority to charge fees but is not currently doing so. Fee-for-service is a potential manner of acquiring additional funds.

Each fingerprinted background check requires \$28 in processing fees to the Oregon State Police. In addition, the FBI charges \$13.50 for volunteers or \$14.75 for employment/licensing/certification in processing fees per check.

If only fingerprint processing fees are charged to subject individuals or Qualified Entities when fingerprints are required for a check, at approximately 207,654 subject individuals fingerprinted during the course of 2017-19, BCU could gain back \$8,877,209 in funds to offset Services and Supplies costs.

Other options, including a set background check fee to cover all costs, are possible. BCU could work with DHS Budget to establish an appropriate fee-for-service schedule if the Legislature determined fee-for-service was the most appropriate funding mechanism for the Background Check Unit.

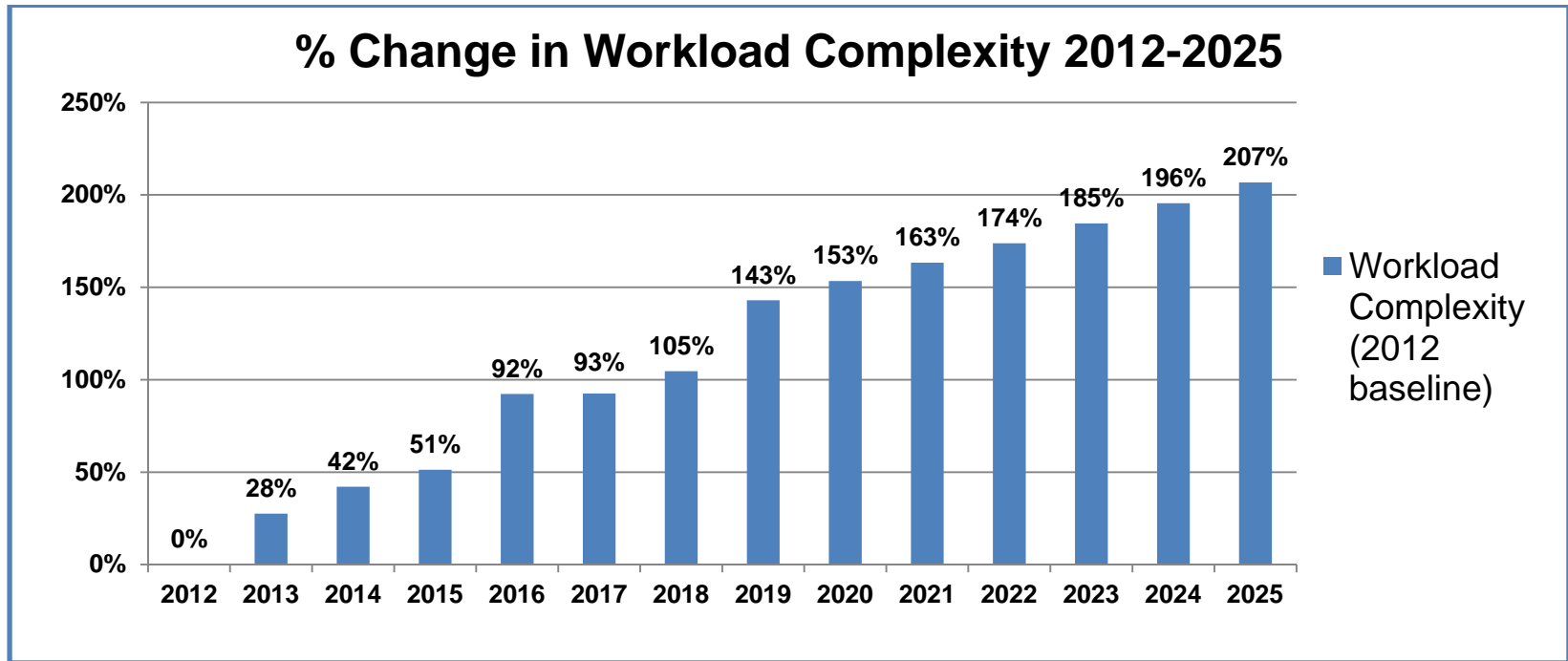
2. WHY DOES DHS PROPOSE THIS POP?

