
Oregon Department of Human Services

Children, Adults and Families Division

Joint Ways and Means Committee Presentation

2007 Legislative Session

DHS Core Values

Integrity • Stewardship • Responsibility • Respect • Professionalism

Children, Adults and Families Division

Mission

The mission of the Children, Adults and Families Division is to improve family capacity to be self-sustaining while creating a safe and permanent living environment for children.

Goals

The goals of CAF are to:

- Help individuals find and keep jobs, and advance to better employment.
 - Help protect children and promote children's safety in their homes.
 - Increase competitive job placements and increase wages earned for persons with disabilities.
 - Help children who are unable to live safely in their homes live in settings that provide safety, stability and continuity with their families.
 - Provide accurate, timely benefits that support Oregonians as they work toward family stability and economic independence.
 - Help prevent the need for public assistance in future generations.
 - Expand program partnerships and increase the cultural competency of DHS staff and partners to better serve Oregon's diverse communities.
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History

The 2001 Legislature passed House Bill 2294, which authorized the Department of Human Services (DHS) to integrate the policy and program functions of the former Division of Adult and Families Services (AFS) and former Division of the State Office for Services to Children and Families (SCF) into the new Division of Children, Adults and Families (CAF). This division coordinates the self-sufficiency programs of Temporary Assistance for Needy Families (TANF), Job Opportunity and Basic Skills (JOBS), Food Stamps, Prevention Services, Employment Related Day Care (ERDC), Temporary Assistance for Domestic Violence Survivors (TA DVS), Medicaid Eligibility, the Refugee Program, and the child welfare programs of Child Protective Services (CPS), Out-of-Home Care and Adoptions, and the Indian Child Welfare Act. Field services were not included within these program and policy areas.

Field services were integrated into CAF in January 2003, creating a single division to enhance communications between program and field services, and to promote accuracy and efficiency. When CAF and the field were brought together, the Office of Vocational Rehabilitation Services (OVRs) moved as an office from the former field structure to CAF. OVRs administers the state plan for vocational rehabilitation services.

Self-Sufficiency

Federal and state policy surrounding the Self-Sufficiency program's purpose has evolved from primarily ensuring that single adults with children are able to remain together to focusing more on the sustained employability of all able-bodied adults in families with children. This is most dramatically demonstrated by the shift in policy resulting from the welfare reform legislation establishing the Temporary Assistance for Needy Families program (TANF), first passed in 1996 and subsequently reauthorized through the Deficit Reduction Act of 2005. The initial 1996 legislation replaced the historic welfare entitlement program Aid to Families with Dependent Children (AFDC) with a program focused on helping families move away from cash assistance and ensuring child care is available for low-income working families. Other programs within Self-Sufficiency such as Food Stamps also reflect this shift, although to a lesser degree. Food Stamps began as a USDA commodities program and evolved into a program whose purpose is to provide a supplemental nutrition benefit for low-income families and individuals. For a limited portion of the Food Stamp clientele, the program also includes an employment component.

Child Welfare

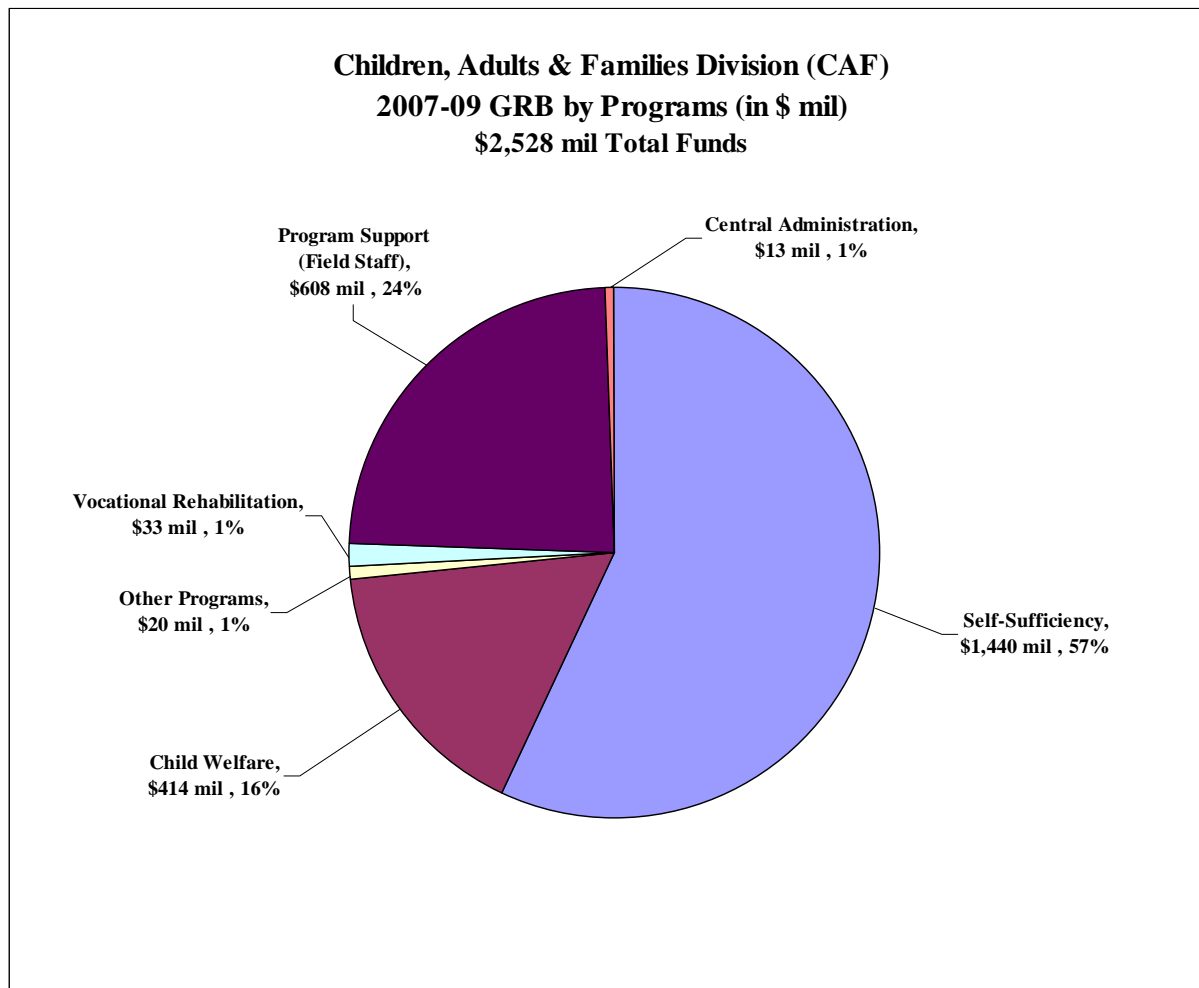
The most significant changes in Child Welfare in recent years were Oregon's Best Interest of the Child legislation and the federal Adoptions and Safe Families Act (ASFA) of 1997. Senate Bill 689, the Best Interest of the Child, was aimed at reducing the number of children remaining in foster care for an extended length of time. Similarly, ASFA mandated that public child welfare agencies provide permanency for foster children within prescribed time frames. These significant state and federal statutes prioritized safety, permanency and well-being for children as the primary goal of child welfare.

Vocational Rehabilitation

The 85-year-old legislation authorizing the public rehabilitation program has experienced significant revisions in recent years. The intent of these revisions has been to focus services and resources on individuals with the most significant disabilities. The workplace and its expectations of employees has shifted as well, with an increased need for individuals with strong technical and soft skills and the ability to carry out a variety of

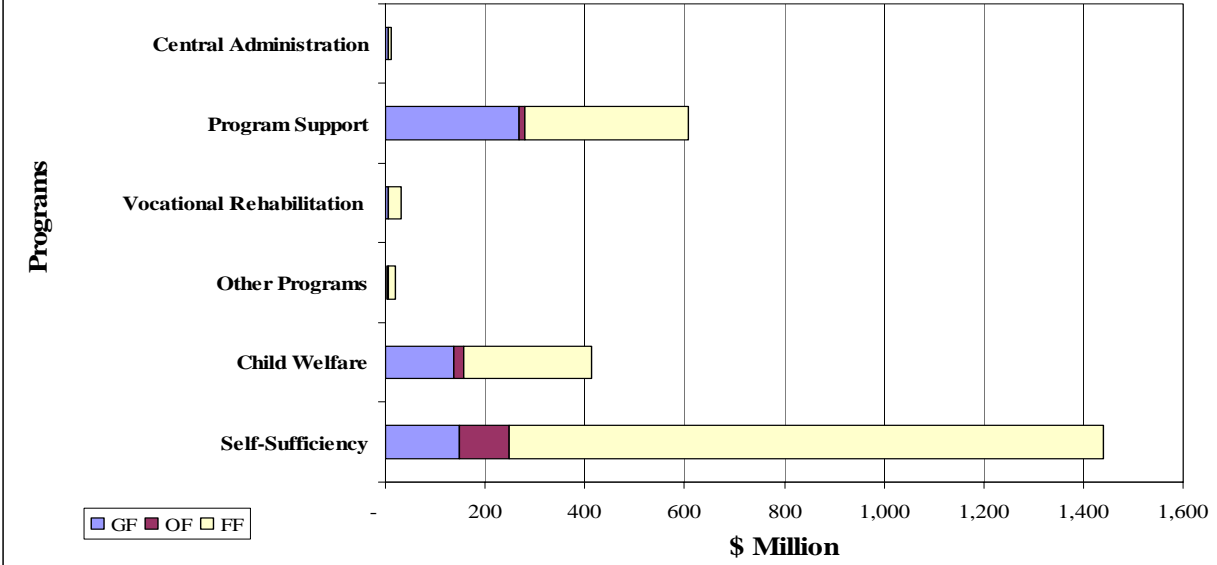
tasks. While the demand for services has increased and the nature of the caseload has changed significantly, the only increase in federal funding to the program has been a Consumer Price Index increase.

Budget summary



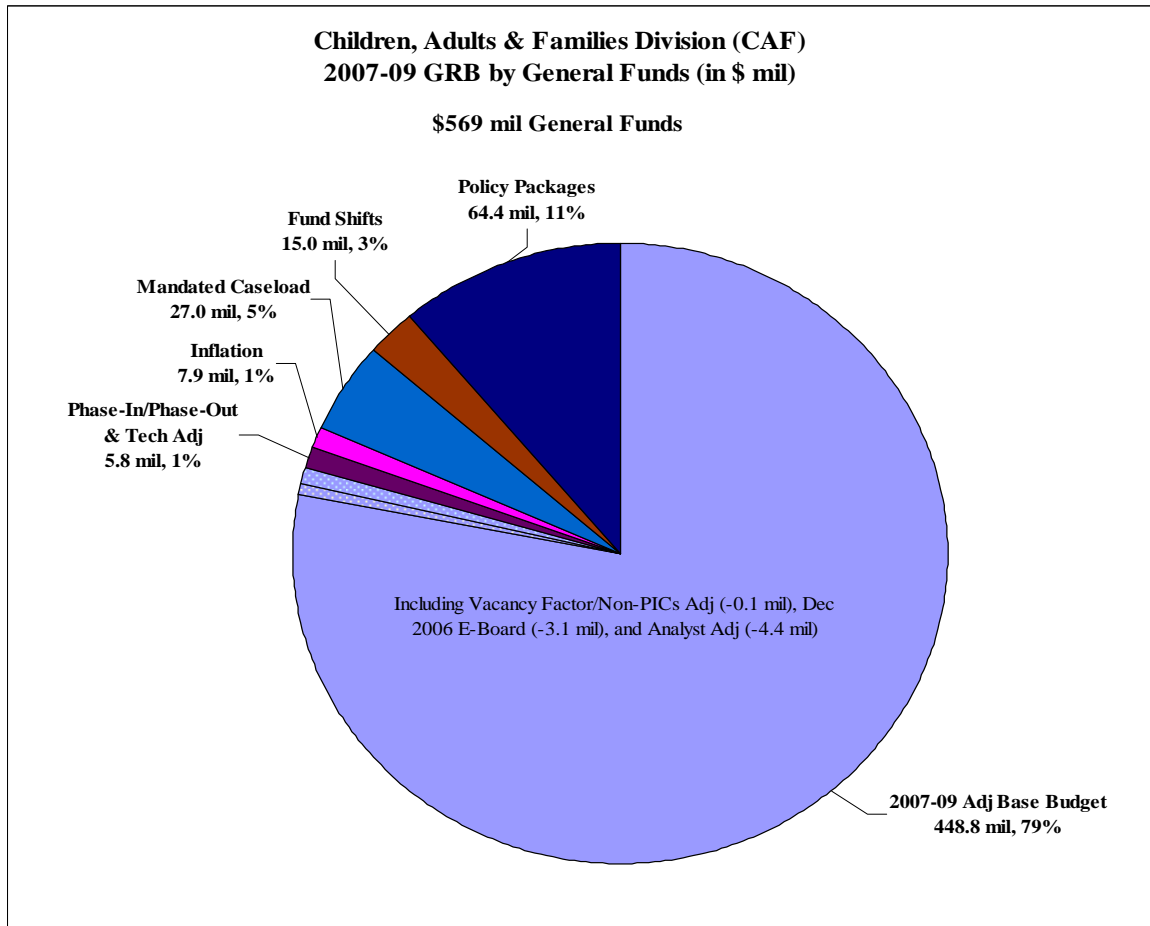
**Children, Adults and Families Division (CAF)
2007-09 GRB by Program Fund Type (in \$ Million)**

\$2,528 million Total Funds



**Children, Adults & Families Division (CAF)
2007-09 GRB by General Funds (in \$ mil)**

\$569 mil General Funds



Services

During 2006, CAF provided the following services to Oregonians:

- 522,000 low-income Oregonians (approximately 14 percent of Oregon's population) received food stamps, cash assistance and/or medical assistance.
- 38,700 families received child welfare services.
- 18,104 Oregonians received rehabilitation assistance to obtain employment.

On an average monthly basis in FY2006, CAF provided approximately 18,000 families with cash assistance, 9,500 low-income working families with child care subsidies; 221,800 households with food stamps, and 420,000 individuals with medical assistance.

- In addition, Oregon received approximately 60,700 reports of abuse/neglect. Approximately 16,100 children were served in foster care arrangements and 1,095 children's adoptions were finalized.

CAF employees in the 16 districts and the processing center are responsible for direct client services in programs administered within CAF and the Division of Medical Assistance Programs.

Throughout Oregon, CAF also supports a network of foster homes for children and of child care providers for low-income parents.

For those Oregonians who are eligible, cash assistance and food benefits are distributed through an electronic benefits card. Use of a benefits card helps ensure client convenience, program efficiency and accuracy.

District offices also are responsible for strengthening working relationships with communities, counties and local partners. District offices work with these local partners to create a more integrated delivery system for clients in need of social supports, rather than expecting a client to navigate a confusing system of multiple offices, case plans, caseworkers, and conflicting appointments and requirements. The management team within each district typically includes program managers who have expertise in specific CAF program areas of self-sufficiency, child welfare and vocational rehabilitation services.

Programs

Children, Adults and Families has three primary program areas:

Self-Sufficiency

- Temporary Assistance for Needy Families (TANF)
- Job Opportunities and Basic Skills (JOBS)
- Temporary Assistance for Domestic Violence Survivors (TA-DVS)
- Employment Related Day Care (ERDC)
- Food Stamps
- Medical Eligibility
- Refugee Program
- Prevention Program

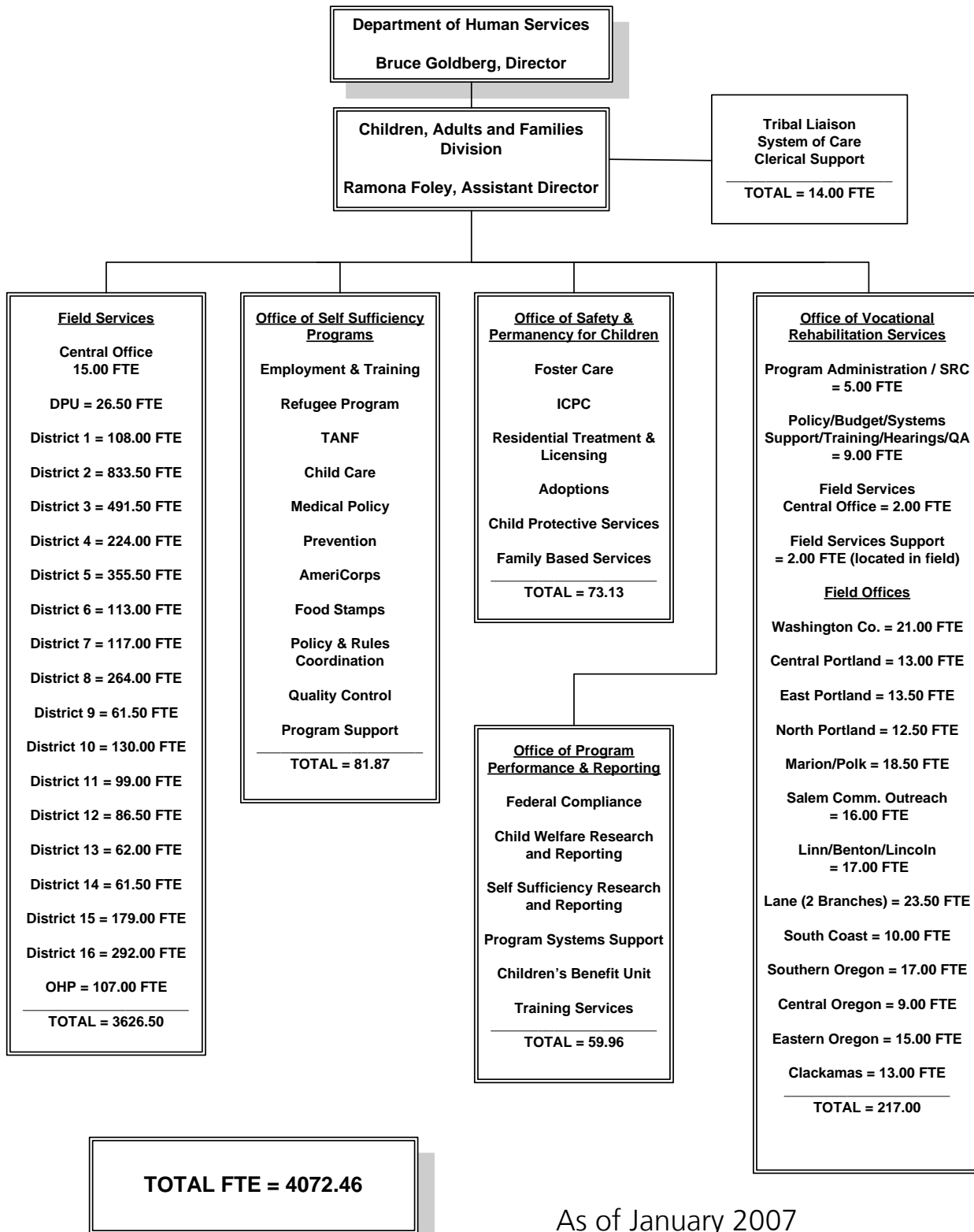
Child Welfare

- Child Protective Services
- Family Based Services
- Out-of-Home Care
- Foster Care
- Independent Living Program
- Residential Treatment
- Interstate Compact
- Adoptions

