

## **Reduction Options: Agency 2005-07 Agency Request Budget**

The Oregon Department of Human Services (DHS) is required by state statute to propose possible reductions to its proposed agency budget for the 2005-07 biennium. These reduction options are not part of the DHS budget request. The department is required to provide the Governor and the Legislature with its priorities, should cuts be necessary.

DHS is required to submit a 10% reduction list with the Agency Request document. The Governor has also requested that agencies with General Fund and Lottery Funds prepare reductions of an additional 10% for these two fund types.

The department ranked these reduction options by priority and impact on programs and services. DHS also considered such factors as the effect of the projected reductions on other revenues, expenditures or programs. Reduction options proposed required few if any accompanying statutory changes.

Reduction options proposed are from all clusters of the department:

- Department-Wide Support Services (DWSS),
- Health Services (HS),
- Children, Adults & Families (CAF), and
- Seniors and People with Disabilities (SPD).

Most of the department's budget – approximately 82.6% in the 2003-05 biennium - went directly to funding client benefits and services that help needy Oregonians in local communities around the state. As a result -- in order to reach the percentage level of proposed reductions that are required -- the department must look beyond making administrative cuts only.

As required by state statute, the department will submit these reduction options to the Governor by September 1<sup>st</sup>, 2004. You can provide your feedback on these reduction options through one of the department's public meetings or by emailing to: [dhs.budget-input@state.or.us](mailto:dhs.budget-input@state.or.us)

**Preliminary Draft**

**Reduction Options: 2005-2007 Agency Request Budget**

**Ten percent reduction list**

	<b>Cluster</b>	<b>Short Description</b>	<b>General &amp; Lottery Funds (in millions)</b>	<b>Other Funds (in millions)</b>	<b>Federal Funds (in millions)</b>	<b>Total Funds (in millions)</b>
1	HS	<b>Restore the 10 Cent Cigarette Tax</b>	-27.78	0.00	0.00	-27.78
2	CAF	<b>Eliminate inflation increases requested in base budget</b>	-14.97	-0.37	-24.99	-40.33
3	DWSS	<b>Reduce funding for Attorney General Expenses in Contracts &amp; Procurement</b>	-0.82	-0.18	-1.00	-2.00
4	CAF	<b>Eliminate inflation increases requested in base budget</b>	-0.81	-0.12	-1.81	-2.74
5	DWSS	<b>Reduce FTE in Facilities</b>	-0.04		-0.02	-0.06
6	DWSS	<b>Reduce funding for temporary employees in Facilities</b>	-0.02	-0.01	-0.06	-0.09
7	SPD	<b>Reduce nursing facility rates by 5%.</b>	-7.53		-11.83	-19.36
8	CAF	<b>Reduce program and field administrative costs in services and supplies (S&amp;S) by 5%</b>	-1.07	-0.24	-2.43	-3.74
9	DWSS	<b>Reduce service and supplies budget in Administrative Services</b>	-0.47	-0.16	-0.84	-1.47
10	CAF	<b>Reduce services &amp; supplies budget by 10% in Vocational Rehabilitation</b>	-0.08		-0.29	-0.37
11	HS	<b>Reduce Office of Multicultural Health by 10%</b>	-0.03	0.00	-0.03	-0.06
12	DWSS	<b>Eliminate 100% of general inflation increases requested in base budget</b>	-8.55	-0.70	-11.08	-20.33
13	SPD	<b>Reduce Oregon Project Independence</b>	-5.87			-5.87
14	DWSS	<b>Reduce Data Processing expenditures through improved purchasing efficiencies</b>	-0.96	-0.40	-1.95	-3.31
15	SPD	<b>General Fund reduction to Special Payments Service Elements</b>	-0.80	0.00	0.00	-0.80