From 2012-2015, BCU has experienced a 41% increase in the total number of background checks. Workload complexity, as measured by the average time required to perform various tasks resulting in a fitness determination and annual background checks per year, has increased in the same period 51% due to new federal and state requirements. During that time BCU underwent a 15% decrease in total permanent staffing. As of 2016, complexity will have increased 92% over 2012.

Numerous process improvements have been attempted without success in stemming growing backlog. As of March 2016 DHS has partially met this workload gap by hiring an additional fifteen (15) limited duration AS1 positions and one (1) PEM-C position for the 2015-17 biennium. However these positions meet only the workload needs of BCU through the 2015-17 biennium.

Due to ongoing program growth and federal statutory changes implementing in the 2017-2019 biennium, BCU workload complexity is expected to increase 143% over 2012 numbers by 2019. Without sufficient permanent staffing increases for 2017-19, delays in processing background checks will begin increasing again.

The following chart relates increasing complexity from 2012 through 2025 based on current background check growth and known federal and state program changes occurring during the 2017-19 biennium. This chart does not include complexity per background check added by the expansion options. It does include the effects of process improvements such as the Long Term Care Registry.



In terms of the expansion portion, each option increases the depth of the background check provided for each subject individual, thereby increasing the likelihood of identifying past history that might affect the health and safety of vulnerable Oregonians. In addition, as noted, the CMS exclusion lists are a requirement of the CMS National Background Check Program grant.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

Comprehensive background checks promote the following:

- Safety and independence of those aging, disabled and intellectually/developmentally disabled Oregonians receiving services from DHS and OHA.

- Safety and wellness for children and youth served by DHS and OHA providers.
- Qualified staff and volunteers successfully passing background checks are able to support themselves and their families as providers through stable living wage employment.

Timely background checks due to matching workload versus staffing means that:

- Vulnerable Oregonians receiving care services from DHS and OHA acquire safe care and support more quickly, improving quality of life for especially those Oregonians requiring emergent in-home services.
- Employers of facilities are able to maintain staffing levels and provide better care to vulnerable Oregonians receiving care and support in facilities.
- Employers in residential care, nursing, adult foster home, skilled nursing, and child care facilities and centers are able to attract and keep top recruits due to faster hiring processes. In addition, they are able to meet licensing requirements for staffing more easily.
- Many licensing and certification processes are affected, thereby extending their timelines. Such processes include but not limited to licensing of facilities for APD, DD and mental health, and certification of home care workers and personal support workers, Traditional Health Workers, and exempt and subsidized Child Care centers and providers.
- Oregonians who may be seeking employment, licensure or certification for their own or their family's independence and quality of life are able to acquire jobs faster.

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?

Quality Service Engagement – increased speed of quality of background checks performed on providers in support of effective, safe employment, certification and licensing processes for vulnerable Oregonians and Oregon employers.

Safety – Re-abuse rates reduced through more timely identification of provider history.

People Living as Independently as Possible – Faster quality checks on in-home providers leading to safer care, more independence, and better support of Oregonians receiving in-home services. Enhanced checks on in-home and other long term care providers leading to safer care and better support of Oregonians receiving in-home services.

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.

N/A.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

A variety of internal solutions to meet service delivery agreements have been attempted by BCU to match increases in raw numbers and workload complexity.

- Ongoing work with IT vendor Tailored Solutions and the Oregon State Police (OSP) to achieve numerous process improvements via technology solutions. While useful in automating many time-consuming manual tasks it did not eliminate time spent on core fitness determination work.
- Day-long background check ‘events’ where all teams in the unit contribute to processing background checks. Assisted fitness determination work, but caused backlogs in Hearings, Compliance and Fingerprint teams’ processes.
- Consistent monthly overtime work from October 2014 to August 2016. During that period BCU staff worked 1407.5 overtime hours and processed 25,227 background checks.

To maximize the quantity processed, BCU staff working overtime focused on “cleans”, background checks that had no criminal or abuse history. Cleans are the quickest and easiest checks to complete. Useful in eliminating cleans, but did not address the core fitness determination work of the majority of cases requiring careful research and evaluation of criminal and abuse history.