Vocational Rehabilitation

- Youth Transition Program (YTP)
- Supported Employment Services (SES)
- Independent Living Program (ILP)

Organizational structure



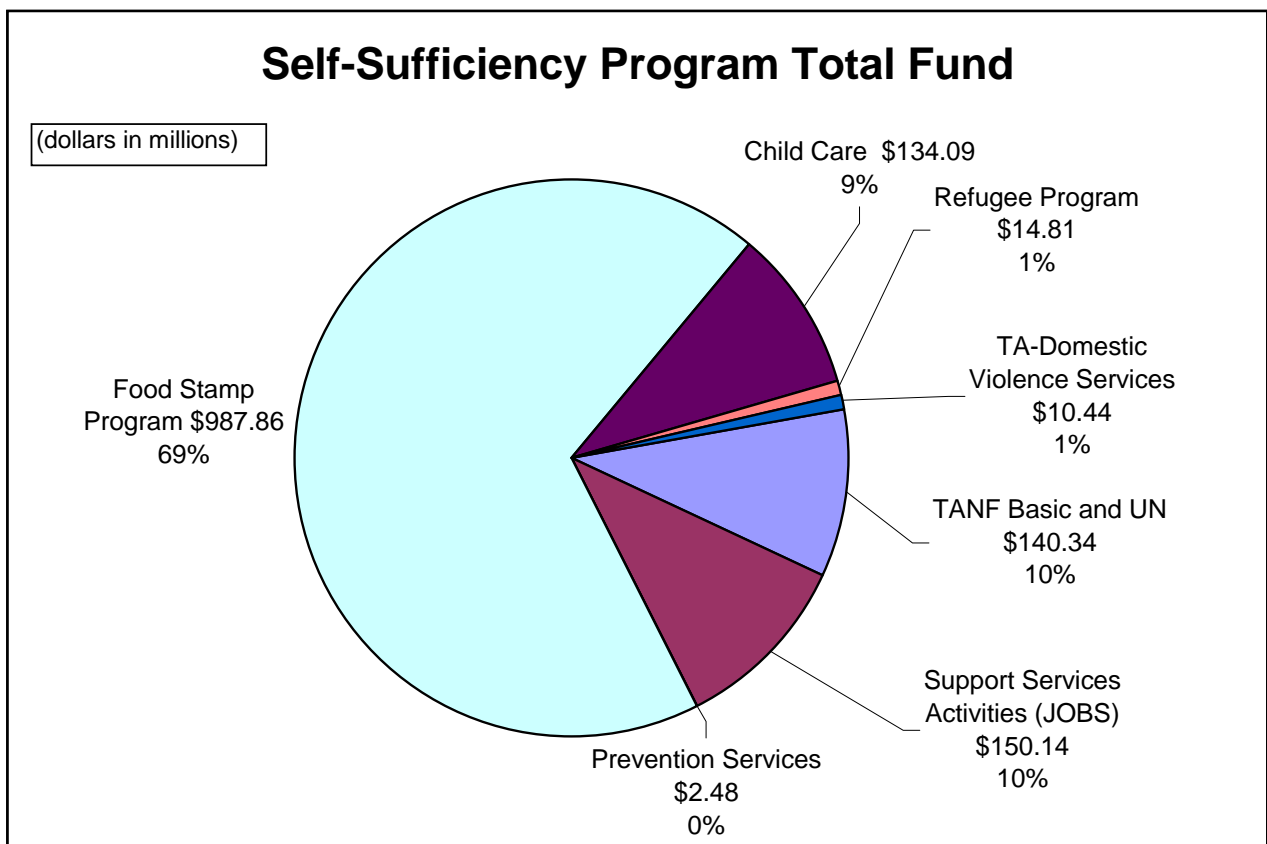
As of January 2007

Self-Sufficiency

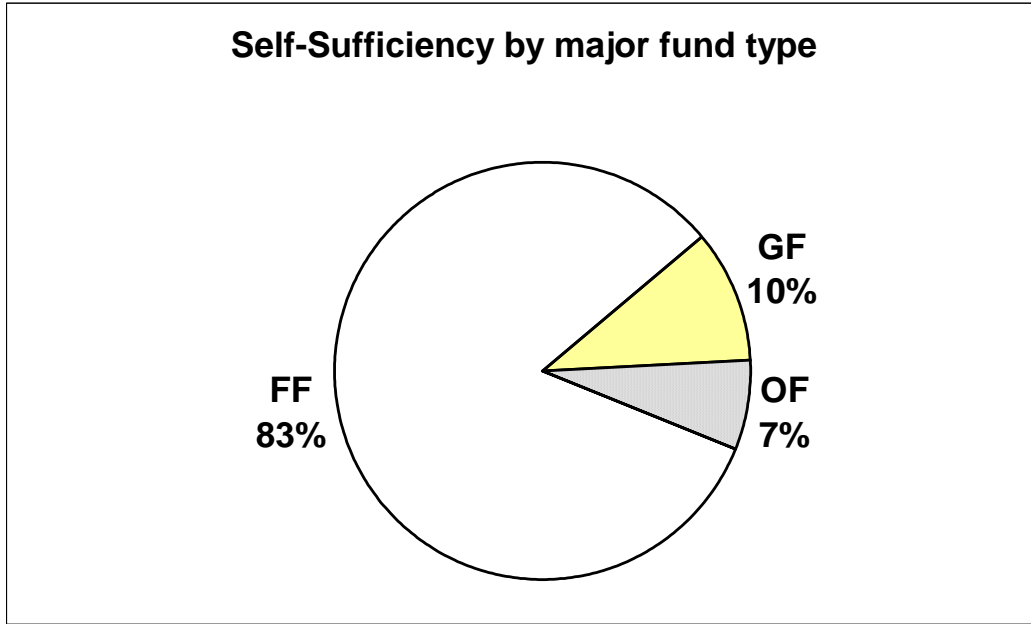
Key programs

The Self-Sufficiency Programs provide assistance for low-income families to help them become self supporting. The major program areas within Self-Sufficiency include: Temporary Assistance for Needy Families (TANF), Food Stamps, Child Care and Refugee Assistance. This area also is responsible for determining medical eligibility services for most Division of Medical Assistance Programs services.

The Governor's Recommended Budget for Self-Sufficiency is \$1,440.2 million (57 percent of CAF's budget).

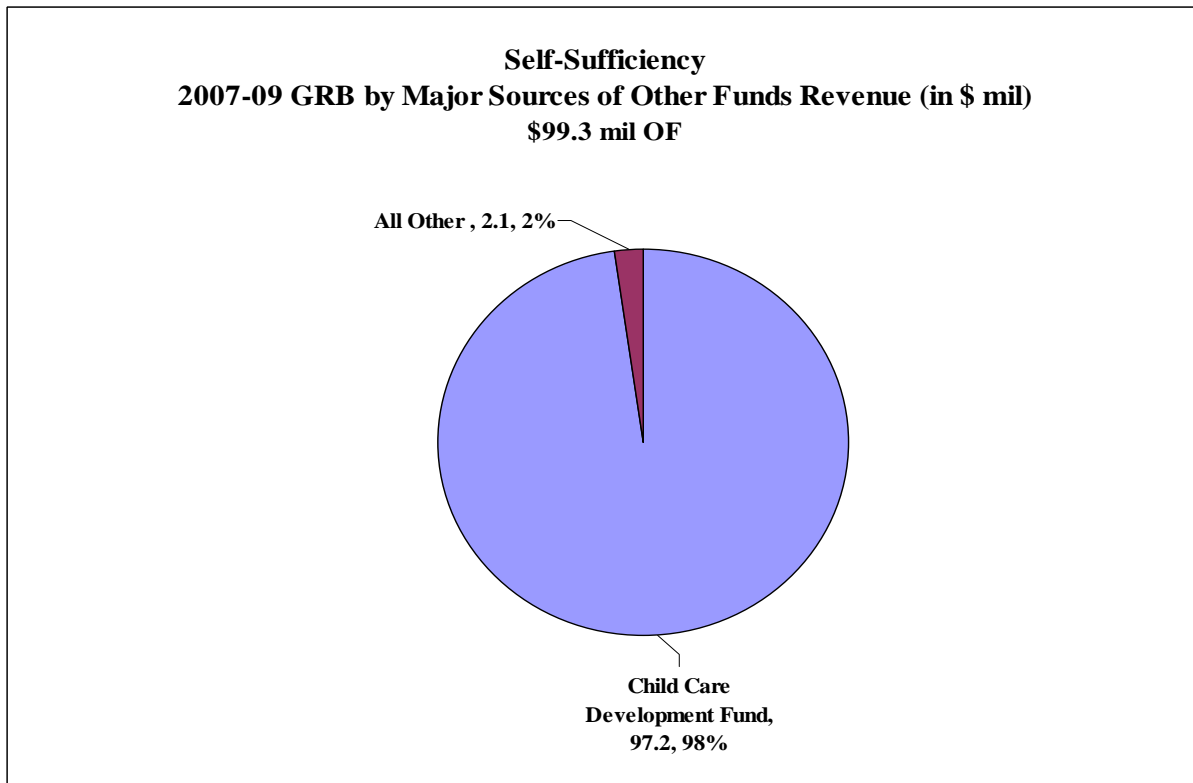


Self-Sufficiency by major fund type

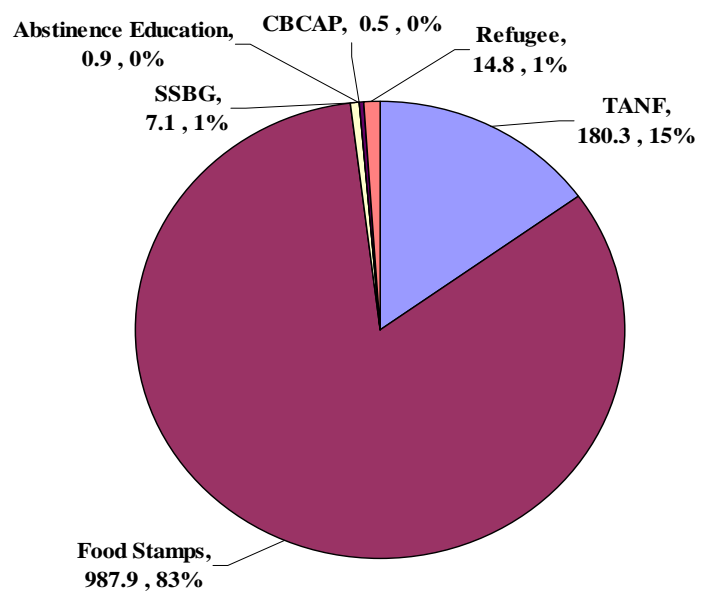


GF	OF	FF	TF
149,498,788	99,333,870	1,191,328,527	1,440,161,185
10.4%	6.9%	82.7%	100.0%

**Self-Sufficiency
2007-09 GRB by Major Sources of Other Funds Revenue (in \$ mil)
\$99.3 mil OF**



**Self-Sufficiency
2007-09 GRB Major Sources of Federal Funds Revenue (in \$ mil)
\$1,191.5 mil FF**



Temporary Assistance for Needy Families (TANF)

Services provided

Temporary Assistance for Needy Families (TANF) provides limited cash assistance support for very low income families with children under the age of 19 who meet eligibility criteria. Income qualification and benefit amounts are based on family size. A family of three must have a total income of less than \$616 per month to qualify (approximately 43 percent of the federal poverty level) and have limited cash resources. The maximum monthly benefit for a family of three is \$514.

Where service recipients are located

CAF has 16 districts that provide direct client services to all Oregon counties through more than 100 field offices. (See the "Persons Served by County" chart on page 14.)

Who receives services

Approximately 18,000 families receive cash benefits each month. These families consist of 41,000 individuals, including 30,000 children. For TANF families with no income the current maximum monthly grant equates to approximately 36 percent of the Federal Poverty Level income guidelines. Most clients are not eligible for cash assistance once they become minimally employed (more than 18 hours per week). During the current biennium, approximately 250 ongoing TANF cash assistance cases reported earnings each month. In 2005-2006 an average of 18,288 families per month received TANF cash assistance.

The TANF program is funded with a federal block grant and a required state expenditure level, known as "maintenance of effort." Under TANF, states are given the flexibility to design their programs within federal guidelines for achieving required work participation rates. However, there are a few prohibitions. For example:

- A needy family must include a minor child under age 19 and a caretaker relative or a pregnant woman.
- Families must assign certain support rights to the state in order to receive assistance.
- Minor parents must live in adult-supervised settings in order to receive assistance.

Adults who receive TANF cash assistance generally are expected to participate in the JOBS employment and training program.

How services are delivered

Eligibility and case management functions are performed by division staff located in branch offices throughout the state. Cash benefits are distributed through the state's Electronic Benefits Transfer (EBT) system, which allows clients to access their benefits through grocery store terminals and automated teller machines.

PERSONS SERVED BY COUNTY DURING NOVEMBER 2006

COUNTY	TANF Persons	JOBS Participants	TOTAL FOOD STAMP Persons	ERDC Children	TA-DVS Families	Total MEDICAL ELIGIBLE Persons
BAKER	208	44	2,370	98	0	2,009
BENTON	696	221	6,589	154	8	2,495
CLACKAMAS	2,191	596	24,016	1,051	42	23,735
CLATSOP	266	58	3,941	175	4	3,913
COLUMBIA	333	124	5,293	239	7	4,948
COOS	954	154	9,970	435	9	9,451
CROOK	123	20	2,635	5	1	2,173
CURRY	250	74	2,507	51	2	2,561
DESCHUTES	735	161	12,704	686	14	11,986
DOUGLAS	1,631	449	17,660	709	19	14,354
GILLIAM	19	5	130	10	0	169
GRANT	26	4	658	7	1	709
HARNEY	48	7	909	23	0	824
HOOD RIVER	119	31	2,231	62	0	2,211
JACKSON	1,339	354	25,326	1,561	25	22,348
JEFFERSON	342	34	4,040	8	7	3,156
JOSEPHINE	1,598	478	13,616	477	19	12,344
KLAMATH	626	63	10,286	342	13	9,996
LAKE	61	14	1,047	29	1	761
LANE	3,491	926	46,789	2,401	36	39,026
LINCOLN	701	203	6,465	248	15	5,255
LINN	1,501	532	16,839	714	22	18,092
MALHEUR	248	23	4,968	203	0	5,024
MARION	4,567	1,101	43,342	2,549	42	50,887
MORROW	105	13	1,545	33	0	1,091
MULTNOMAH	12,459	3,280	90,377	4,299	170	88,740
POLK	762	187	7,372	214	10	6,420
SHERMAN (1)			246			
TILLAMOOK	186	43	2,685	108	8	2,748
UMATILLA	744	90	10,641	487	1	10,082
UNION	329	95	3,297	195	7	3,105
WALLOWA	35	2	614	32	0	703
WASCO	292	62	3,724	176	3	4,140
WASHINGTON	3,117	861	32,222	2,053	42	33,504
WHEELER			113			
YAMHILL	682	124	10,902	572	2	9,811
OHP/SBG (1)				142		2,368
STATE TOTAL	40,784	10,433	428,069	20,548	530	411,139

(1) These are cases served from the OHP Processing Center, that are not identified with a county.
 SBG = Student Block Grant
 OHP = Oregon Health Plan

Why these services are significant to Oregonians

These benefits provide for the basic financial needs of these very low-income families with children. Approximately 98 percent of families with an adult recipient receiving TANF in Oregon have zero income. Without this cash assistance, most of these families would not have the financial means to survive. Extreme poverty is one of the leading family stressors that can put children at risk of abuse. The TANF cash assistance program contributes to the social safety net for very low-income families with children.

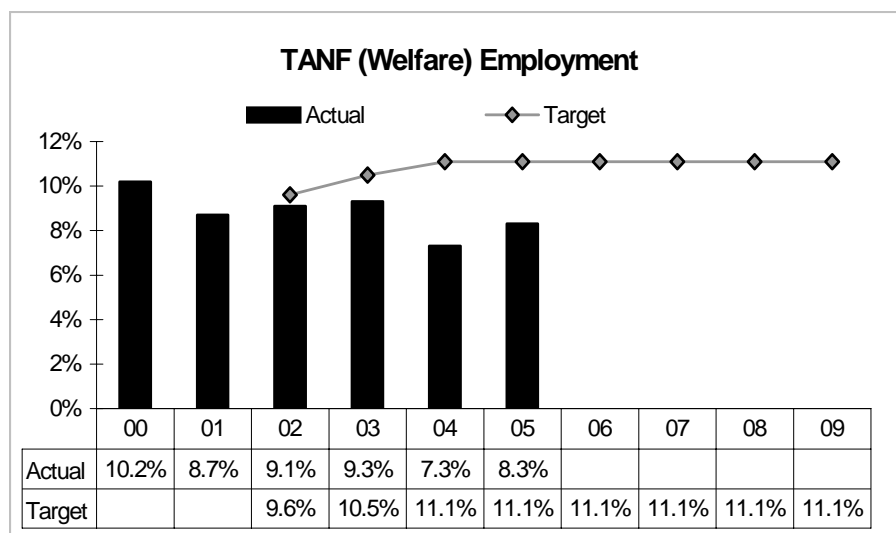
Performance Measures (TANF)

The TANF program has two key performance measures (KPM) and four outcome measures. In addition to these measures, new outcome measures related to policy option packages are outlined in this section.