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16	DWSS	<b>Reduce positions and services and supplies in Director's Office</b>	-0.24	-0.07	-0.34	-0.65
17	HS	<b>Reduce training and technical assistance in Mental Health and Addiction Services.</b>	-0.05	0.00	0.00	-0.05
18	SPD	<b>Eliminate Spousal Pay Program funding</b>	-2.10		5.58	3.48
19	SPD	<b>Eliminate General Assistance funding</b>	-1.97	-5.56	-0.63	-8.16
20	CAF	<b>Reduce Oregon Food Stamp Employment &amp; Training (OFSET) to transportation services only</b>	-1.00			-1.00
21	HS	<b>Reduce Pharmaceutical medical inflation</b>	-0.44	-0.00	-0.14	-0.58
22	CAF	<b>Eliminate research portion of PSU partnership contract</b>	-0.40	-0.02	-1.24	-1.66
23	SPD	<b>Eliminate Retired Senior Volunteer Program</b>	-0.25			-0.25
24	HS	<b>Reduce Emergency Medical Services Mobile Training Unit</b>	-0.12	0.00	0.00	-0.12
25	CAF	<b>Reduce additional 10% in services &amp; supplies.</b>	-0.08		-0.29	-0.37
26	HS	<b>Reduce enhancement services for problem gambling treatment</b>	-0.57	0.00	0.00	-0.57
27	SPD	<b>Discontinue health insurance and workers comp. for home care workers</b>	-28.32		-44.91	-73.23
28	HS	<b>Reduce discretionary inflation factor fee-for-service expenditures</b>	-14.52	0.00	-23.00	-37.52
29	CAF	<b>Eliminate the use of JOBS support service payments to "at risk" families</b>	-2.27		-0.03	-2.30
30	DWSS	<b>Closure of 7 small field office buildings</b>	-1.91	-0.81	-4.63	-7.35
31	CAF	<b>Reduce client Special Pay dollars in Vocational Rehabilitation</b>	-1.08		-3.99	-5.07

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32	DWSS	<b>Reduce telecommunications expendable property</b>	-0.90	-0.38	-2.19	-3.47
33	HS	<b>Reduce Alcohol &amp; Drug Prevention Workforce Services</b>	-0.30	0.00	0.00	-0.30
34	HS	<b>Eliminate funding for Juvenile Diabetes Database</b>	-0.10	0.00	0.00	-0.10
35	HS	<b>Reduce In-state Travel and Technical Assistance in Mental Health and Addiction Services</b>	-0.05	0.00	0.00	-0.05
36	SPD	<b>Eliminate long-term care services for level 12 and 13 priorities</b>	-11.61	-0.24	-18.17	-30.02
37	HS	<b>Eliminate Health Plan services for SPD clients in levels 12 &amp; 13</b>	-4.07	0.00	-6.37	-10.44
38	DWSS	<b>Extend timelines to replace computers and peripheral equipment</b>	-2.19	-0.91	-4.45	-7.55
39	CAF	<b>Discontinue Student Daycare program</b>	-1.00			-1.00
40	DWSS	<b>Reduce positions and services &amp; supplies in Finance &amp; Policy Analysis</b>	-0.58	-0.21	-0.70	-1.49
41	DWSS	<b>Reduce purchase of data processing hardware</b>	-0.49	-0.20	-1.00	-1.69
42	HS	<b>Reduce OPHS Mobile Training Unit (2nd 10%)</b>	-0.12	0.00	0.00	-0.12
43	HS/SPD/CAF	<b>Eliminate Vision, Dental and therapies for adults on the Oregon Health Plan</b>	-18.49	0.00	-32.99	-51.48
44	DWSS	<b>Additional reduction in data processing expenditures</b>	-1.90	-0.78	-3.86	-6.54
45	CAF	<b>Eliminate Homemaker program</b>	-0.28	0.00	-0.28	-0.56
46	HS	<b>Reduce Communicable Disease Testing for Local Health Department Field Services</b>	-0.23	0.00	0.00	-0.23