- Implemented the Long Term Care Registry (LTCR) in January 2015.

To become active on the LTCR, a provider of long term care must pass an LTCR-related background check. Active status avoids redundant background checks between employers as subject individuals change roles within or between LTCR-covered facilities throughout Oregon.

Since implementation, 73,961 providers of long term care have achieved active status. As of July 2016, employers have been able to bypass 22,662 redundant background checks.

In addition to savings of time for employers and clients in need of services, the LTCR has saved BCU approximately \$1,046,531 as of July 2016 in labor and fingerprint processing costs for duplicative background checks.

The LTCR is expected to create a 17% reduction on long term care-related checks. However, per DAS population statistics, the long term care population in Oregon will have exceeded 18% growth between 2014 and 2018, eliminating that gain by 2019.

Despite these efficiencies, background check numbers and complexity have continued to increase beyond what staffing and process improvements could complete, leading to growing backlogs.

The final alternative is to not expand background check staffing despite backlogs. This alternative has been rejected for the following reasons:

1. Potential health and safety factors from vulnerable Oregonians not receiving support from vetted, safe providers sooner.
2. Providers already on the job with new, unreported history not being caught earlier due to delayed recertification background checks.
3. Employers being unable to meet license-related staffing requirements established to maintain client safety and wellbeing.
4. Employers having staffing delays or losing quality candidates due to delays in background check processing.

5. Potentiality of increased tort claims due to compromised health and safety, and financial abuse

For the background check expansion options, the alternative is to not expand background check criteria. This alternative was rejected for potential health and safety factors to those receiving DHS and OHA providers.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Adverse effects of not funding the workload-related section of this POP are as follow:

1. Without timely background checks, vulnerable Oregonians requiring emergent in-home care or facility-provided care may not have providers hired or facilities staffed sufficiently nor quickly for their health and safety needs.
2. Without timely review of background checks for currently working providers, providers with new, unreported history may not be removed from work for extended periods of time. Such an extension of review periods may lead to ongoing or repeated abuse and neglect of vulnerable clients, and causing harm or sometimes death.
3. Employers requiring certain staffing levels for licensing purposes may encounter licensing problems which affect the health, safety and wellness of the vulnerable clients they serve, and the financial security of the employees and their families who depend on the viability of the facility or center being licensed.
4. Employers serving DHS and OHA clients may lose highly competitive candidates to other facilities or centers that are not regulated by the Background Check Unit (i.e., facilities not serving Medicare and Medicaid-dependent clients) due to delays in background check processing.
5. Potentially escalating tort claims due to compromised health and safety, and financial abuse.

Adverse effects of not funding the background check expansion sections of this POP are as follow, by recommended expansion option:

1. Without sharing adverse actions and terminations between DHS units, providers terminated for health, safety or fraud concerns in one provider unit may successfully transfer to another provider unit

without communication of the circumstances of the initial adverse action. This may in turn affect the health, safety or financial wellness of vulnerable Oregonians.

2. While BCU utilizes APS information when completing fitness determinations for all APD, DD, and addictions and mental health providers, some providers from those groups have not historically received CPS checks per agreements with Oregon community stakeholders initiated by the HB2175 (2007) Workgroup.

This gap affects over 100,000 background checks per year performed by BCU, each check representing a subject individual serving at least one if not multiple vulnerable Oregonians. Not funding this option will continue this gap for increasing numbers of long term care providers.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Other agencies may be affected as necessary to create intergovernmental agreements in support of information sharing on adverse actions.

Currently providers certified by the Office of Child Care (Department of Education) are able under rule, interagency agreement and state plan can bypass our background check process. There have been ongoing concerns with this process. The Office of Child Care also automatically approved providers under age 18 while DHS will background check providers age 16 and older. Office of Child Care providers also do not have the requirement to report new abuse substantiations or criminal history.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

Adults and People with Disabilities Program
Background Check Unit
Child Care Unit

Child Welfare Program
Intellectual/Developmental Disabilities Program
Human Resources
Office of Adult Abuse Protection and Investigation
Office of Licensing and Regulatory Oversight

10. WHAT IS YOUR EQUITY ANALYSIS?

Timely background checks provide greater equity of:

1. Care and service to vulnerable Oregonians;
2. Hiring for Oregon employers;
3. Employment, licensure or certification for Oregonians employed or seeking employment in BCU-regulated programs.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): 12 staff July 1, 2017 & 10 staff October 1, 2017

End Date (if applicable): Permanent

a. Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.