KPM #5 – Percent of TANF adults placed for whom employment is a goal.

Purpose

This performance measure compares the number of TANF and Assessment program clients required to seek employment each month to those who actually become employed. This measure reflects the ability of DHS and its partners to help people served by TANF become employed. Most of these placements are 30 or more hours per week and result in families earning their way off monthly cash assistance. For most economically disadvantaged families, employment is the best avenue available for a better life.



Based upon performance, new targets will be proposed for the 2009-2011 biennium.

How Oregon compares to other states

This measure is unique to Oregon. However, there are national and Oregon Workforce System data that can be compared to the Oregon TANF program's performance.

At a national level Oregon can be compared to other states based on federal High Performance Bonus information. The High Performance Bonus provided additional funding to states with the highest performance and greatest improvement in certain work-related and other non-work-related performance areas. This additional funding was discontinued under the Deficit Reduction Act of 2005. The last published data is for FFY2004.

The Job Entry Rate noted in the following chart is the number of adult recipients entering employment for the first time in the reporting year. This includes employed adult recipients who were unemployed in the preceding quarter, and employed adult recipients who lost their job and entered new employment in the reporting quarter for the first time in the fiscal year. (No individual may be counted as a job-entry recipient more than once in any fiscal year.)

State	Job Entry Rate FFY2004
Virginia (ranked 1 st)	46.65%
California	***
Idaho	39.11%
Nevada	38.68%
Oregon (ranked 50th)	28.02%
Utah	34.88%
Washington	34.45%
US Average	34.86%

***California did not participate in the High Performance Bonus award and their data was not compiled by Administration for Children and Families, Health and Human Services for the national tables.

The Performance Reporting Information System (PRISM) was established to collect, analyze and report outcomes for Oregon's Workforce System. These reports are used for program management purposes to make the program and system better. The participating agencies who submit data include the Oregon Employment Department, Department of Community Colleges and Workforce Development, Oregon Department of Education, and the Department of Human Services. PRISM reports outcomes for three performance indicators: Job Placements, Job Retention and Wage Gain. The following information reflects the most current reports available.

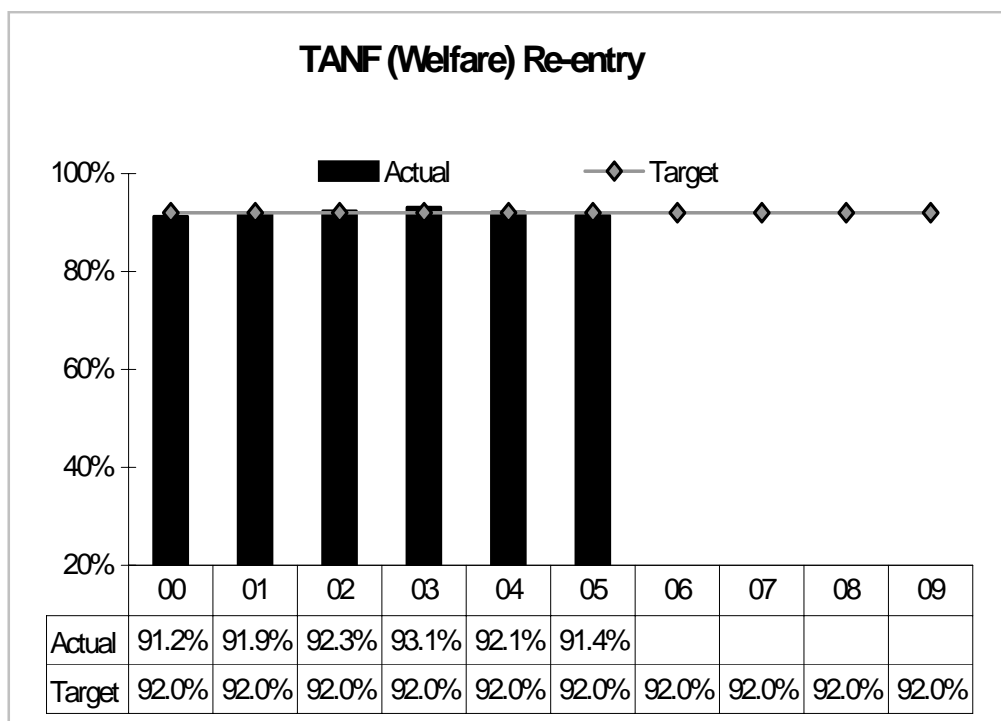
The Job Placement Rate is the percent of participants with employment as a goal who are employed in the quarter of exit or the quarter after exit, based on Oregon Employment Department wage data.

For TANF clients exiting the program between April and June 2006, 71.15 percent reported employment during the period of April and September 2006, compared to 76.85 percent for the statewide system.

KPM #6 - Percent of TANF cases that do not return, or are off of cash assistance 18 months after exit due to employment.

Purpose

This performance measure is calculated by dividing the number of TANF cases that are closed each month due to employment to the number not receiving assistance 18 months later. This measure demonstrates the ability of the TANF JOBS program to prepare TANF clients for the world of work. It also helps assess the ability of families to remain self-sufficient after leaving TANF due to employment.



Performance on this measure reflects the fact that a higher percent of clients who left TANF assistance due to employment were back on assistance 18 months later. Based upon performance, new targets will be proposed for the 2009-2011 biennium.

How Oregon compares to other states

This measure is unique to Oregon. However, there are national High Performance Bonus and Oregon Workforce System PRISM data that can be compared to the Oregon TANF program's performance.

State	Job Retention Rate FFY2004
Hawaii (ranked 1 st)	72.24%
California	***
Idaho	57.17%
Nevada	64.95%
Oregon (39th)	55.63%
Utah	63.60%
Washington	61.52%
US Average	58.97%

***California did not participate in the High Performance Bonus award and their data was not compiled by Administration for Children and Families, Health and Human Services for the national tables.

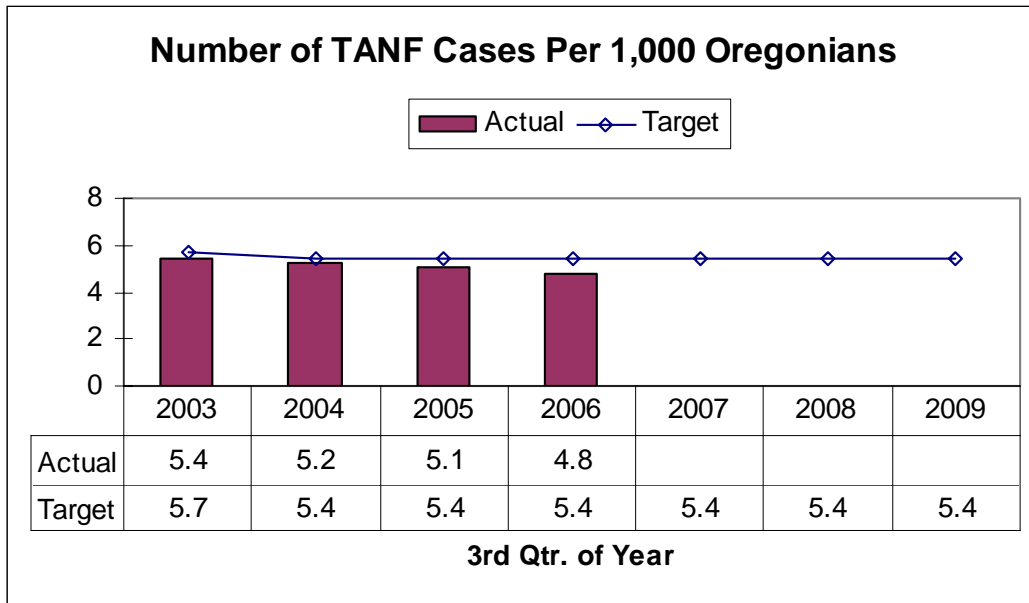
The Job Retention Rate noted in the preceding chart tracks adult recipients who are paid for work performed in three consecutive calendar quarters, the first of which must be in the reporting quarter, regardless of the number of hours employed or whether employed in the same job. For TANF clients exiting the program with employment between July and September 2005, 50.46 percent were continuously employed through the period July and September 2006. This compares to 63.06 percent for the statewide system.

Outcome Measures (TANF)

Measure: Number of TANF cases per 1,000 Oregonians.

Purpose

This outcome measure compares the number of TANF cases each quarter to the estimated population of the state. This outcome measure helps CAF measure the ability of the TANF JOBS program to reduce the relative need for public assistance throughout the state.



While Oregon’s general population has continued to grow, the average number of TANF families receiving cash assistance has remained relatively constant.

How Oregon compares to other states

Based on September 2006 published TANF caseload figures, Oregon is below the national average of TANF recipients per 1,000 general population.

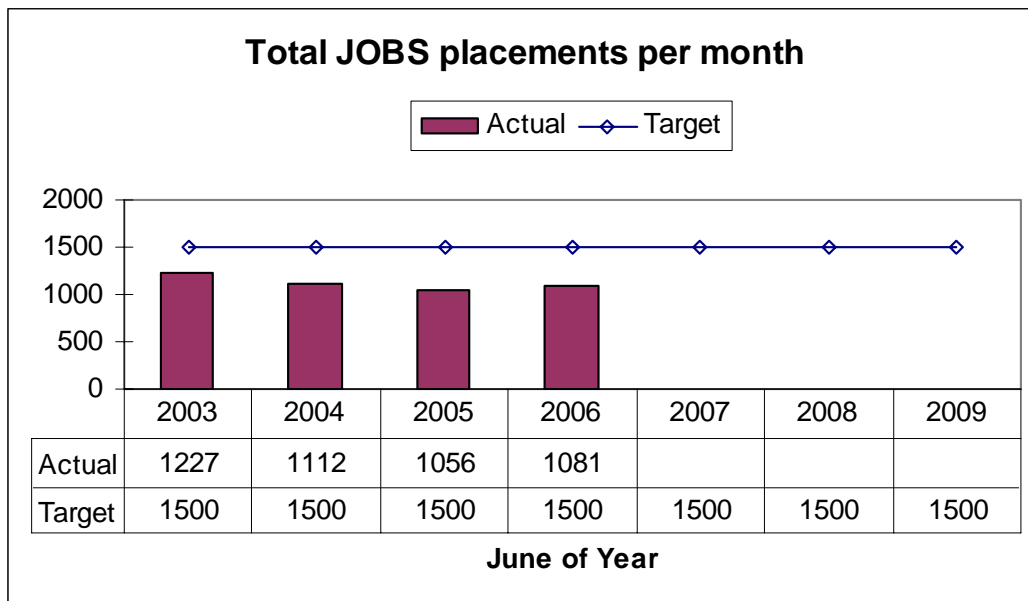
State	Caseload Families 9/06	Caseload Recipients 9/06	Ratio of Recipients Per 1,000 Population
California	440,968	1,027,282	28.2
Idaho	1,767	2,881	2.0
Nevada	5,173	11,677	4.7
Oregon	18,045	40,582	11.0
Utah	6,235	14,844	5.9
Washington	51,483	121,256	19.0
US Average	1,756,750	4,096,054	13.7

Measure: Total job placements per month.

Purpose

This outcome measure represents the average number of employment placements reported by clients served by the JOBS program each month. It differs from KPM #5 by including placements reported by former TANF and Assessment clients who are

receiving transition and job retention services. This measure reflects the ability of DHS and its partners to help people served by the TANF JOBS program become employed or improve their employment situation.



While there is considerable seasonal variation in placements, the number of placements as measured in June of each year has remained relatively constant since 2004. Based upon performance, new targets will be proposed for the 2009-2011 biennium.

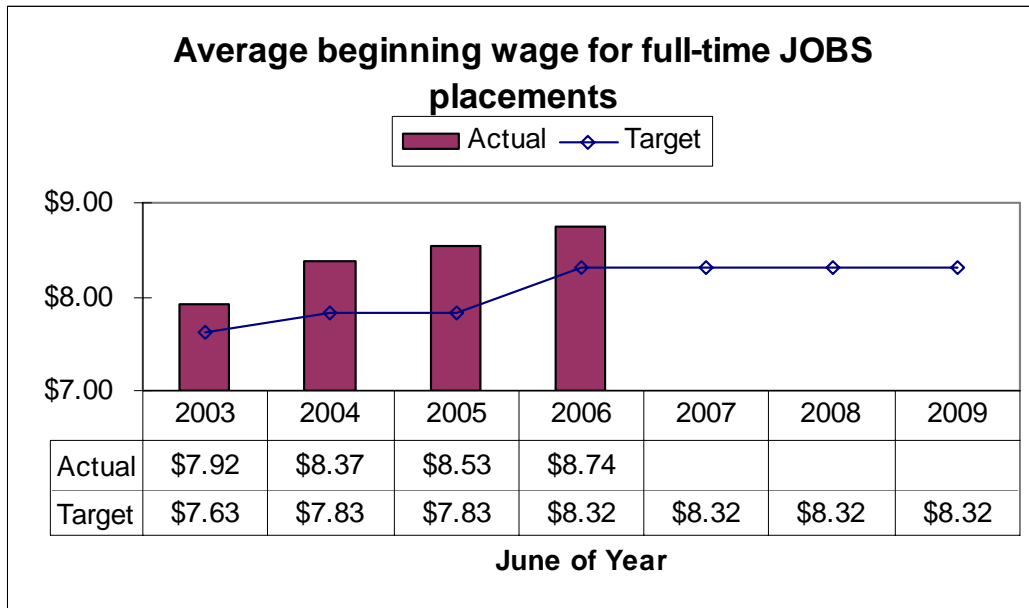
How Oregon compares to other states

This measure is unique to Oregon. There are national High Performance Bonus and Oregon Workforce System PRISM data that can be compared to the Oregon TANF program’s performance. This information is reported under KPM #5.

Measure: Average hourly beginning wage for full-time JOBS placements.

Purpose

This outcome measure reports the average beginning wage for JOBS clients entering full-time employment. This measure reflects how successful DHS and its partners have been at helping people who gain employment with the help of the TANF JOBS program become employed at higher-than-minimum wage.



This represents a \$0.21 per-hour increase from the previous year and an increase of \$0.82 per hour since June 2003. CAF anticipates proposing a new target for this measure for the 2009-2011 biennium.

How Oregon compares to other states

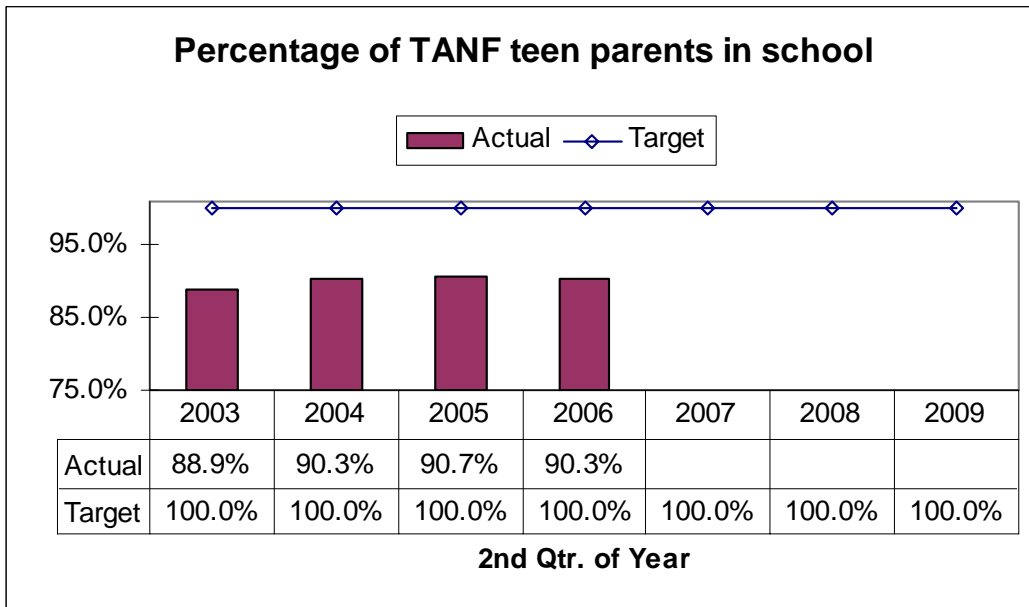
While there is no comparable national data, Oregon Workforce System PRISM data can be used to compare the Oregon TANF program’s performance to the entire Oregon Workforce System Performance.

Using the average hourly wage of the first quarter of employment after program exit within the PRISM wage gain measure, TANF clients exiting the program with earnings between April and June 2005 and employed between July and September 2006, had a starting wage of \$9.49 per hour. In comparison, the statewide Workforce System average starting wage was \$12.43 per hour.

Measure: Percentage of TANF teen parents in school.

Purpose

This measure is calculated by adding the number of teen parents who are in school and the number who have received their high school diploma or GED, and dividing by the total number of teen parents who are receiving TANF. Completing high school or attaining a GED is a critical step in moving teen parents to long-term self-sufficiency. Teen parents who do not complete high school or attain their GED face long-term barriers to employment, and are more likely to have additional children at a young age.