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	<b>Cluster</b>	<b>Short Description</b>	<b>General &amp; Lottery Funds (in millions)</b>	<b>Other Funds (in millions)</b>	<b>Federal Funds (in millions)</b>	<b>Total Funds (in millions)</b>
47	HS	<b>Reduce Drinking Water Program by 10%</b>	-0.13	0.00	0.00	-0.13
48	CAF	<b>Reduce JOBS Program</b>	-1.20			-1.20
49	CAF	<b>Reduce non-recurring expenditures in Adoption Assistance</b>	-0.35	0.00	-0.36	-0.71
50	DWSS	<b>Reduce training for OIS employees</b>	-0.11	-0.05	-0.14	-0.30
51	HS	<b>Eliminate Problem Gambling Prevention Programs</b>	-0.57	0.00	0.00	-0.57
52	HS	<b>Closure of one ward at Eastern Oregon Psychiatric Center</b>	-3.19	-0.73	1.20	-2.72
53	CAF	<b>Reduce System of Care Flex Funds</b>	-3.66	-0.08	-0.86	-4.60
54	CAF	<b>Establish household income standards for TANF No-Parent Households at 185% of Federal Poverty Level</b>	-1.15	0.06	0.98	-0.11
55	CAF	<b>Eliminate a contract with SPD for employment readiness</b>	-0.29		-1.08	-1.37
56	DWSS	<b>Eliminate three positions in Facilities</b>	-0.16	-0.03	-0.19	-0.38
57	HS	<b>Reduce Emergency Medical Services for Children (EMSC) funding by 10%</b>	-0.10	0.00	0.00	-0.10
58	CAF	<b>Reduce administrative costs in program and field services by 5%</b>	-10.65	-0.49	-12.30	-23.44
59	CAF	<b>Eliminate the minimum copay for the first month of eligibility for new Employment Related Day Care (ERDC) cases</b>	-3.33			-3.33
60	CAF	<b>Reduce Prevention services (Community Safety Net, Abstinence Ed)</b>	-1.53			-1.53
61	HS	<b>Reduce state support for Public Health in the Counties</b>	-0.46	0.00	0.00	-0.46

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62	DWSS	Eliminate 4 Medicaid Management Information System (MMIS) support positions	-0.14	-0.05	-0.32	-0.51
63	HS	Reduce RWJ Children's Oral Health Project		-0.24		-0.24
64	HS	Reduce Other Funds from fee programs and the Chemical Stockpile Emergency Preparedness Program contract by 10%		-0.39		-0.39
65	SPD	Reduce all Community Care rates	-12.48	-0.48	-16.86	-29.82
66	HS	Eliminate the remaining 30 beds at Eastern Oregon Psychiatric Center (EOPC) resulting in full closure of the Center.	-11.02	-2.49	-1.09	-14.60
67	SPD	Reduce licensed community facility rates	-5.89		-9.21	-15.10
68	HS	Reduce Family Planning Expansion Program (FPEP)	-1.39	0.00	-12.49	-13.88
69	CAF	Reduce client Special Pay dollars in Vocational Rehabilitation	-0.67		-2.49	-3.16
70	DWSS	Reduce staffing in Human Resources	-0.41	-0.11	-0.48	-1.00
71	HS	Reduce the pass through leveraging for federal funds	0.00	-68.46	0.00	-68.46
72	HS	Reduce Poverty Level Medical Adults, Poverty Level Medical Children & Citizen/Alien-Waived Emergency Medical from 185% to 133% of Federal Poverty Level (FPL)	-6.00	0.00	-9.39	-15.39
73	CAF	Reduce Poverty Level Medical from 185% to 133% of Federal Poverty Level	-0.04		-0.04	-0.08
74	CAF	Reduce Domestic Violence program by 15%	-2.06			-2.06