Background Check Unit
 APD/DD Provider Relations Unit

Child Welfare
 Office of Adult Abuse Prevention and Investigation

Office of Licensing and Regulatory Oversight
 Child Care Unit/Direct Pay Unit
 APD/DD

The majority of new responsibilities will lie with the Background Check Unit.

For the cross-communication portion of the POP, APD/DD Provider Relations Unit, OLRO, CCU, DPU, APD/DD, OAAPI and Child Welfare may all have new cross-reporting duties.

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.

Background Check Unit will receive the majority of impacts. Currently BCU's facilities are at maximum occupancy. New facilities and work stations will be required for current and additional staff. Training will be required for veteran and new staff on administrating the new background check options. Updates to the Criminal Records Information Management System may be necessary to implement all additions.

Additional positions for Background Check Unit will increase impact for Records, FMLA/OFLA, Human Resource Analyst and Payroll units.

There will also be workload for Facilities and the Office of Information Services.

- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.**

No changes to client caseloads or direct client services.

However DHS, OHA, Allied Agencies on Aging, DD Brokerage, and other direct service staff assisting clients to find qualified, safe providers or assisting providers with enrollment processes will be beneficially affected by faster turnaround on background checks. Enrollment processes dependent on background checks will be completed more quickly leading to faster connections of clients with needed service providers.

- 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.**

The staff required for permanent positions (24 months per biennium) are as follow:

- Workload-Related: 5.0 FTE permanent Administrative Specialist 1 (Fitness Determiner) and 1.0 FTE permanent Principle Executive/Manager C (BCU Supervisor) positions
- Communication Option: 1.0 FTE permanent Administrative Specialist 1
- CPS Expansion Option: 4.0 FTE permanent Administrative Specialist 1 (Fitness Determiner) and 1.0 FTE Compliance Specialist 2 (Hearings Representative) positions

The staff required for permanent positions (21 months per biennium) are as follow:

- Workload-Related: 10.0 FTE permanent Administrative Specialist 1 (Fitness Determiner) positions

Additional positions for Background Check Unit will increase impact for Records, FMLA/OFLA, Human Resource Analyst and Payroll units. There will also be workload for Facilities and the Office of Information Services.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

Training would be required for all new staff.

Automatic URL access of OIG, SAM, and out-of-state exclusion lists by state(s) required for CMS grant-related checks will require one-time IT costs.

f. What are the ongoing costs?

Current 2015-17 costs in Services & Supplies are expected to increase to a total \$8,842,569 for the 2017-19 biennium. These costs are expected to increase due to the following factors:

- +\$5,335,316 from Oregon State Police and FBI fingerprint processing fees
- +\$37,739 total for Adam Walsh and Child Care out-of-state CPS check costs.
- +\$12,000 total for background check research site costs.
- +\$307,514 total for agency-paid fingerprint capture for DHS and OHA employees and volunteers, Criminal Justice Information Services (CJIS) clearance, and Child Welfare foster and adoptive parents.
- +\$50,000 for annual maintenance on the Criminal Records Information Management System (CRIMS).

Remaining S&S costs would be consistent with trends from the 2015-2017 biennium.

g. What are the potential savings?

Potential savings from timely, quality background checks are based on reductions in risks to health and safety for vulnerable Oregonians served by DHS and OHA. There are savings for clients who receive more timely care, thereby preventing additional medical or support costs that might be

incurred. By increasing health, safety and wellness, money will also be saved through prevention of investigations, hearings, and potential tort claims.

Employers will receive savings due to more timely hiring processes, fewer qualified staff lost due to waits on background checks, and potential fines or other licensing problems for not retaining statutorily-mandated staffing levels.

Approved subject individuals seeking work will be employed more quickly, which may preclude those who are currently unemployed from continuing to receive unemployment benefits or other State-provided support services.

h. Based on these answers, is there a fiscal impact?