How Oregon compares to other states

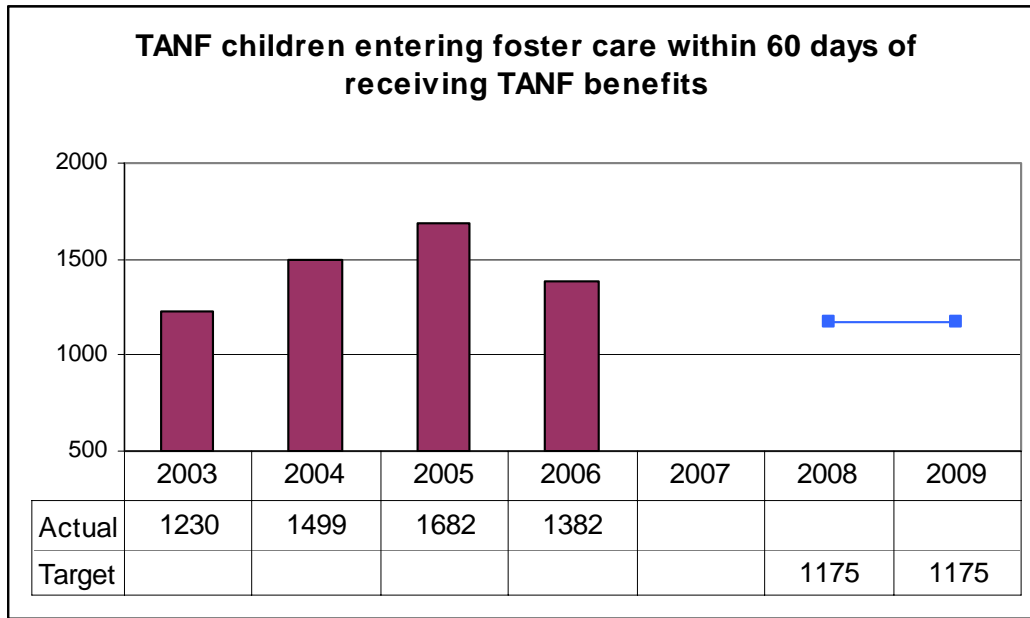
This measure is unique to Oregon’s TANF program.

Proposed Outcome Measures (TANF)

Measure: Number of former TANF children who enter foster care within 60 days of receiving TANF.

Purpose

This measure would track the movement of low-income children who leave the TANF program and enter foster care within two months of exit. This will help measure the overall effectiveness of the TANF program’s family stability efforts.



During FFY2006, 26.1 percent of the children entering foster care had received TANF cash assistance within the prior two months. This represented 1,382 of the 5,294 children who entered foster care.

In FFY2005, 26.7 percent of the children entering foster care had received TANF cash assistance within the prior two months. This represented 1,682 of the 6,304 children who entered foster care.

The improved program outcomes resulting from increased employment, expansion of the Family Support and Connections program, and the new State Family SSI program are all directed at improving family stability. Strengthening the Family Support and Connections abuse prevention program will improve family stability and contribute to fewer TANF children needing foster care placements. The new State Family SSI program will allow parents with disabilities to successfully apply for and receive appropriate disability benefits. These additional services and benefits also will help improve long-term stability.

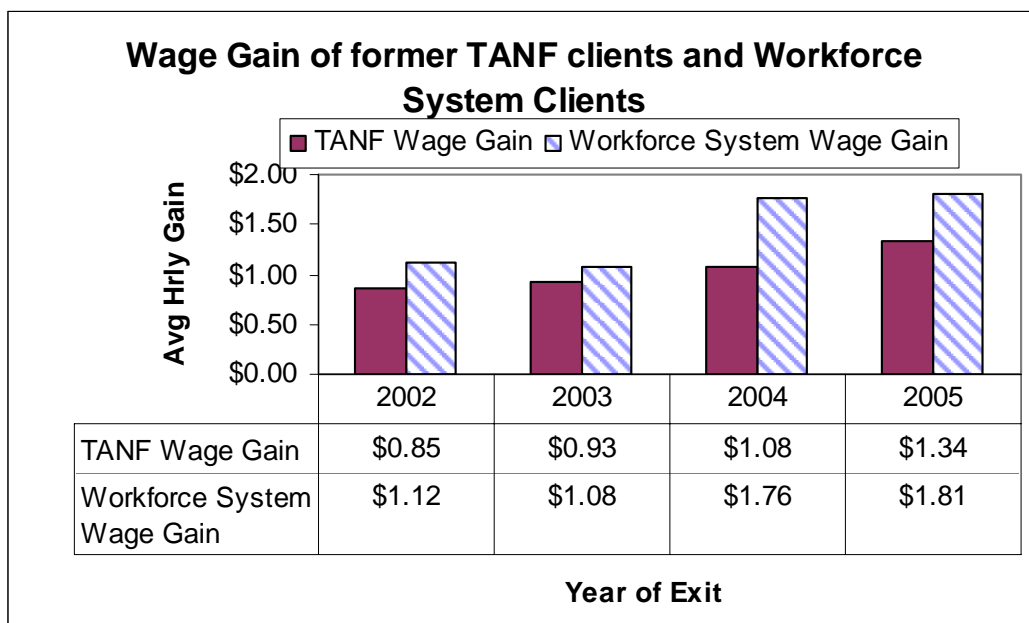
How Oregon compares to other states

This is a unique measure for Oregon and, therefore, there is a lack of current data from other states for purposes of a comparison. However, a comparison of Aid to Families with Dependent Children (AFDC) and child welfare caseloads in California, Illinois and North Carolina found the majority of children entering foster care had been removed from AFDC-eligible households (U.S. Department of Health and Human Services, Office of Assistant Secretary for Planning and Evaluation, 2000).

Measure: Wage gain of former TANF clients.

Purpose

This measure uses Oregon Employment Department data to track the increase in hourly wages between the client's first quarter after exit from the JOBS program and the fifth quarter after exit. This measure also is used by the Oregon Workforce System to measure program performance. This measure provides information on the wage progression of former TANF clients who have left due to employment.



Improvements to the JOBS program and the new post-employment TANF program will help clients better prepare for employment, and remain on the job once employed, which increases the probability for clients to experience wage gains. This measure will be to increase the average wage gain of former TANF clients by 10 percent by the end of the 2007-2009 biennium.

How Oregon compares to other states

This measure is unique to Oregon. There are national High Performance Bonus and Oregon Workforce System PRISM data that can be compared to the Oregon TANF program's performance to the entire Oregon Workforce System Performance.

State	Earnings Gain Rate FFY2004
South Dakota (ranked 1 st)	81.38%
California	***
Idaho	69.52%
Nevada	38.27%
Oregon (Ranked 4th)	64.19%
Utah	53.50%
Washington	51.37%
US Average	36.87%

***California did not participate in the High Performance Bonus award and their data was not compiled by Administration for Children and Families, Health and Human Services for the national tables.

For TANF clients exiting the program with earnings between April and June 2005 and employed between July and September 2006, the average hourly wage gain was \$1.34. In comparison, the statewide system outcome was \$1.81.

Measure: Number of State Family SSI applicants who are approved by SSA for disability benefits.

Purpose

This would be a new measure to chart the effectiveness of the new State Family SSI program in helping disabled clients qualify for federal disability benefits.

Target

The goal for the 2007-2009 biennium will be an average of 97 approvals per month, increasing to 125 per month in 2009-2011.

Results

During 2006, a monthly average of 55 TANF cash assistance clients who received help from DHS with their SSI disability applications were approved for these benefits by the Social Security Administration.

The new voluntary State Family SSI program will better assist parents in applying for and receiving disability benefits. The new program design includes additional resources to assist these parents to work through the initial application and appeal processes. Clients will be provided with an enhanced state-funded grant. The adult portion of assistance paid to the parent while in this program will be repaid to the state when the SSI application is approved.

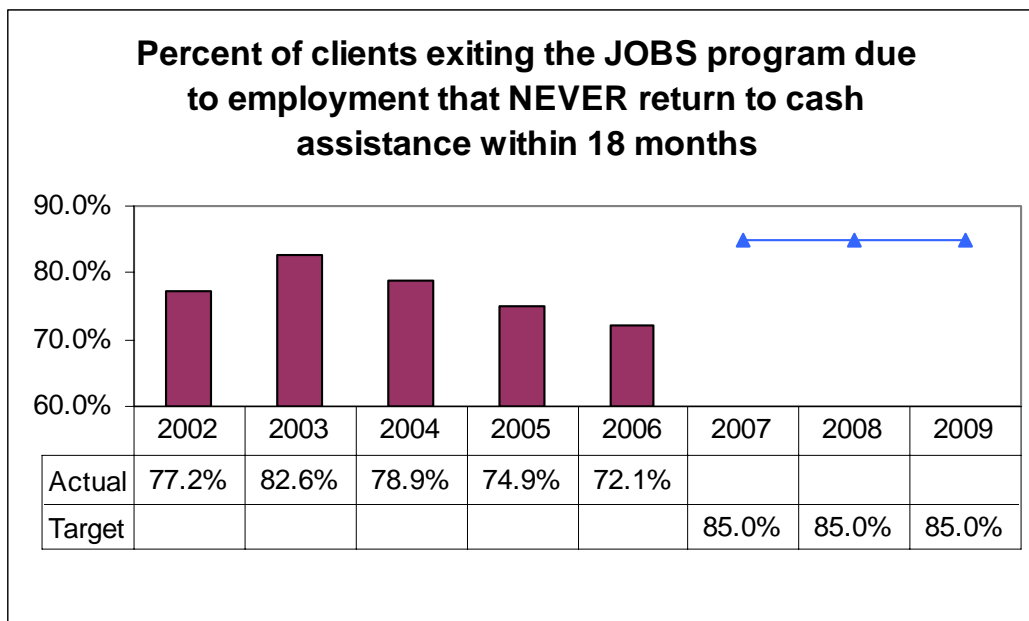
How Oregon compares to other states

No comparable data is available from other states. Reliable historical data is not available.

Measure: Percent of clients exiting the JOBS program due to employment who never return to cash assistance within 18 months.

Purpose

This would be the portion of the current recidivism measure related to clients who do not return to cash assistance within 18 months. The current recidivism measure also includes those clients who return to cash assistance within 18 months, but no longer are receiving assistance in the 18th month after exit due to employment. Information for this measure reports the status of clients who left TANF cash assistance 18 months prior to the reporting period.



The 2006 figures represent those clients who left cash assistance between July 2004 and June 2005. Of these cases, 72.1 percent did not return to cash assistance during the entire 18-month period. With the investment in post-employment TANF services, the outcome goal for this measure will increase to 85 percent for the 2009-2011 biennium.

The post-employment TANF program provides a \$150-per-month state-funded grant for up to one year to TANF clients who leave assistance due to employment and do not have income above 250 percent of the Federal Poverty Level.

How Oregon compares to other states

Like KPM #6, this measure is unique to Oregon. The comparable national High Performance Bonus and Oregon Workforce System PRISM data are listed under KPM #6.

Quality and Efficiency Improvements (TANF)

The effect of the DHS self-sufficiency strategy and the success of the JOBS program were the major contributors to the reduction in the TANF caseload until 2001. Although Oregon experienced a significant recession in 2002 and Oregon's overall population continues to expand, TANF caseloads have remained relatively stable. This has been accomplished through the work of CAF field staff and partners.

In order to improve the quality of services provided to TANF clients, all case management staff, line managers and many partner staff received training on a new strength-based case management approach that is client centered and encourages clients to take control of their lives. This practice emphasizes a shared partnership between clients, case managers and partner staff, where clients are ultimately responsible for the outcome. This approach more effectively helps clients see the connection between the goals they set for themselves and their participation in activities. To extend the effectiveness of this training, CAF is working with Portland State University to begin delivering a structured training for branch support staff, beginning in spring 2007, which embraces this same philosophy. As other supports are added and anticipated program changes are made, this structure will help create higher success rates for clients.

2007-2009 Budget Summary (TANF)

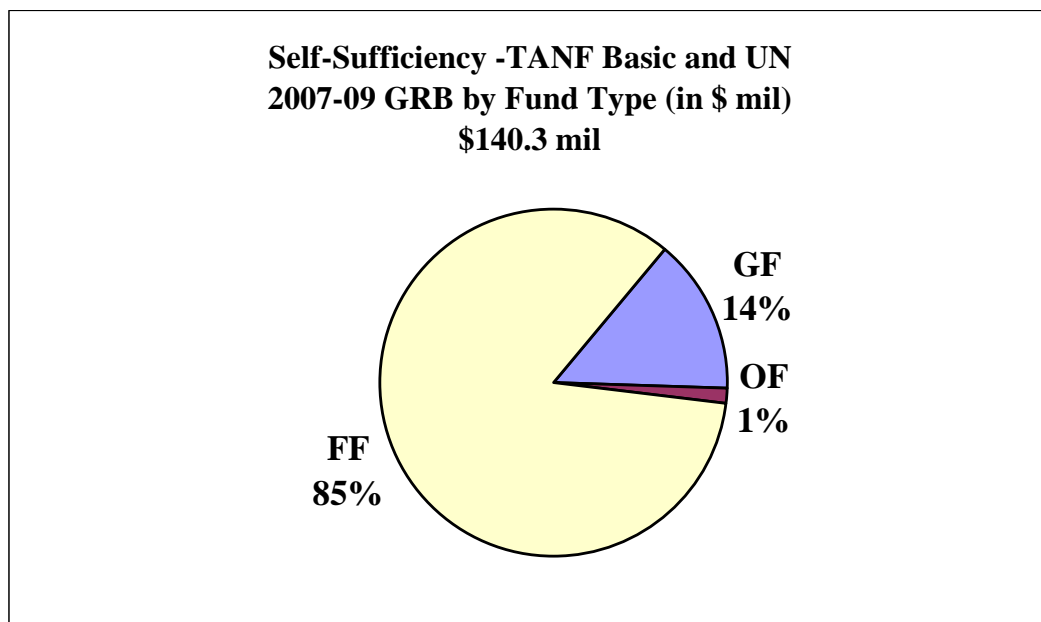
Key budget drivers and issues

Reauthorization of TANF program occurred in February 2006 with President Bush's signature of the Deficit Reduction Act of 2005. This federal law requires significant changes in the Oregon TANF program. While this law presents certain challenges for states, it also provides an opportunity for Oregon to reshape the state's self-sufficiency program in a way that best meets the needs of low-income families. The Governor's Recommended Budget includes a proposal to redesign the program to improve and better align services available to many of the clients currently served. This redesign also will enable the state to meet federal participation requirements as further defined by new federal rules. House Bill 2180 represents the Governor's proposed action for the TANF program.

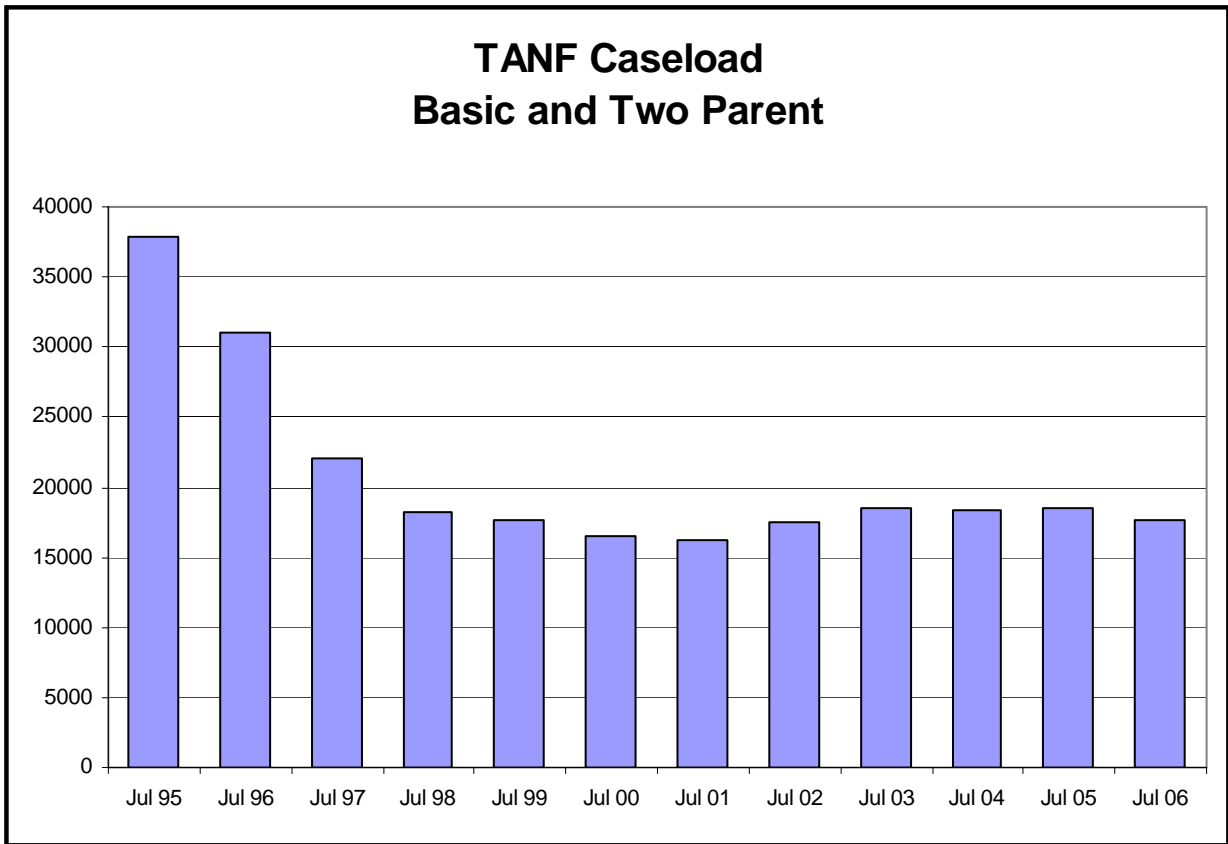
During the past several years there has been an increase in the percent of children entering the foster care system after having recently received TANF cash assistance. Up to one-third of child welfare children recently had received TANF cash assistance.

Oregon's economy, job market and population increases also impact the need for TANF services and the success of clients seeking employment.

Governor's Recommended Budget



GF	OF	FF	TF
\$20,277,997	\$1,779,036	\$118,285,347	\$140,342,380
14.4%	1.3%	84.3%	100.0%



Reductions

No reductions were proposed for this program in the Governor's Recommended Budget.