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75	CAF	<b>Reduce Supportive Remedial Daycare by 10%.</b>	-0.10	0.00		-0.10
76	HS	<b>Reduce the Office of Public Health Systems drug lab clean-up program</b>		-0.58		-0.58
77	SPD	<b>Reduce Other Funds associated with DD Local Match Projects</b>	0.00	-7.92	0.00	-7.92
78	HS	<b>Close four Geropsychiatric wards at the Oregon State Hospital (OSH)</b>	-11.34	-0.35	-11.79	-23.48
79	CAF	<b>Increase the copay by \$18 for all families on the program and limit Employment Related Day Care to families leaving TANF</b>	-9.37	-9.64		-19.01
80	SPD	<b>Eliminate long-term care services in nursing facilities for level II priority</b>	-17.59	-0.30	-27.10	-44.99
81	HS	<b>Eliminate Health Plan services for SPD level II</b>	-8.72	0.00	-12.83	-21.55
		<b>Total of required 10% General Fund and Other Fund</b>	<b>-\$281.49*</b>	<b>-\$103.71</b>	<b>-\$316.79</b>	<b>-\$701.99</b>

\* Includes \$1.14 million of Lottery Funds

General Fund 10% target: \$280.34 million

Other Fund 10% target: \$103.71 million

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**Reduction Options: 2005-2007 Agency Request Budget**

**Additional supplemental ten percent reduction list for General Fund and Lottery Fund agencies**

	<b>Cluster</b>	<b>Short Description</b>	<b>General Fund (in millions)</b>	<b>Other Funds (in millions)</b>	<b>Federal Funds (in millions)</b>	<b>Total Funds (in millions)</b>
82	HS	<b>Close one adolescent ward at the Oregon State Hospital (OSH)</b>	-4.40		-3.25	-7.65
83	HS	<b>Reduce Office of Multicultural Health by an additional 10 %</b>	-0.03	0.00	0.00	-0.03
84	DWSS	<b>Reduce temps and four additional administrative positions in Finance &amp; Policy Analysis</b>	-0.58	-0.21	-0.70	-1.49
85	HS	<b>Reduce A&amp;D Prevention Helpline Services</b>	-0.30	0.00	0.00	-0.30
86	CAF	<b>Limit time on TANF cash assistance to 21 months</b>	-6.25		0.24	-6.01
87	HS	<b>Reduce MH Community Acute Care Wrap-Around Services.</b>	-5.70	0.00	0.00	-5.70
88	HS	<b>Reduce Community Mental Health Adult Outpatient Services.</b>	-4.62	0.00	0.00	-4.62
89	CAF	<b>Reduce Statewide Residential Treatment by 10%</b>	-1.21	-0.26	-2.93	-4.40
90	HS	<b>Reduce HIV/STD/TB Reductions by 10%</b>	-1.10	0.00	0.00	-1.10
91	CAF	<b>Eliminate Family Group Homes</b>	-0.91	-0.15	-0.52	-1.58
92	HS	<b>Reduce State Support for Public Health in Counties</b>	-0.46	0.00	0.00	-0.46
93	DWSS	<b>Further reduction of staffing Human Resources</b>	-0.38	-0.10	-0.45	-0.93
94	DWSS	<b>Eliminate 7 additional MMIS support positions</b>	-0.29	-0.08	-0.53	-0.90
95	HS	<b>Reduce additional funds in Drinking Water Program (DWP)</b>	-0.13	0.00	0.00	-0.13
96	CAF	<b>Reduce Child Welfare Shelter Care from 14 to 7 days</b>	-0.12		-0.02	-0.14
97	CAF	<b>Reduce additional System of Care Flex Funds</b>	-3.66	-0.08	-0.86	-4.60
98	HS	<b>Reduce Alcohol and Drug Treatment Enhancement</b>	-2.61	0.00	0.00	-2.61
99	CAF	<b>Eliminate remaining System of Care Flex Funds</b>	-2.39	-0.06	-0.62	-3.07

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**Additional supplemental ten percent reduction list for General Fund and Lottery Fund agencies**