Yes.

TOTAL FOR THIS PACKAGE
(DHS+OHA)

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	0	2,536,082	0	2,536,082	22	20.68
Services & Supplies	437,512	6,013,587	85,675	6,536,774		
Special Payments	7,062,128	37,558	1,449,983	8,549,669		
Total	\$7,499,640	\$8,587,227	\$1,535,658	\$17,622,525	22	20.68

DHS/OHA - Fiscal Impact Summary by Program Area:

	DHS			Total
	Shared	DHS SAEC	OHA SAEC	
	Services			
General Fund	\$0	\$7,277,708	\$221,932	\$7,499,640
Other Fund	\$8,549,669	\$0	\$37,558	\$8,587,227
Federal Funds- Ltd	\$0	\$1,453,714	\$81,944	\$1,535,658
Total Funds	\$8,549,669	\$8,731,422	\$341,434	\$17,622,525
Positions	22	0	0	22
FTE	20.68	0.00	0.00	20.68

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 15-17 Cost Allocation model where we have applied the aggregate DHS/OHA fund splits of GF, OF and FF. Available revenue sources are based on Grants which are entitlement grants that are matched and grants that are not federally capped and are available to program or office within DHS/OHA.

Department of Human Services / Oregon Health Authority

2017-19 Policy Option Package

Agency Name: Department of Human Services / Oregon Health Authority
Program Area Name: Human Resource Center
Program Name: FMLA/OFLA
Policy Option Package Initiative: N/A
Policy Option Package Title: FMLA/OFLA
Policy Option Package Number: 206
Related Legislation: N/A

Summary Statement:

The purpose of Federal Family Medical Leave Act (FMLA) and the Oregon Family Leave Act (OFLA) is to balance work and family life. They also to promote economic security of families and serve national interest in preserving family integrity. Ultimately, both protect an eligible employee while they are off work for a qualifying family or medical leave event. This ties directly into both DHS and OHA missions.

By responding to employees promptly we could help them focus on their family and medical leave needs, and have a timely turnaround on requests resulting in money saved for both agencies when we retroactively apply FMLA/OFLA leave.

In the last quarter of 2015, the FMLA/OFLA requests for DHS were coming mostly from Self Sufficiency (27.6 percent), Child Welfare (23 percent), Disability Determinations (21.1 percent), and Aging and People with Disabilities, (15.7 percent). For OHA, 68.1 percent of requests are coming from Oregon State Hospital employees. All of these programs directly serve our most vulnerable clients throughout Oregon. When our employees are unable to work at their full potential because they are not off work seeking treatment for their

conditions, bonding with their new babies, or grieving the loss of a loved one, we are putting the safety of our clients at risk. We need to support our staff while they receive treatment or take family leave, in turn keeping them engaged by supporting them in their time of need.

We often receive requests for family and medical leave when our employees are experiencing life-altering events. Although most people focus on the potential for abuse, the majority of employees need leave for very devastating events in their lives.

It is our responsibility to show our employees respect, compassion and the utmost customer service in their time of need. We need to provide them with the level of dedication and professionalism that they provide to their clients. Failure to do this may have detrimental effects to our workforce, and the safety of their clients.

By having the additional FMLA/OFLA staff, we would be able to provide our employees with the level of service they need to be off work, and information they need to return to work as quickly as possible. Having sufficient staff would ensure we can respond to return to work requests and we could share restrictions for returning to work in a timely manner allowing employees to return to work as soon as their provider has released them.

Additional staff ultimately will help our employees take their family and medical leave when needed, then return to their work fully engaged, healthier and with improved morale which studies have shown reduces stress and promotes safety in the workplace.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing Total:	\$224,067	\$259,446	\$55,525	\$539,038
DHS	\$159,767	\$248,564	\$31,784	\$440,115
OHA	\$64,300	\$10,882	\$23,741	\$98,923