Policy Option Packages

101-4 TANF Reauthorization

<p><u>101-4 TANF Reauthorization:</u> This package implements the Federal requirements for TANF cash assistance and JOBS employment and training programs. [Note - this package is a part of the overall TANF Reauthorization plan for DHS along with package element 101-04 and 101-17, a total GF investment of \$20 million.] [CAF portion only]</p>	GF	OF	FF	TF
Governor's Recommended Budget	\$ 3.5	\$ 5.8	\$ 7.0	\$ 16.3

(dollars in millions)

The passage of the federal Deficit Reduction Act of 2005 (DRA) presents an opportunity for the state to reconsider the TANF program's significance and connections to other family and child initiatives in Oregon. Family stability and economic security are key components to ensuring that children live in safe, stable families. Fundamental changes in client needs, increased return of clients after being employed and the crossover of TANF children to foster care point to the need to redesign the TANF program. This

package addresses needed changes in the TANF cash assistance and JOBS employment and training programs. Also factored into design issues are changes resulting from the DRA. The DRA significantly limits state flexibility and adds new Work Verification Plan administrative processes. Failure to meet the work participation rates, or not comply with administrative requirements, will result in significant federal fund penalties, which must be replaced on a dollar for dollar basis with state funds. For TANF families with no income, the current maximum monthly grant equates to approximately 36 percent of the Federal Poverty Level income guidelines. Most clients are not eligible for cash assistance once they become minimally employed (more than 18 hours a week).

Without significant changes to the TANF and JOBS programs, Oregon will not meet the federal work participation requirements. The work participation rate must increase for all families from 16.2 percent to 50 percent and for two-parent families from 22.5 percent to 90 percent. Not meeting either of these rates also will result in a required increase in Maintenance of Effort (MOE) expenditures of \$6.1 million per year. This package anticipates that Oregon will identify other state and local expenditures that may be used to achieve the increased MOE requirements, so no new state expenditures are anticipated for this change.

Specific changes within this package include the following items.

- Modifications to the current Initial Assessment element of the program would ensure improved statewide consistency in meeting initial basic needs of families by enhancing family evaluation including parent self-evaluation of goals, and completing a participation plan prior to opening an ongoing TANF grant.
- Modifications to the JOBS program would provide a larger array of services and increase accessibility to contracted domestic violence, occupational nurse, job readiness, adult basic education, work experience, and job skills and vocational training services.
- Creation of a post-employment TANF program would provide a sustainability grant of \$150 per month (for up to 12 months) for pre- and on-going TANF families who become employed and do not have incomes in excess of 250 percent of the Federal Poverty Level, and provides limited training and support services. This program would be state-only funded, allowing Oregon to claim work participation credit for these activities while not accumulating months on federally funded TANF cash assistance for participating clients.
- Expansion of Family Support and Connections child abuse prevention services would make these services more readily available to families. Program funding would expand by 10 percent above current levels.

- Creation of a new State Family SSI program would strengthen Oregon’s efforts to assist disabled parents with children pursue Social Security Disability benefits. It would eliminate the requirement for these parents to participate in TANF/JOBS to secure benefits for their families, although the adult head of household would be required to participate as part of this separate program in activities deemed necessary for the family to remain stable while SSI is pursued. This voluntary program option would provide an ongoing Family SSI assistance grant equal to 43 percent of the current federal SSI monthly benefit plus an amount equal to the TANF No-Adult payment standard including the Cooperation Incentive. This program option would be available only to those clients highly likely to be found eligible for SSI benefits. This would be a state-only non-MOE program.
- An increase in TANF JOBS Plus placements by 228 per month (200 percent increase) and a minimum \$10 grant payment on cases where a wage supplement is not being paid would ensure federal work participation credit.
- Modification of the current parent accountability policy for JOBS non-cooperation would improve parent accountability. The new program design would emphasize working with parents during the upfront process to better identify possible barriers to participation and adding services to more fully meet identified client needs. The new policy also would modify the parent accountability process. Clients who fail to participate would need to demonstrate participation through two or more weeks of positive participation in goal-based plan activities prior to removal of grant reduction. Clients identified within a given month who have failed to participate in a particular activity but still meet federal participation requirements for that month would not be subject to a grant reduction. The current parent accountability system uses three levels of grant reductions. Each of these levels is in place for two months. The amount of grant reduction increases at each level of the parent accountability system, starting at approximately \$90 for the first two months, progressing to about \$200 per month for the third and fourth months, and ending all cash assistance to the family in the fifth and sixth months. The revised policy would eliminate the existing initial level of grant reduction and the first month of the existing complete grant reduction level. The new policy also would add a three-month exclusion from TANF cash assistance for families with parents who do not participate, without good cause, for three or more months.
- Accounting and system changes would split the current TANF Two-Parent caseload into two groups: those currently required to meet the federal Two-Parent 90 percent participation rate and those not currently required to meet the rate. The group required to achieve the 90 percent participation rate would be state-only non-MOE funded. Most other program rules and requirements would remain the same for both groups.

- Funding for additional business services support in CAF field offices would allow program line managers to be focused on program performance and would shift business services support to this new resource.

101-9 Self-Sufficiency Client Needs

<p><u>101-9 Self-Sufficiency Client Service Needs:</u> This package addresses the increased caseloads and costs per case for the TANF, TA-DVS (domestic violence assistance) and ERDC working childcare programs. [Note - this package is a part of the overall TANF Reauthorization plan for DHS along with package element 101-04 and 101-17, a total GF investment of \$20 million.] [CAF portion only]</p>	GF	OF	FF	TF
Governor's Recommended Budget	\$ 5.6	\$ -	\$ -	\$ 5.6

(dollars in millions)

This package addresses the projected changes in caseloads and increases in cost-per-case for the TANF, TA-DVS (domestic violence assistance) and ERDC working parent child care programs. Failure to fund these packages would require DHS to implement policy actions to restrict eligibility criteria and/or lower benefit levels in these social safety net programs. TANF cash assistance grants provide for basic needs for eligible families with children. For TANF families with no income, the current maximum monthly grant equates to approximately 36 percent of the Federal Poverty Level income guidelines. Approximately 98 percent of the cases with an adult do not have any income. Services to TA-DVS clients provide the critical financial supports that allow parents and their children to escape violent, and in some cases life-threatening, situations and seek safety. And finally, Oregon’s child care program for working parents (ERDC) enables low-income families to continue working by providing a subsidy for child care needs. These three programs provide critical services to very low-income Oregon families with children.

This package funds the projected caseload increases and changes in cost-per-case for the TANF, TA-DVS (domestic violence assistance) and ERDC child care programs.

TANF is a cash assistance program that helps low-income Oregon families with children meet their basic living needs while assisting these families in achieving self-sufficiency. To qualify for TANF, a family of three cannot earn more than \$615 per month.

The TANF Basic program has a projected average caseload increase of 141 cases per month and a projected cost per case increase of \$0.27 per case. The TANF Two Parent program has a projected average caseload increase of 60 cases per month and a projected cost-per-case increase of \$34.65 per case.

The Temporary Assistance for Domestic Violence Survivors (TA-DVS) program provides help to victims of domestic violence who are fleeing domestic violence or who are at risk of future domestic violence. Victims may receive help with relocation, housing, emergency food, medical support or other goods and services that assist their family to seek safety. The program has the same basic eligibility criteria as TANF. The TA-DVS program has a projected caseload decrease of 52 cases per month and a projected cost-per-case increase of \$21.53 per case.

The Employment Related Day Care (ERDC) program is designed to serve low-income working families who need child care assistance in order to remain employed. This program is available to working families with incomes below 150 percent of the federal poverty level. The program requires a co-payment from the family, which increases as the family earns more income. The ERDC program has a projected caseload increase of 31 cases per month and a projected cost-per-case increase of \$9.00 per case.

101-17 Client Based Services Inflationary Increase

<p><u>101-17 Client Based Service Inflationary Increases:</u> In several CAF programs, there are not sufficient Federal Funds to pay for the general inflation increase routinely allowed by DAS in the budget development process. This is a request for General Funds to pay for the Federal Fund shortfall in CAF programs, which includes ERDC, TANF Basic and UN, and JOBS programs. [Note - this package is a part of the overall TANF Reauthorization plan for DHS along with package element 101-04 and 101-09, a total GF investment of \$20 million.] [CAF portion only]</p>	GF	OF	FF	TF
Governor's Recommended Budget	\$ 10.5	\$ -	\$ (0.8)	\$ 9.7

(dollars in millions)

In several CAF Self-Sufficiency programs there are insufficient Federal Funds and Other Funds to fully fund the 3.1 percent general inflationary increase provided in the budget development process. This is a request for General Fund dollars to backfill the shortfalls in Federal Funds and Other Funds in the CAF Self-Sufficiency program areas where a baseline adjustment for inflation was not funded due to a lack of Federal Funds and Other Funds revenues. This is a result of Other Funds shortfalls due to the capped Child Care Development Fund grant, Federal Funds shortfalls due to several capped grants, and use of one-time available TANF Federal Funds during the 2005-2007 biennium. Programs included in this request includes TANF, JOBS, ERDC, TA-DVS, Oregon Food Stamp and Employment Training and Prevention. This package would maintain the current level of services.

101-New Modify JOBS Plus IEA transfer to OSAC

101-New IEA Transfer to OSAC: Transfer of JOBS Plus Individual Education Account (IEA) funds from the Department of Human Services to the Oregon Student Assistance Commission when the JOBS Plus Client ends participation in the program.	GF	OF	FF	TF
Governor's Recommended Budget	\$ -	\$ -	\$ -	\$ -

(dollars in millions)

JOBS Plus is a state subsidized work program for individuals receiving public assistance under the TANF program. Until June 2005, individuals receiving unemployment insurance also were eligible for JOBS Plus. Client use of these available training funds has been less than anticipated. Efforts to increase participation have resulted in limited increased activity.

This policy option package will improve client use of the JOBS Plus Individual Education Account (IEA) by amending ORS 411.894 to require the immediate transfer of JOBS Plus Individual Education Account funds from the Department of Human Services to the Oregon Student Assistance Commission (OSAC) when the JOBS Plus client ends participation in the program. The former JOBS Plus clients would activate their JOBS Plus IEA accounts directly with the OSAC.

Funds earned by participants in the JOBS Plus program will remain available for use by those who earned them. The changes will increase opportunities for these disadvantaged workers to improve skills and learn about other ways they could continue to further their education.

OSAC would fund a new JOBS Plus Scholarship Program with the funds remaining in any JOBS Plus IEA that are not expended within five years of the client's completion of JOBS Plus participation. These changes are addressed in House Bill 2246.

Job Opportunities and Basic Skills (JOBS)

Services provided

The Job Opportunity and Basic Skills (JOBS) program is funded through a federal TANF block grant, Child Care Development Fund block grant (CCDF), Social Services block grant (SSBG) and state expenditures. This program provides limited education, training and job placement services to TANF clients with the goal of helping them find and keep a job.

Services include basic education focused on high school completion and English as a second language education; classes in life skills such as time management and personal budgeting, with an emphasis on building clients' ability to succeed in the job market; job search skills; classroom training in vocational and technical skills; and other job training and work experiences. JOBS Plus provides subsidized job placements for clients. This part of the program reimburses employers for part of the wages paid by the employer to the client. Support services such as child care, transportation, clothing and other needs also are provided to clients while they participate. Clients also receive case management and assessment services.

Where service recipients are located

CAF has 16 districts that provide direct client services to all Oregon counties through more than 100 field offices. Services also are offered through an extensive network of community partners. (See the "Persons Served by County" chart on page 14.)

Who receives services

The JOBS program provides employment and training services to approximately 11,000 TANF clients each month.

How services are delivered

The state administers the JOBS program, while an extensive network of community partners helps deliver services. DHS case managers work with clients to develop individualized case plans. These plans guide each client's activities in the program and outline the client's needs for support services such as transportation and child care.

DHS has developed a system of contracting for services with community partners such as Job Training Partnership Act (now Workforce Investment Act or WIA) agencies, community colleges, the Oregon Employment Department, and many local and county-based organizations. The number of partners has grown significantly through the years in response to emerging client needs.

Why these services are significant to Oregonians

Many of the clients on this program have little or no work experience. The JOBS employment and training program provides activities and services focused on preparing clients to enter the workforce, helping them find employment and supporting them as they transition off public assistance. In addition to work-centered services, JOBS also offers referrals to a variety of family stability services such as assessment and treatment for drug, alcohol problems, mental health problems, and help for victims of domestic violence.

The services provided by this employment and training program have helped thousands of Oregon TANF families leave public assistance, establish themselves in the workforce and achieve self-sufficiency. Without these training opportunities and other supports, many low-income families would not be able to secure employment and progress out of poverty. Without the program's help in addressing the parent's personal and financial barriers, many of the children in these families likely would require the intervention of child welfare.

Performance Measures (JOBS)

The performance and outcome measures for the JOBS program are identical to those reported for the TANF program.

Quality and Efficiency Improvements (JOBS)

In addition to the efforts described under TANF above, department staff also conduct fiscal and program monitoring of local programs to ensure compliance and evaluate program effectiveness.

2007-2009 Budget Summary (JOBS)

Key budget drivers and issues

As with the TANF program, the Deficit Reduction Act of 2005 (DRA) requires significant changes to the Oregon JOBS program in order to achieve program requirements.

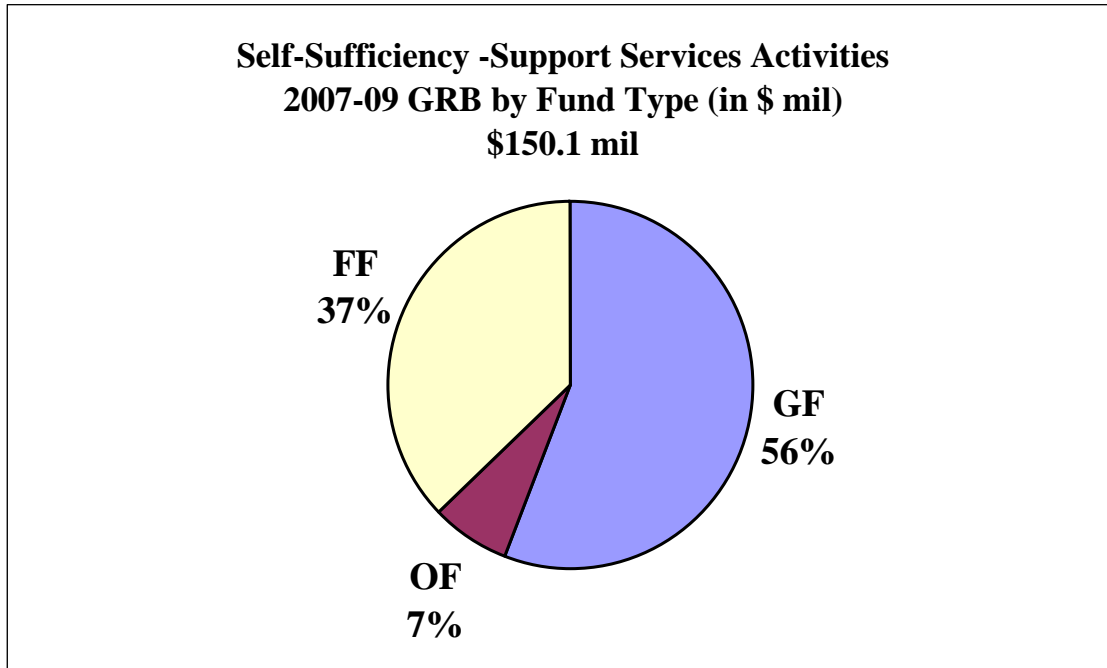
New federal regulations contained within the DRA provide more prescriptive definitions for activities considered countable as work-related activities. Beginning in FFY2007,

states need to meet TANF work participation rates without receiving credit for their pre-2005 caseload reduction efforts. The Caseload Reduction Credit (CRC) is a one-for-one reduction credit in the participation rate for able-bodied adults or minor head of household parents who are required to participate in select activities for a minimum number of hours each month. Oregon has reduced its TANF caseload by more than 50 percent since 1995. By changing the base year for the credit from 1995 to 2005, the caseload reduction credit no longer has an impact. In FFY2006, without the 1995 based CRC, Oregon reported a 16.2 percent all-family participation rate and a 22.5 percent two-parent participation rate. Both of these rates are significantly below the federal requirements of 50 percent all family participation for able-bodied adults in all families and 90 percent participation for able-bodied adults in two-parent families. Without significant changes in the JOBS program, Oregon potentially faces millions in future federal penalties that must be replaced on a dollar-for-dollar basis with state funds.

While this law presents certain challenges for states, it also is an opportunity for Oregon to reshape the state's self-sufficiency program in a way that best meets the needs of Oregon's changing vulnerable population. The Governor's Recommended Budget includes a proposal to redesign the program to improve and better align services available to many of the clients currently served. This redesign also will enable the state to meet federal participation requirements as further defined by new federal rules. House Bill 2180 represents the Governor's proposed action for the TANF and JOBS programs.

Oregon's economy, job market and population increases also impact the need for JOBS services.

Governor's Recommended Budget



GF	OF	FF	TF
\$83,971,317	\$10,222,347	\$55,950,524	\$150,144,188
55.9%	6.8%	37.3%	100.0%

Reductions

No reductions were proposed for this program in the Governor's Recommended Budget.

Policy Option Packages

The packages identified for the JOBS program are identical to those reported for the TANF program, with the exception of 101-9 Self-Sufficiency Client Needs.

Outcome measures related to policy option package #106-62 will be established during the first 12 months after implementation. The processes will be implemented, baselines calculated, and targets established in each program area. These processes, baselines and targets will be reported to the Legislature beginning in November 2008.

Outcome measures include targeted review error rates by local offices and staff. This policy option package also will impact Food Stamp quality control error rates. This comprehensive program integrity infrastructure for Self-Sufficiency program eligibility will provide a method for gathering timely, local performance data and will enable the department to develop corrective measures when issues are identified.