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100	HS	<b>Eliminate all Geriatric Community Mental Health Services</b>	-1.67	0.00	0.00	-1.67
101	CAF	<b>Establish household income standards for TANF No-Parent Households at 150%</b>	-0.94		1.10	0.16
102	CAF	<b>Reduce Substitute Care programs by 20%</b>	-0.48	-0.09	-0.40	-0.97
103	CAF	<b>Reduce Children's Health Insurance Program from 185% to 133% of Federal Poverty Level</b>	-0.24		-0.24	-0.48
104	CAF	<b>Eliminate Crisis Case Management</b>	-0.18	0.00	-0.17	-0.35
105	SPD	<b>Eliminate Staley Re-Settlement Agreement funding</b>	-34.91	-1.50	-31.71	-68.12
106	HS/CAF	<b>Eliminate outpatient Mental Health and Chemical Dependency Services for Adults on the Oregon Health Plan</b>	-13.66	0.80	-28.77	-41.63
107	HS	<b>Reduce additional funds in Family Planning Expansion Program (FPEP)</b>	-1.39		-12.49	-13.88
108	DWSS	<b>Reduce additional staffing in Financial Services</b>	-0.95	-0.34	-1.37	-2.66
109	HS	<b>Reduce additional funds in Communicable Disease Testing</b>	-0.23	0.00	0.00	-0.23
110	CAF	<b>Reduce Children's Health Insurance Program from 133% to 100% of Federal Poverty Level</b>	-0.20		-0.20	-0.40
111	DWSS	<b>Eliminate six positions in Forms &amp; Document Management</b>	-0.16	-0.08	-0.24	-0.48
112	HS	<b>Reduce additional funds in Emergency Medical Services for Children</b>	-0.10	0.00	0.00	-0.10
113	HS	<b>Reduce residential beds in Alcohol and Drug Residential</b>	0.00	-0.36	-0.34	-0.70
114	HS	<b>Cut Other Funds from the Center for Health Statistics, Office of Disease Prevention and Epidemiology, Health Services</b>		-1.22		-1.22

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115	HS	Reduce the number of disorders for which Oregon newborns are tested at birth		-1.01		-1.01
116	SPD	Eliminate long-term care services for level 10 priority	-36.35	-0.55	-56.19	-93.09
117	HS	Eliminate Health Plan services for SPD level 10	-15.51	0.00	-24.28	-39.79
118	CAF	Reduce Regular Foster Care and Adoption Assistance rates by 20%	-14.52	-1.36	-15.62	-31.50
119	HS	Eliminate Children's Health Insurance Program (CHIP)	-10.48	0.00	-27.94	-38.42
120	CAF	CW-Reduce Special Rates Foster Care by 30%	-6.25	-0.46	-7.46	-14.17
121	HS	Alcohol and Drug Outpatient Reduction	-2.61	0.00	0.00	-2.61
122	DWSS	Reduce additional staffing Financial Services	-1.08	-0.55	-1.28	-2.91
123	DWSS	Reduce 5.5 FTE data entry staff	-0.20	-0.05	-0.40	-0.65
124	HS	Reduce Remaining Community Mental Health Adult Outpatient Services	-4.88	0.00	0.00	-4.88
125	HS	Reduce MH Crisis Services	-14.48	0.00	0.00	-14.48
126	SPD	Eliminate Children's Intensive In-Home Services	-7.00	0.00	-10.40	-17.40
127	SPD	Eliminate long-term care services for level 8 & 9 priorities	-6.95	-0.52	-11.53	-19.00
128	HS	Eliminate Health Plan for SPD levels 8 & 9	-1.84	0.00	-2.88	-4.72
129	HS	Reduce Drug Coverage for adults on the Oregon Health Plan	-67.94	-13.23	-100.89	-182.06
		<b>Total Supplemental 10% list</b>	<b>-\$280.33</b>	<b>-\$21.44</b>	<b>-\$343.33</b>	<b>-\$645.10</b>

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