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

- Currently the DHS Shared Services Human Resources FMLA/OFLA Unit has four Full-Time Equivalents (FTE), and two job rotations that serve approximately 12,034 employees. This POP would take the Unit from four to six FTE.
- By obtaining two additional FTE for the FMLA/OFLA Unit, we would align with other large state agencies in the amount of staff per employee ratio. Bringing our employee to coordinator ratio from 3008:1 to 1504:1 would make our caseloads manageable and allow us to meet the federal and state requirement of responding to employees within five days. On average 10% of our workforce is on FMLA/OFLA at any given time.
- By increasing our permanent staff we will decrease our staff/coordinator ratio, which will allow us to provide better and prompt customer service to our employees during some of the most difficult time of their lives. Ultimately, allowing them to focus on getting healthy and back to their work to the clients they serve quicker.
- We reached out to other state agencies with 1,000 or more employees to see what their FMLA/OFLA FTE per employee count is. We received information from the following agencies:
 - The Department of Corrections currently has 4,434 employees; two and a half FMLA/OFLA coordinators; two FTE, and one job-share, with someone else doing their filing. Their caseload is approximately 1,773 employees each.
 - The Oregon Department of Transportation currently has 4,416 employees, and three FTE FMLA/OFLA Coordinators. Their caseload is approximately 1,472 employees each.
 - The Department of Employment has 1,052 employees and one FTE.
 - The Department of Fish and Wildlife has 1,012 employees and one employee working about 35 percent of their time on FMLA/OFLA but they have their Human Resource Generalists process complicated issues.

This package will ensure that DHS and OHA can provide timely and accurate responses to employees requesting family and medical leave within the five days required by federal and state law. Over the last quarter we were out of compliance 59 percent on the time for the federal and state requirement of responding

within five days of knowledge of a potential FMLA/OFLA event. As a result of this we are impacting many sections of our agencies. If we are not timely in our response it costs the agencies money. Not only in increasing staff workload, but in over and under payments of pay and benefits associated with our decisions. Some of which can be recouped but not all. If we do not make a quick decision on our requests, the employees and managers must submit paper time sheet corrections, payroll must process these corrections in addition to any of the over and under payments.

- It would allow us to follow up with employees who were out for their own conditions to obtain medical releases and work restrictions, reducing the risk and increasing the safety at both OHA and DHS. This would reduce the current risk associated with employees coming back to work before they are cleared by a treating physician, and knowing of potential work restrictions prior to their return so management can work quickly to make work accommodations to get the employees back to work quicker.
- It would allow us to follow up with employees when applying for medical leave, especially when medical documentation comes in incomplete or unclear. This would allow time to obtain further information to accurately approve their family and medical leave in accordance to the treating physician's expectation of their needed leave. We expect in doing this we would approve leave that more accurately reflects the medical provider's intent, allowing employees the appropriate time to recover/treat their medical conditions and reducing abuse of protected leave.
- It would allow us to keep apprised of ever-changing laws, policies and collective bargaining agreements that dictate how the leave laws will be administered. In addition to new interpretations of all.
- OFLA and FMLA are constantly changing and adding more things that they cover. More disparity between both the federal and state leave laws increases the complexity and use of covered leave events. There have been recent changes that significantly impacted the work that we do, especially regarding the Affordable Care Act. Now that employer portion of insurance benefits can be covered for up to 12 months, employees are taking a longer leave periods to attend to their family and medical needs.
- We would be able to audit and monitor usage to reduce abuse, and recertify employees leave approvals to reflect their actual usage if they are missing time outside of their approved amount.

- We would be able to dedicate more time to educate managers on how to manage employee's family and medical leaves. We would be able to provide management with reports and tools to help manage employees on leave.
- We would be back in compliance with our service level of agreement.
- If we are not timely in our responses, it costs the agencies money. Not only in staff extra workload, but in overpayment and underpayment of pay and benefits associated with our decisions. Some of which can be recouped but not all. If we do not make a quick decision on our claims the employees and managers must submit paper time sheet corrections, payroll must process these corrections in addition to any over and under payments of pay and benefits.