Temporary Assistance for Domestic Violence Survivors (TA-DVS)

Services provided

Domestic Violence Emergency Assistance, also known as the Temporary Assistance for Domestic Violence Survivors (TA-DVS) program, provides support to parents fleeing or striving to stay free from domestic violence. TA-DVS is focused on providing support for families when safety is an issue and when other resources are not available.

Victims of domestic violence may access up to \$1,200 in services per 90-day eligibility period to receive assistance with immediate needs such as shelter, utilities or relocation. Under certain circumstances, payments may be provided more than once in a 12-month period. Approximately four percent of those who receive a payment also receive a subsequent payment within 12 months.

Where service recipients are located

CAF has 16 districts that provide direct client services to all Oregon counties through more than 100 field offices. (See the “Persons Served by County” chart on page 14.)

Who receives services

The TA-DVS program supports domestic violence survivors by providing temporary financial assistance to help them flee domestic violence and remain free of violence. To be eligible for TA-DVS, a survivor must have a current or future risk of domestic violence, meet eligibility guidelines similar to those for TANF cash assistance, and their situation must meet the department’s definition of domestic violence.

The department’s definition of domestic violence conforms to ORS 411.117 and is defined as: The occurrence of one or more of the following acts between family members, intimate partners or household members:

- Attempting to cause or intentionally, knowingly or recklessly causing physical injury or emotional, mental or verbal abuse.
- Intentionally, knowingly or recklessly placing another in fear of imminent serious physical injury.
- Committing sexual abuse in any degree as defined in Chapter 163 of the Oregon Revised Statutes.
- Using coercive or controlling behavior.

The TA-DVS program provides services to approximately 550 families each month, or approximately 5,200 families each year. Expenditures and numbers served in the TA-DVS program have remained fairly stable for the past few years.

How services are delivered

Victims of domestic violence access services through DHS field offices. Case managers meet with the clients to review their situation and develop a safety plan. Payments usually are made directly to vendors for the approved services.

Why these services are significant to Oregonians

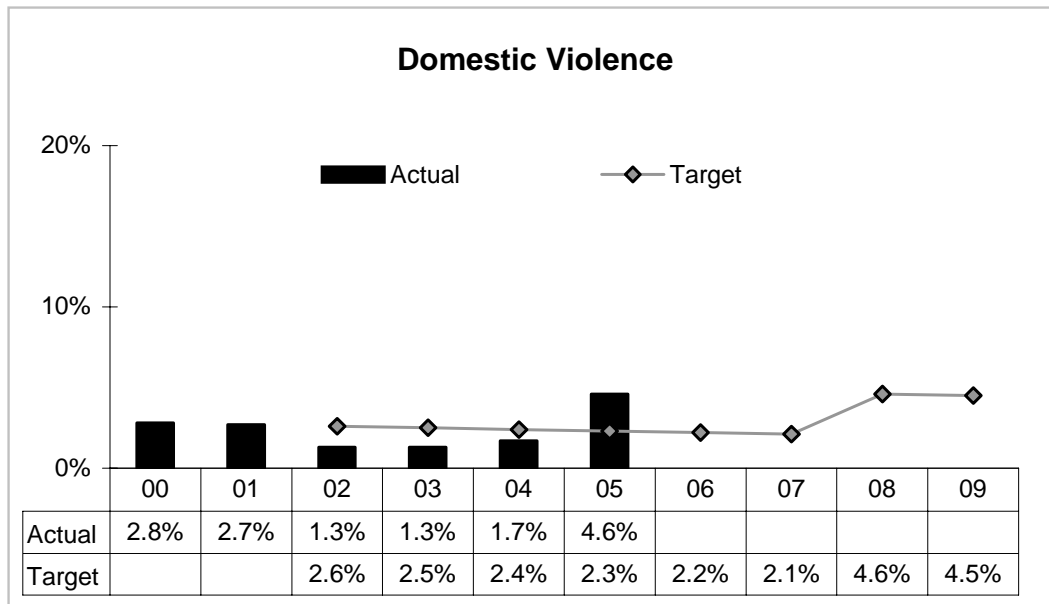
The TA-DVS program provides temporary financial assistance and support services to families with children affected by domestic violence during crisis or emergent situations when other resources are not available. TA-DVS is used to help the domestic violence survivor and the children address their safety concerns and to stabilize their living situation, thus reducing the likelihood of the survivor returning to the abuser. These services maintain the safety of these vulnerable children and their parents, and can prevent sometimes life-threatening situations. These services also help prevent child abuse and the need for child welfare intervention.

Performance Measures (TA-DVS)

KPM# 11 – Percentage of women who are subjected to domestic violence in the past year.

Purpose

This measure provides a population-based estimate of the percentage of women who self-report domestic violence in the Oregon Behavioral Risk Factor Surveillance Survey (BRFSS). BRFSS data generally are considered a conservative measure of domestic violence prevalence.



In 2005 BRFSS data showed the percentage of women subjected to domestic violence was 4.6 percent. The new set of questions in the BRFSS gathered more information on domestic violence. It is not believed there was an actual increase in the number of victims, but that the data source now is able to better identify the issue.

How Oregon compares to other states

DHS uses BRFSS to identify whether a woman has been subjected to domestic violence in the last year. BRFSS allows for an optional module on domestic violence. These data do not identify whether a person is receiving assistance from DHS.

In 2005, 12 other states (Arizona, Hawaii, Iowa, Missouri, Nevada, Ohio, Oklahoma, Puerto Rico, Rhode Island, Vermont, Virgin Islands and Virginia) were listed as having used the Intimate Partner optional module of BRFSS.

Only two states have posted their BRFSS data for 2005 on their Web sites – Arizona and Missouri. They did not have the data broken down by gender in their reports, so their data are not directly comparable to Oregon data.

In Arizona the rate of individuals who had experienced domestic violence in the last 12 months was 4.87 percent. In Missouri the rate was 2 percent.

Washington and California had no data available related to the domestic violence prevalence as measured by BRFSS.

Other national data related to receipt of welfare indicate that more than 50 percent of the women receiving welfare have experienced physical violence by an intimate partner within their lifetime. Some of these same studies show up to 30 percent of women receiving welfare currently are in domestic violence situations. Two 2003 California studies indicated welfare recipients had lifetime abuse rates of 80-83 percent.

Quality and Efficiency Improvements (TA-DVS)

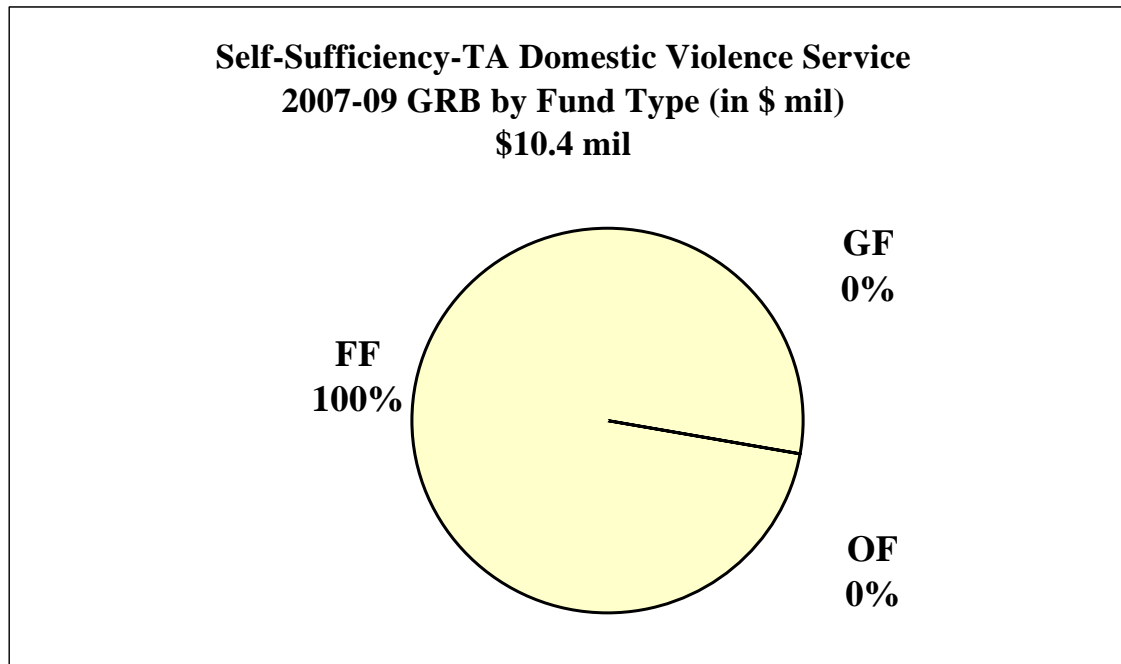
DHS collaborates with domestic violence organizations to coordinate services and to improve needs assessments. Domestic violence organizations are routinely engaged in training DHS staff on the dynamics of domestic violence. In addition to this training, staff responsible for screening applications for TANF and TA-DVS are required to attend TA-DVS program training and to maintain their skills with respect to working with victims of domestic violence.

State office staff work with local case management staff to review all requests for TA-DVS from clients who are seeking assistance for a second time during a 12-month period.

2007-2009 Budget Summary (TA-DVS)

Increased costs, especially those related to housing, impact the average cost per case for those served. These same economic factors also can influence the victim's decision to seek assistance.

Governor's Recommended Budget



GF	OF	FF	TF
-	-	10,441,653	10,441,653
0.0%	0.0%	100.0%	100.0%

Reductions

No reductions were proposed for this program in the Governor's Recommended Budget.

Policy Option Packages

Funding for this program is included in policy option packages #101-9 and #101-17.

Employment Related Day Care (ERDC)

Services provided

Employment Related Day Care (ERDC) assists approximately 9,500 low-income working families with payment of their child care bills. It also helps families find and keep appropriate child care, and works with providers and child care partners to improve the quality and stability of the child care arrangements parents make. There currently are more than 20,000 children in ERDC-paid care throughout Oregon.

Where service recipients are located

CAF has 16 districts that provide direct client services to all Oregon counties through more than 100 field offices. (See the “Persons Served by County” chart on page 14.)

Who receives services

The ERDC program serves very low income working families. The income eligibility limit for the program is set at 150 percent of the Federal Poverty Level. For a family of three, this amounts to \$2,147 gross income per month. ERDC families choose their child care provider and pay a portion of the child care bill, known as the co-pay. The amount of the co-pay is based on a sliding fee scale. Currently, the average family ERDC co-pay is \$134.41 and average cost per case is \$385.85 per month. Families often are faced with additional costs to providers beyond those covered by ERDC.

How services are delivered

The DHS portion of the child care payment is paid directly to the child care provider on behalf of the parents. The parent is responsible to pay the co-pay and any additional costs directly to the provider. In order to participate, providers are required to pass criminal and child protective services records checks. The DHS Direct Pay Unit processes approximately 1,200 provider applications and 11,000 billing forms each month. DHS staff work with Child Care Resource and Referral Agencies and other community partners to help families find and maintain safe, dependable child care that supports children's development.

Why these services are significant to Oregonians

Child care assistance is important for Oregon’s low-income working families who are struggling to afford child care that enables them to work. Many former or potential TANF cash assistance recipients rely on these benefits to maintain self-sufficiency. The program makes it less likely parents will lose employment and return to welfare because

of instability in child care arrangements. In addition, high-quality child care can nurture a child's learning and development so the child is better prepared to succeed in school.

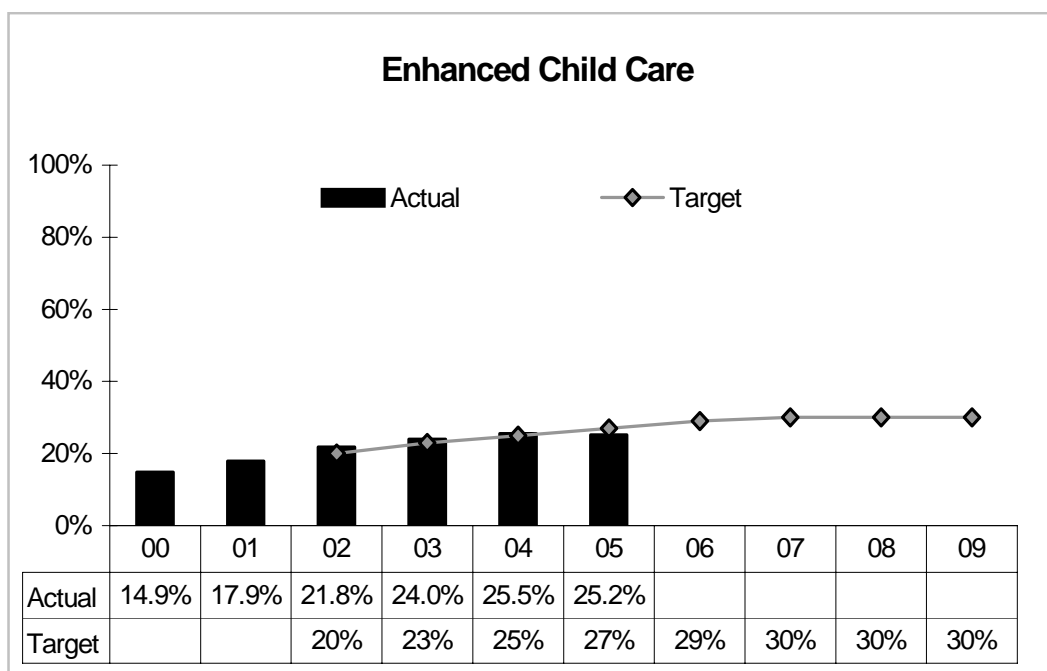
The purpose of the ERDC program and of the Child Care and Development Fund that supports it, is to provide families who receive a subsidy the same access to high-quality child care as other families with higher incomes. The program is intended to support parental choice by paying providers at a rate that gives parents access to a variety of child care options. The ERDC goal is to provide consistent support for families as their financial situation changes. As the family's income increases, the parent's share of the child care costs increases, but should still remain affordable.

Performance Measures (ERDC)

KPM #8, Enhanced Child Care – The percentage of child care providers who are providing enhanced quality of care.

Purpose

The 1999 Legislature authorized a 7 percent increase – called the enhanced rate – for providers who meet the basic training standards required to become licensed. This measure tracks the percentage of providers who care for subsidy children, who meet these standards, and who thus provide an enhanced quality of care.



The percentage of child care providers who meet the basic training standards required to become licensed steadily increased from 21.8 percent in 2002 until March of 2005, when it reached 25.9 percent. Since then the percentage has leveled off and decreased to 25.2 percent as of December 2005. Almost all enhanced rate providers are licensed; the 7 percent rate increase has not, by itself, been enough incentive for unlicensed providers to seek this training. In addition, fewer licensed providers are willing to care for subsidy children, primarily because the gap between what DHS pays and the amount licensed providers charge has grown significantly between 1999 and today.

How Oregon compares to other states

This measure is unique to Oregon. However, a comparison can be made based on the factors that likely contribute to the challenges faced by ERDC program participants who are trying to find good child care they can afford from trained providers.

Compared to other states, Oregon's co-pays are high and the income limit is low. Oregon ranks 42nd among all states with respect to both co-pays and income limits. In addition, the maximum rates DHS pays, compared to what licensed providers charge, typically are the lowest in the nation. In spite of an increase in the number of low-income parents in the workforce, the number of families receiving ERDC has declined from an average of 12,128 (25,000 children in care) in FY 2001 to an average of 9,567 (20,458 children in care) in the first five months of FY 2007.

The following chart compares Oregon with the other states in Region 10 in terms of provider reimbursement levels:

State	2006 Income Limit (% of FPL)	2006 Income Limit (Dollar Amounts)	Co-payment at 100% of 2006 FPL	Co-payment at 150% of 2006 FPL
Alaska	279%	\$46,243	\$ 14	\$ 44
California	211%	\$35,100	\$ 0	\$ 53
Idaho	123%	\$20,472	\$103	Not eligible
Oregon	150%	\$24,900	\$141	\$517
Washington	194%	\$32,184	\$ 50	\$152

State	Reimbursement Rate**	75 th Percentile of Market Rate
Alaska	\$550	\$685
California	\$672	\$660
Idaho	\$492	\$518
Oregon	\$398	\$666
Washington	\$574	\$770

** Center care for a four-year-old in a metropolitan region
Source: National Women’s Law Center Issue Brief “State Child Care Assistance Policies 2006: Gaps Remain, with New Challenges Ahead”

Quality and Efficiency Improvements (ERDC)

The Child Care Integrity Project: This project selects approximately 200 billing forms each month for a random audit. It compares the amount the provider billed for a sample month with the attendance recorded on that month’s attendance log. Records are selected based on provider billings paid for randomly selected cases. There are 150 cases selected each month, resulting in approximately 200 paid billings being reviewed each month. This effort has proved useful in two primary ways. First, the project is well-publicized; providers are aware of this program. Thus, providers know their billing forms may be audited and as a result are more careful with how they bill. Second, where errors are made, the program focuses on what part of the process needs clarification or needs revision to reduce the number of errors.

Client/Provider Alerts: When the Direct Pay Unit (DPU) processes applications from providers applying to participate in the child care subsidy program, staff check the TANF/Child Care Subsidy/Senior Services eligibility system. If the provider is receiving services from these other programs, DPU sends a notice to the caseworker. A phone call is made if more information is needed. For example, if a provider is receiving housekeeping services because the provider is unable to care for her- or himself, the ability of the provider to provide child care is in question. This has resulted in the discovery of situations in which the individual is not providing care or should not be providing care because it places the child at risk.

Clients as Provider Report: Each month DHS matches records of child care providers who appear for the first time as active in the DHS provider pay system with client records from the TANF, Food Stamps and ERDC eligibility systems. If a match is found, the information is included on a monthly report that is sent electronically to field offices for distribution to the client's caseworker. The purpose is twofold. First, it makes caseworkers aware of income that may not have been reported. Second, it has made the child care program aware of providers who are not providing the care for which they are billing. This has resulted in the prevention of a number of potential fraud cases, especially in cases where a provider also appears on the ERDC eligibility system as a parent receiving child care assistance.

Secretary of State Audit: In the fall of 2003 an independent audit through the Secretary of State's office was performed on internal control and compliance. The audit included a case review of 49 ERDC cases. No errors were found and no questioned costs were reported. In addition, 96 percent of all ERDC cases have a companion Food Stamp case. As a result, many ERDC cases also are reviewed in connection with the Food Stamp review process.

Imaging Process: During the past year the Direct Pay Unit has begun implementation of an Electronic Document Management System (EDMS) to process and file child care provider applications and child care billing invoices. The new process provides immediate tracking of documents from the mailroom. Outcomes of the new paperless process include more efficient tracking of documents received, a reduction in time necessary to process applications and approximately a 50 percent reduction in the time it takes to process provider checks.

Direct Deposit: By fall of 2007, DHS expects to have direct deposit available for providers who choose this option. This will result in a shortened turnaround time for provider payments and a reduction in the number of paper checks needing to be processed and mailed.

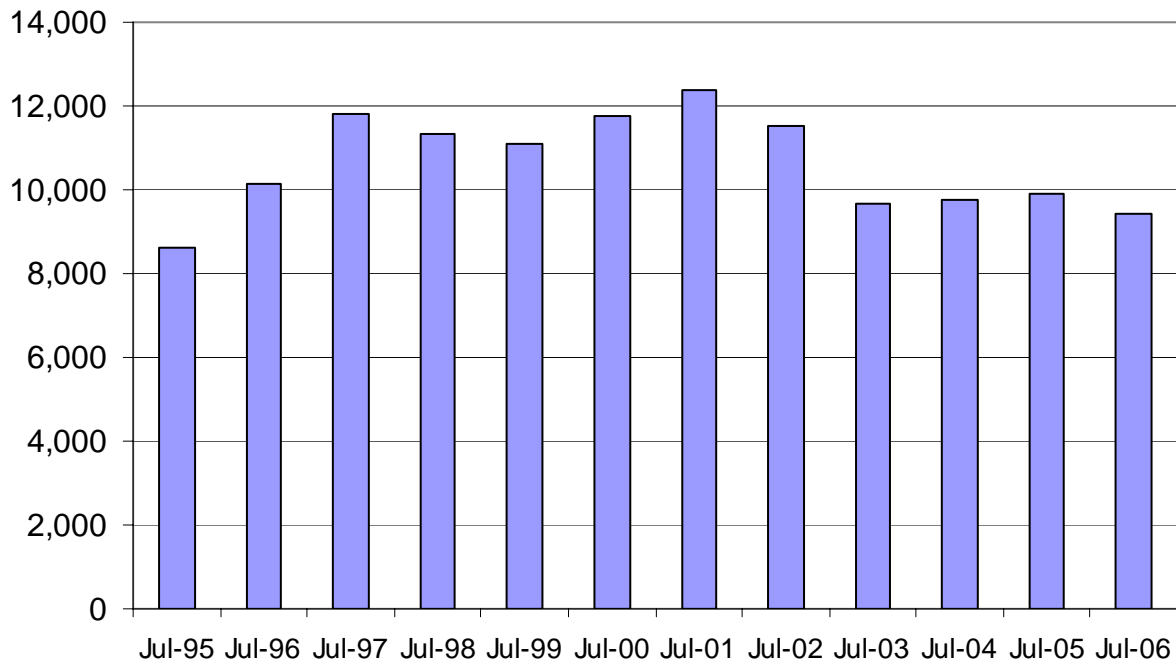
2007-2009 Budget Summary (ERDC)

Key budget drivers and issues

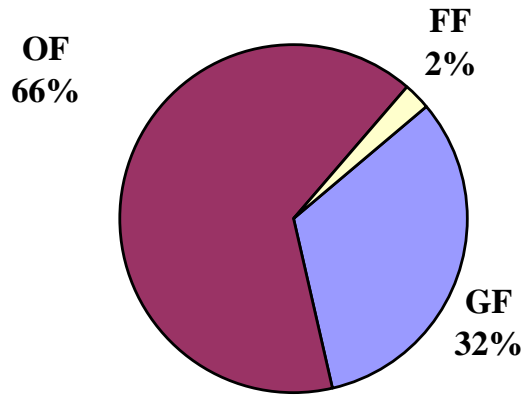
Access to stable, higher quality child care contributes to a more stable workforce. Instability in child care arrangements makes it more difficult for low-income families to remain employed. Child care that supports children's development, especially in the early years, helps children succeed in school and better prepares them to be tomorrow's workforce.

Governor's Recommended Budget

Employment Related Daycare Cases



Self-Sufficiency -Child Care 2007-09 GRB by Fund Type (in \$ mil) \$134.1 mil



GF	OF	FF	TF
43,490,205	87,332,487	3,263,813	134,086,505
32.4%	65.1%	2.4%	100.0%

Reductions

No reductions were proposed for this program in the Governor’s Recommended Budget.

Policy Option Packages

101-1 Child Care Improvements

<p><u>101-1 Childcare Improvements</u>: This package increases the amount of childcare subsidy paid on behalf of low-income working families, increases the maximum income limit to 185% FPL and lowers average co-pay for clients by 20%. [CAF portion only]</p>	GF	OF	FF	TF
	Governor's Recommended Budget	\$ 34.9	\$ -	\$ -

(dollars in millions)

This package includes \$34.9 million for Child Care Program improvements. These improvements would provide low-income working parents more access to stable, quality child care by increasing the maximum reimbursement DHS pays child care providers on behalf of working parents (Oregon is among the lowest); decreasing by 20 percent the co-payment amount the parent pays to the provider (Oregon is among the highest); and increasing the income limit from 150 percent to 185 percent of the federal poverty level, enabling more working parents to accept a wage increase without fear of losing child care assistance.

101-1.5 Childcare Improvements

<p><u>101-1.5 Student Daycare Transfer to OSAC</u>: This package transfers the Student Daycare program from DHS to Oregon Student Assistance Commission [CAF portion only]</p>	GF	OF	FF	TF
	Governor's Recommended Budget	\$ (0.9)	\$ -	\$ -

(dollars in millions)

This package transfers the Student Day Care Program from DHS to the OSAC. This program, which serves an average of 110 student families per month, is entirely financed with General Fund dollars. As a result, it has been reduced or terminated entirely during recent budget crises because it has had to compete for funding with DHS programs that meet more critical needs and serve more vulnerable populations. OSAC’s mission is to serve students, so the program is less likely to be cut if housed there. In addition, all colleges have financial aid offices that are in a better position to give information about the program to students who may be eligible.

Food Stamps (FS)

Services provided

The Food Stamps (FS) program is a supplemental federally funded benefit program to help low-income families, single adults and childless couples buy the food they need to meet their nutritional needs. While the benefits to clients are 100 percent federally funded, the administration of the program requires a 50 percent state match.

The FS program began as a plan in 1939 to help families during the Depression. In 1961 the plan became a pilot program and in 1964 the pilot program was made permanent. The program expanded most dramatically in 1974 when Congress required all states to offer food stamps to low-income households. The majority of the laws and regulations guiding the program are based on the Food Stamp Act as amended in 2002.

Where service recipients are located

CAF has 16 districts that provide direct client services to all Oregon counties through more than 100 field offices. (See the “Persons Served by County” chart on page 14.)

Who receives services

Self-Sufficiency offices serve approximately 60 percent of FS clients. Persons age 65 and older and persons with disabilities who require services are assisted by Seniors and People with Disabilities Division local offices and their contracted agencies (Area Agencies on Aging, Disability Services Offices and Councils of Government).

How services are delivered

Most food stamp benefits are distributed through an electronic benefit card. Card purchases are limited to items approved by the federal Food and Nutrition Service. However, households composed of Supplemental Security Income recipients or persons age 65 and older who live in Clackamas, Columbia, Multnomah and Washington counties still receive their food stamp benefits as cash.

Why these services are significant to Oregonians

The intent of the FS program is to help all eligible persons meet their nutritional needs. In FFY2005, Oregon’s participation rate was the highest in the nation. The participation rate is the percentage of potentially eligible persons in the state who receive food stamp benefits. In December 2006 more than 433,000 Oregonians, almost 12 percent of the state’s population, received food stamp benefits. Approximately \$40 million worth of

food stamp benefits are distributed each month in Oregon, or about \$1.3 million each day.

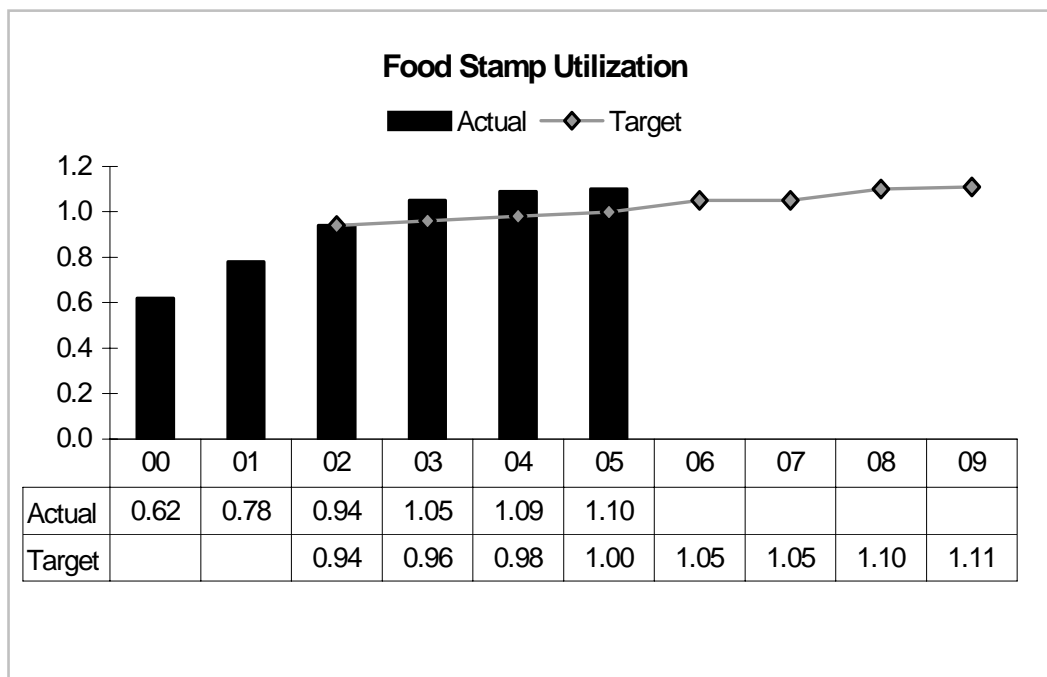
Performance Measures (FS)

There is one key performance measure and one outcome measure in the Food Stamp program. The measures help determine if outreach and program access strategies are effective.

KPM #10 – The ratio of Oregonians receiving food stamps to the estimated number of Oregonians living at or below the poverty level.

Purpose

The purpose of this performance measure is to allow Oregon to compare itself to other states and to focus on Oregon’s progress in reducing the number of households in Oregon that are food insecure.



Since December 2001 the number of people served has increased by 70 percent. CAF plans to propose new targets for the 2009-2011 biennium to better align the target population with the program’s eligibility thresholds. Currently, maximum eligibility thresholds for FS are set at 185 percent of the Federal Poverty Level (FPL) for those who are categorically eligible and 130 percent of FPL for those who are not.

The percentage of eligible Oregonians participating in the Food Stamp Program is measured by the U.S. Department of Agriculture Food and Nutrition Service (FNS). The goal is to be in the top 10 percent in the nation. Oregon currently is ranked #1 in the nation for the most recent year available (2005).

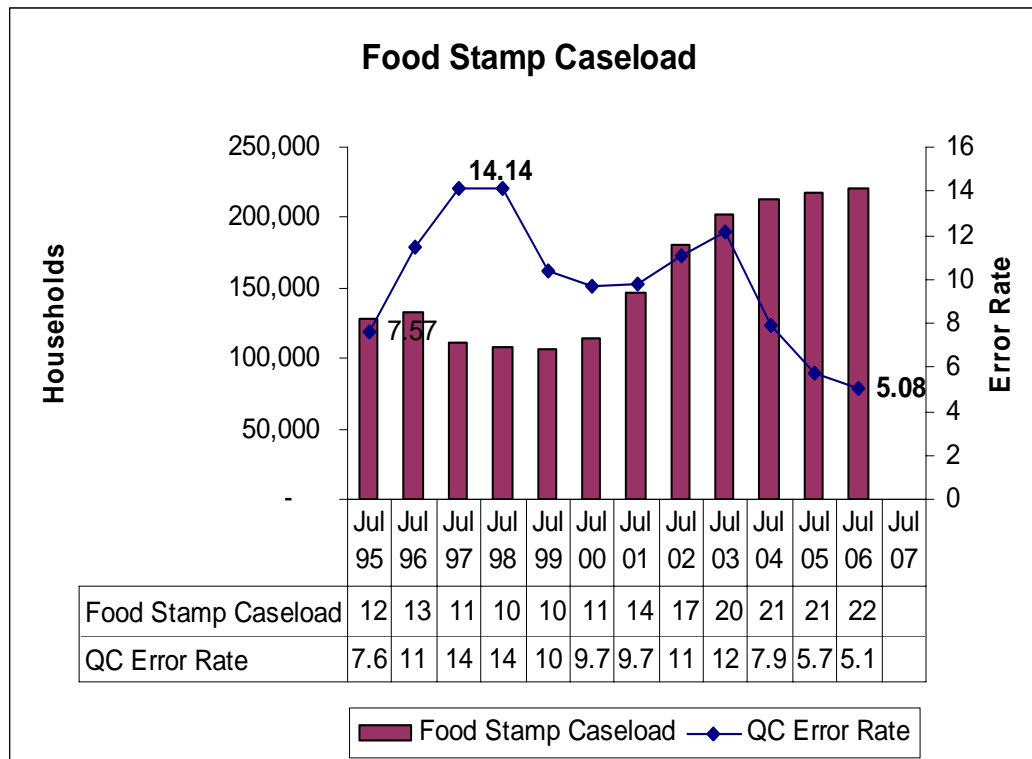
These two measures impact Oregon Benchmarks 57a, Food Insecure, and 57b, Food Insecure with Hunger.

Outcome Measures (FS)

Measure: The accuracy in determining eligibility for benefits.

Purpose

This measure helps determine the accuracy with which DHS determines people's eligibility for food stamp benefits.



The target for this measure is to be below 105 percent of the national average. The national average changes every year based on each state's performance. In FY 2003 Oregon's error rate was 12.14 percent. It decreased significantly in FY 2004 and was

down to 5.71 percent for FY 2005. This is a decrease of 56 percent in just two years. DHS is now below the national error rate and out of penalty for the first time in 10 years. Because of this performance, FNS waived a portion of the financial penalty DHS paid in previous years. Efforts continue with improving accuracy.

How Oregon compares to other states

There are eight states within the FNS Western Region: Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon and Washington. (Guam is excluded from this comparison because of its small size.) Seven of these states increased their participation rates during the past three years; five also improved their error rates. Within the Western Region, Washington currently has the lowest error rate. However, Washington does not have the same level of participation as Oregon. Representatives of Washington's FS program have been working with Oregon staff to copy Oregon's successful strategy of increasing participation by expanding categorical eligibility. This is a policy that allows resources to be disregarded in determining benefit eligibility.

State	2004 Error Rate	2005 Error Rate	Participation Rate	Participation Rate Regional Ranking	Participation Rate National Ranking
Alaska	6.96	6.51	65%	3	11
Arizona	6.54	6.93	64%	4	16
California	6.32	6.38	45%	7	49
Hawaii	4.35	5.63	67%	2	8
Idaho	9.05	8.34	53%	6	31
Nevada	7.51	2.86	44%	8	50
Oregon	7.86	5.71	83%	1	1
Washington	7.62	2.72	60%	5	20

Comparison of the top three ranked states in participation are displayed in the next table.

State	2004 Error Rate	2005 Error Rate	Participation Rate	Participation Rate National Ranking
Missouri	7.42	5.10	76%	3
Oregon	7.86	5.71	83%	1
Tennessee	6.38	6.01	82%	2

An additional comparison looks at Oregon and other states outside of the Western Region. These states have similar populations and a similar mix of relatively few urban/population centers with large rural/remote areas, as is found in Oregon.

State/ Population	2004 Error Rate	2005 Error Rate	Participation Rate	Participation Rate National Ranking
Alabama 4.4 million	8.01	3.68	56%	25
Kentucky 4 million	5.63	4.56	67%	8
Minnesota 4.9 million	6.94	7.60	59%	23
Oklahoma 3.4 million	5.90	7.42	67%	8
Oregon 3.7 million	7.86	5.71	83%	1
South Carolina 4 million	6.26	5.44	65%	11

Quality and Efficiency Improvements (FS)

The combined emphasis on access and accuracy has been successful in Oregon during the past three years:

- A 1999 report from the USDA Economic Research Service identified Oregon as one of the top three states in hunger rates. Since that report was published, both hunger and food insecurity rates have climbed nationwide. By 2004 Oregon had improved upon its hunger rate by 34.5 percent, the greatest decrease in the nation.
- During that same period the food insecurity rate in Oregon decreased by 13.1 percent, a change exceeded by only four states.
- Oregon has been recognized twice by FNS for its participation rate (FFY2001 and 2004). Final numbers show Oregon to have the highest participation rate in the nation.
- Oregon successfully pursued a federal waiver that allowed DHS to add elderly or disabled households with no earnings to the Simplified Reporting System. This reduces the burden of client reporting and helps keep benefits stable for these vulnerable individuals. Approximately 75 percent of the total FS caseload is now using Simplified Reporting.
- DHS has expanded outreach efforts using state funds to install a download-ready food stamp application on the internet. Local outreach staff help Oregonians complete the application and schedule interview appointments at DHS and AAA offices around the state.
- In addition to these ongoing accuracy efforts, the Food Stamp program developed and presented two new classes to promote continuous learning: a two-day class for experienced FS caseworkers and an overview class for branch staff who deliver services in the up-front process.

During the past decade DHS struggled with the Quality Control Payment Error Rate. Efforts have been successful, resulting in a 5.71 percent error rate that places Oregon below the national average and takes the state out of federal penalty for the first time in 10 years. In fact, Oregon was relieved of a liability to repay \$0.4 million to FNS.