2. WHY DOES THE DEPARTMENT OF HUMAN SERVICES PROPOSE THIS POP?

- Between 2013 and 2015 DHS and OHA increased its employee count by 25 percent. In that same period of time the FMLA/OFLA Unit had an increase of family and medical leave requests by 52 percent.
- Since 2011 the FMLA/OFLA Unit has participated in a rapid process improvement, and attends continuous improvement meetings bi-weekly where we develop tools, and share practices and information in our unit. Although we have and continue to look for more efficient ways to process family and medical leave we continue to get further and further behind.
- We have an aging workforce.
 - The average employee age within DHS/OHA is 45 years old. At that age, employees have potentially five generations of qualifying family members to care for under FMLA/OFLA (grandparent, parent, self, child and grandchild). They also have a higher likelihood that they will require medical leave for chronic conditions.
- There are several laws, rules, policies, and collective bargaining agreements that dictate how we apply family and medical leave. These are always changing.
 - In this last bargaining period there were changes that impacted the work that we do. We now can process hardship leave donations for employees on parental leave. This has increased the duration new parents are electing to stay off work.

- Employees are now able to save more paid leave accruals while on family and medical leave. This impacts the work that we do because we must identify their beginning leave balances and share that information with the employee, manager and payroll. By not processing our requests for family and medical leave timely, this is having an impact on us staying compliant with the collective bargaining agreements. Because staff and managers are not notified that employees have elected to save time until much after they started their leaves. With our payroll system restrictions this may ultimately result in employees having to use paid leave accruals that they are contractually allowed to save. Which could result in grievances, and costs to the agency in administration fees.
- As of January 1, 2016, the OFLA now covers the employer paid portion of employees insurance while they are off for family or medical leave. This change is allowing employees to stretch out their FMLA/OFLA protected leave by working intermittently to protect their benefits. Increasing the complexity of our cases.
- The Affordable Care Act has impacted the work that we do by allowing employer paid benefits to continue for up to 12 months for a qualifying employee. Employees were returning to work once their benefits would be terminated. Now they are staying out longer to obtain the treatment and medical care needed for their conditions. Although this is wonderful news for our staff, we now have to monitor cases closely for rolling back FMLA/OFLA entitlements and are approving little increments of leave in-between their exhaustion. These cases tend to take more time to process, and are very complex.
- Based on a new understanding of the FMLA/OFLA leave laws, we currently have a huge project under way with an implementation deadline of May 2, 2016. The Department of Justice informed us after contract negotiations were over this past bargaining year that state agencies were not granting enough FMLA/OFLA leave for employees who average more than 40 hours per week over a 12-month time period. Because we have the Oregon State Hospital and the Stabilization and Crisis Unit that are 24/7 facilities, this project impacts our agencies the most. There are many hours of research, and calculations underway at this time to pinpoint who we must retroactively apply this to. First in identifying those employees, then in notifying them of the recalculation of leave entitlements. This project is very complex, not only in retroactively applying this for all open

FMLA/OFLA approvals but moving forward. We do not have a system in place that can accommodate this need, and we must manually process this change by running reports, and comparing data. We must develop a system to monitor and manage this change as soon as possible.

- Kaiser Permanente changed its practice and as a result has significantly impacted our work. Instead of processing medical documentation for their customers for 12 months, they are only supporting three to six months at a time. In addition to the increased amount of medical documentation coming in for each active FMLA/OFLA approval for Kaiser Customers, they are becoming more complex. Their medical documentation comes in with contradictory information and it is hard to interpret its intent. If we had additional staff we could send these documents back to the employees to obtain additional information that will help clarify their medical leave needs.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS? HOW DOES THIS FURTHER THE PROGRAM FUNDING TEAM OUTCOMES OR STRATEGIES?

- The DHS mission is “To help Oregonians in their communities achieve wellbeing and independence through opportunities that protect, empower, respect choice, and preserve dignity.”
- The OHA mission is “Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.”
- The OFLA/FMLA Unit reflects both agency missions. We help our employees achieve wellbeing, and empower them during their need for family and medical leave. By providing timely response we also allow them to assist their family members in their wellbeing, and independence, while allowing them to make their own life choices, and preserve dignity. Failure to respond to our employees timely and support them during their difficult times goes directly against the agency missions. We also can help support employees while they achieve optimal physical and mental health at times where they are seeking treatment for conditions.

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 is not directly tied to a DHS performance measure, however, we indirectly contribute to the program performance measure by assisting the employees through difficult family and personal health issues so they are here to perform services to the vulnerable citizens in Oregon.

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 provides necessary staffing to achieve minimum objectives related to existing federal and state laws, policies, collective bargaining agreements, service level agreements, and agency mission and goals in relation to family and medical leave.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Since 2011 the FMLA/OFLA Unit has participated in a rapid process improvement, and attends continuous improvement meetings bi-weekly where we develop tools, and share practices and information in our unit. Although we have and continue to look for more efficient ways to process family and medical leave we continue to get further and further behind. Besides being out of federal compliance, when an employee who is having a family or personal health crisis is not getting a response it leads to morale issues. Our agency employees need to know we care about them and their families.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

We would continue to get further behind in our work, increasing the amount of requests we are out of compliance on. We would not be able to adequately perform minimum duties to meet the needs of our employees. Employees would miss more time and continue to have a higher abuse rate of protected leave. Ultimately resulting to decreased services and increased safety risks to our clients in the field due to employee absentee rates.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The Department of Justice (DOJ) could be affected by this POP. As a result of high out of compliance rates, DOJ may have to defend the agency. By increasing our staffing we would decrease the out of compliance and reduce the risk of needing DOJ services.

9. WHAT OTHER AGENCIES, PROGRAMS or STAKEHOLDERS ARE COLLABORATING ON THIS POP?

None. This is internal to DHS and OHA. We serve and affect each and every program in both agencies by our services. We collaborate with DAS and several other state agencies sharing templates, processes and continuous improvement tools.

10. WHAT IS YOUR EQUITY ANALYSIS?

The OFLA/FMLA Unit consists of four permanent, full-time employees and one employee rotation. Four of these employees are white (80%) and one is Hispanic (20%). Additionally, four members of this team are female (80%) and one is male (20%). The unit has one staff member currently eligible to retire (20%) and two others who are eligible to retire within the next five years (40%).

Equity is usually outward facing and deals more directly with the services we are providing the vulnerable citizens in Oregon. This POP deals directly with our employees and infrastructure but if we are not providing services equitably to our own employees they are not available physically or mentally to provide services to our vulnerable clients. We must have a healthy and prepared work force to provide equity to our clients.

11. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): 1/1/2018

End Date (if applicable): Permanent Funding

a. Will there be new responsibilities for DHS?

No new responsibilities, but backlogged workload for both DHS and OHA.

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. See Addendum A - Shared Services LC/POP Impact Questionnaire (at the end of this document).

There will be a need to build cubicle spaces (\$810), and add computers and computer screens for two positions (\$3,400).

c. Will there be changes to client caseloads or services provided to population groups?

N/A.

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.

This request is for two permanent HRA1, full-time, 24-month positions.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

Computers and monitors (\$3,400); facilities charges for two cubicle configurations (\$810)

- f. What are the ongoing costs?**
\$539,040

- g. What are the potential savings?**
N/A.

- h. Based on these answers, is there a fiscal impact?**
See below: \$539,040

TOTAL FOR THIS PACKAGE
(DHS+OHA)

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	0	228,410	0	228,410	2	1.50
Services & Supplies	35,066	20,154	6,844	62,064		
Special Payments	189,001	10,882	48,681	248,564		
Total	\$224,067	\$259,446	\$55,525	\$539,038	2	1.50

DHS/OHA- Fiscal Impact Summary by Program Area:

	DHS Shared Services	DHS SAEC	OHA SAEC	Total
General Fund	\$0	\$159,767	\$64,300	\$224,067
Other Fund	\$248,564	\$0	\$10,882	\$259,446
Federal Funds- Ltd	\$0	\$31,784	\$23,741	\$55,525
Total Funds	\$248,564	\$191,551	\$98,923	\$539,038
Positions	2	0	0	2
FTE	1.50	0.00	0.00	1.50

What are the sources of funding and the funding split for each one?

For purposes of this analysis, the cost allocation and fund splits for DHS/OHA are based on the 2015-17 Cost Allocation Model where we have applied the aggregate DHS/OHA fund splits of General Fund, Other Fund and federal fund. . Available revenue sources are based on grants which are entitlement grants that are matched, and grants that are not federally capped and are available to programs or offices within DHS/OHA.