Strategies contributing to this success include:

- Use of an FS Steering Committee including field representatives to oversee accuracy, access and customer service initiatives.
- Annual reviews and updates to Strategies of Accountability documents to focus local efforts around accuracy, access and customer service.
- Continuation of a local review process in which thousands of cases are assessed each month for accuracy. Reports produced from the review database help identify areas of concern and keep track of accuracy targets.

- Emphasis on a variety of training tools for all levels of branch staff. Tools include classroom training, NetLink classes (computer-based instruction), monthly skill challenges, regional summits, policy questions in the accuracy newsletter, and e-learning.

2007-2009 Budget Summary (FS)

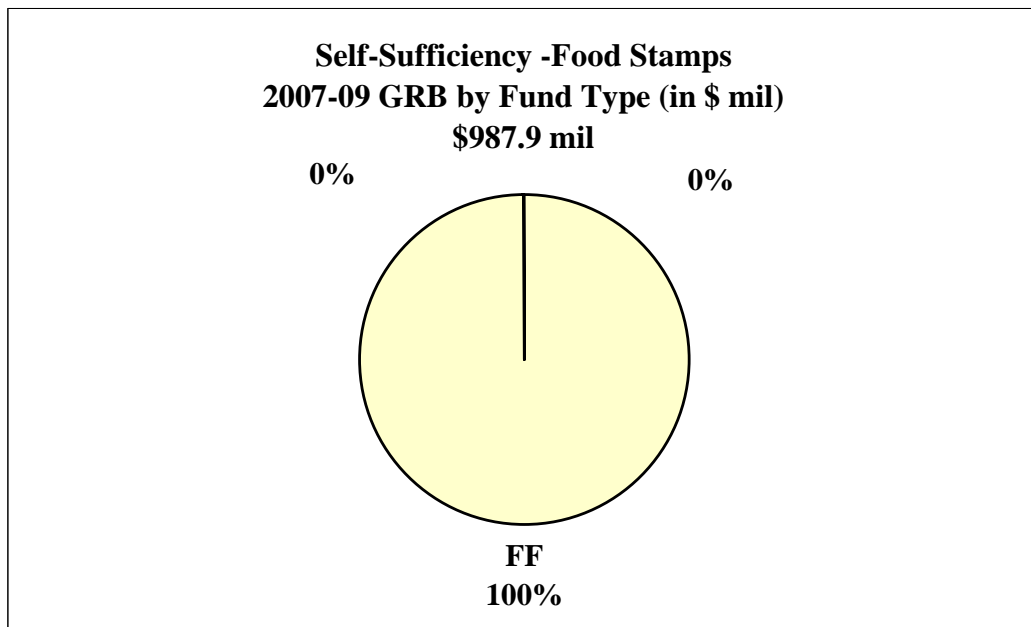
Key budget drivers and issues

Oregon's economy, job market, population increase, changes in the federal poverty level and efforts around outreach all impact program participation.

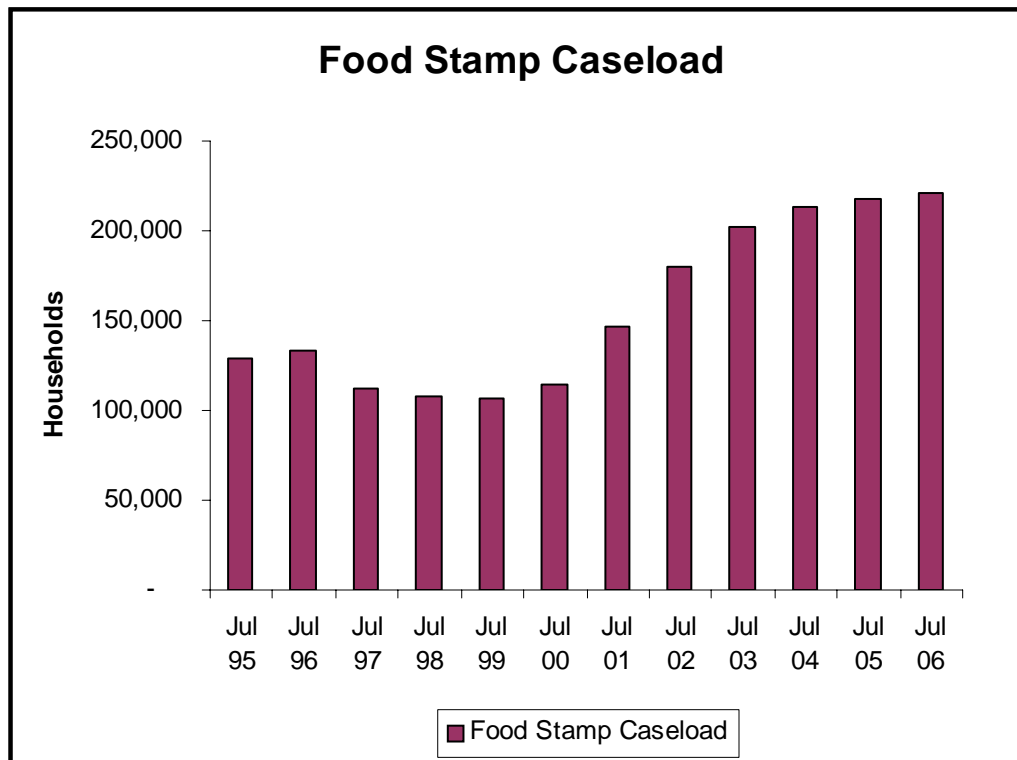
The following table shows the monthly administrative cost per FS case for the FNS Western Region, the best and worst in the nation, and the national average. The most current data available is 2004.

State	Admin Cost Per Case	National Ranking (from least cost)	Regional Ranking
Alaska	\$109.54	53	8
Arizona	\$30.10	12	2
California	\$105.80	52	7
Hawaii	\$46.60	31	4
Idaho	\$53.78	38	5
Nevada	\$55.36	39	6
Oregon	\$25.24	9	1
Washington	\$40.46	24	3
US Average	\$48.80		
Vermont	\$15.90	1	
Virgin Islands	\$144.20	54	

Governor's Recommended Budget



GF	OF	-	FF	TF
702,637			987,154,971	987,857,608
0.1%	0.0%		99.9%	100.0%



Reductions

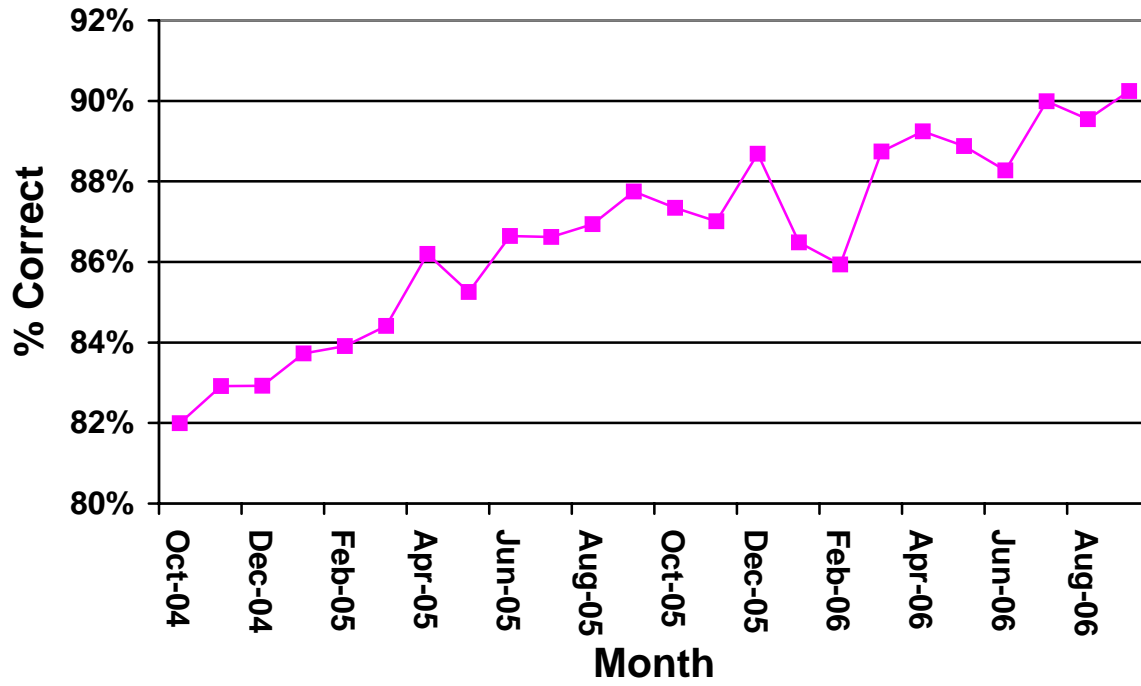
No reductions were proposed for this program in the Governor’s Recommended Budget.

Policy Option Packages

Outcome measures related to policy option package #106-62 will be established during the first 12 months after implementation. The processes will be implemented, baselines calculated, and targets established in each program area. These processes, baselines and targets will be reported to the Legislature beginning in November 2008.

This policy option package enables the Food Stamp program to maintain the infrastructure required to gather program performance information. Outcome measures include targeted review error rates by local offices and staff. This policy option package also will impact Food Stamp Quality Control error rates. This comprehensive program integrity infrastructure for Self-Sufficiency program eligibility will provide a method for gathering timely, local performance data and will enable the department to develop corrective measures when issues are identified.

Comparison of Monthly FS Accuracy Rates



Medical Eligibility

Services provided

CAF Self-Sufficiency Medical Assistance staff perform eligibility determination services for low-income Oregonians who otherwise would be unable to access affordable health care. While the Division of Medical Assistance Programs (DMAP) is responsible for determining benefit packages under the Oregon Health Plan and making payments to medical providers, CAF works with DMAP to deliver program eligibility. CAF staff perform these services for medical programs for families and non-disabled adults, which are funded through federal Title XIX Medicaid and Title XXI State Children's Health Insurance Program (SCHIP).

Effective September 2006, CAF implemented the citizenship documentation requirements contained in the federal Deficit Reduction Act of 2005 (DRA). The DRA required all applicants and recipients who claim U.S. citizenship to provide documentation verifying citizenship and identity.

Where service recipients are located

CAF has 16 districts that provide direct client services to all Oregon counties through more than 100 field offices. In addition, CAF has a Statewide Processing Center in Salem to process some Oregon Health Plan applications. (See the "Persons Served by County" chart on page 14.)

Who receives services

Approximately 135,000 adults and 285,000 children received services during FY 2006.

How services are delivered

CAF medical assistance programs use direct service staff in field offices and community partner organizations to serve children and families in all Oregon communities. Staff in field offices and the Statewide Processing Center review applications and evaluate financial and non-financial criteria.

When CAF determines an individual or family is eligible for medical assistance, a Medical Care identification is issued. When medical care is required, this identification is presented to the provider as proof of eligibility for medical assistance.

Why these services are significant to Oregonians

Health issues often need resolution before any other progress can be made toward family stability and economic independence. For many individuals, this process first requires treatment for diagnosed medical, mental health, and alcohol and drug problems. Without these services, existing and new conditions left untreated often can result in more severe treatment needs.

Performance Measures (Medical Assistance)

Performance measures will be addressed during the Division of Medical Assistance Programs presentation.

Quality and Efficiency Improvements (Medical Assistance)

CAF performs a series of reviews to ensure eligibility decisions made by staff demonstrate the DHS commitment to integrity and quality.

- The Medicaid Eligibility Quality Control (QC) team reviews a random sample of eligibility decisions under a CMS-approved pilot review process. The purpose of the reviews is to ensure policy is appropriately applied to each eligibility determination. QC reviews client income, effective dates, household composition and other relevant factors. The goal of the review pilot is to evaluate the work performed by eligibility specialists, and to develop corrective actions to improve accuracy in program delivery.
- Policy option package #106-62 enables DHS to extend targeted review outcome measures to the Medicaid program in local Self-Sufficiency field offices. Targeted reviews help ensure that eligible individuals receive accurate benefits. The reviews also aid staff in achieving the desired outcome measure of timely and accurate benefits for the clients served. This review process will impact the federal QC Payment Error Rate Measurement (PERM) beginning in FFY2008. These targeted reviews will be conducted monthly in each field office across the state. This comprehensive program integrity infrastructure will provide a method for gathering timely, local performance data, and will enable DHS to develop corrective measures and training when issues are identified.
- CAF Self-Sufficiency field office managers also perform limited reviews monthly on the office's medical eligibility determinations to ensure the quality of staff eligibility decisions. Error trends are identified and used for staff training.

CAF continues to focus on ensuring quality eligibility determinations, coupled with a strong commitment to serve Oregonians in a fair and positive manner.

- In 2006 CAF clarified procedures for TANF Extended Medical to more closely align with federal policy.
- CAF SSP implemented system changes in June 2006 to ensure clients who were receiving TANF-related medical assistance completed the redetermination process in a timely manner.
- Skill challenges were created for all eligibility staff. These skill challenges focus on areas where errors most frequently occur, based on data compiled from reviews. Additionally, when an area prone to errors is identified, information on the correct action is incorporated into training classes for new and current staff.

2007-2009 Budget Summary (Medical Assistance)

Key budget drivers and issues

Rising costs for health care create financial barriers for businesses and families to purchase health insurance coverage. High costs contribute to the lack of health care, including mental health and addiction services treatment, among low-income Oregonians. Their illnesses frequently go untreated making them more likely to end up in emergency departments, where they receive extremely expensive care. Providing access to health care for low-income people promotes regular medical and dental care, increases prevention and early diagnosis, and reduces the use of emergency departments. A healthier population leads to a more productive workforce and better school performance.

Governor's Recommended Budget

This will be covered in more depth in the Division of Medical Assistance Programs presentation.

Reductions

No reductions were proposed to this program in the Governor's Recommended Budget.

Policy Option Packages

101-06 Health Kids Plan

101-6 Healthy Kids Plan: When fully implemented, the Healthy Kids Plan would provide health insurance to over 100,000 uninsured Oregon children who are primarily from working families. It also would provide access to disease management for children who have asthma and/or diabetes, and it would expand dental sealants to children in low-income schools [CAF portion]	GF	OF	FF	TF
	Governor's Recommended Budget	\$ -	\$ 0.9	\$ 0.6

(dollars in millions)

The Healthy Kids Plan will provide every Oregon child under the age of 19 access to health care coverage. CAF will administer certain eligibility components of the plan and will develop a shortened, simplified application. The OHP Statewide Processing Center will process the applications, determine eligibility for initial application and reapplication, and issue insurance cards. For those children in families with incomes above 200 percent of the Federal Poverty Level, CAF will refer those families to the Office of Private Health Partnerships for enrollment options with the private insurance product. Healthy Kids Plan anticipates an accelerated influx of applications initially, with large numbers applying in the beginning. As a result of this policy option package, CAF will require additional eligibility specialists and staff to perform support functions. The Governor's Recommended Budget includes \$1,478,847 total fund expenditures in CAF for the 2007-2009 biennium.

103-31 Extend Sunset on Provider Taxes for Managed Care Organizations and Hospitals

103- 31 <u>Extend sunset on provider taxes for Managed Care Organizations & Hospitals:</u> Extending the provider taxes on Medicaid managed care plans and hospitals provides significant funding for the OHP which, combined with 1.5 to 1 federal matching funds, pays for medical services for low-income Oregonians who otherwise would be uninsured [CAF portion]	GF	OF	FF	TF
	Governor's Recommended Budget	\$ -	\$ 0.9	\$ 1.1

(dollars in millions)

The provider tax on managed care plans and hospitals currently sunsets on January 2, 2008. Provider taxes currently are the primary way the department funds services for clients in the OHP Standard benefit package. This proposal extends the sunset for another twenty-one month period to October 1, 2009 for managed care plans and another twenty-four months to January 2, 2010 for hospitals. This portion of the policy package represents funding for continuing existing CAF eligibility staff for the OHP Standard program.

103-36 Expand OHP Standard Program by 10,000 Clients

<p>103- 36 Oregon Health Plan Standard - increase the number of people served in the capped program: Expanding the OHP Standard Program by 10,000 clients through increased state funds, combined with 1.5 to 1 federal matching funds, pays for medical services for low-income Oregonians who otherwise would be uninsured. Providing this insurance improves health outcomes, decreases use of more expensive medical services, decreases cost-shifting via the hidden tax of increased premiums in the private sector, and decreases the use of the criminal justice system. The Governor's Recommended Budget funds this package with Tobacco Tax. [CAF portion]</p>	GF	OF	FF	TF
Governor's Recommended Budget	\$ 0.8	\$ 1.5	\$ 0.7	\$ 3.0

(dollars in millions)

Under the Oregon Health Plan (OHP) Medicaid/SCHIP demonstration project, uninsured adults not otherwise eligible for Medicaid are covered by the OHP Standard program. OHP Standard has been closed to new enrollment since July 2004. Policy option package #103-36 proposes expanding the OHP Standard program to cover 10,000 more low-income, uninsured adults. Staff in the CAF field offices and OHP Statewide Processing Center will process the applications, determine eligibility for initial application and reapplication, enroll eligible applicants in managed care plans, and issue insurance cards. CAF will require additional eligibility specialists and support staff for this function. The Governor's Recommended Budget includes \$846,083 General Fund and \$3,175,469 total fund expenditures in CAF for the 2007-2009 biennium.

106-62 Self Sufficiency Program Integrity

<p>106- 62 Self-Sufficiency Program Integrity: This package creates a comprehensive quality assurance program for self sufficiency programs. The Department audit process for the Food Stamp program was implemented to improve overall performance. This package creates a comprehensive quality assurance program for self sufficiency programs and provides staffing to expand program integrity efforts to the branch level for these other programs and by creating permanently funded audit positions in the Food Stamp program. [CAF portion]</p>	GF	OF	FF	TF
Governor's Recommended Budget	\$ 0.9	\$ -	\$ 0.9	\$ 1.9

(dollars in millions)

Program Integrity efforts result in improved efficiencies and eligibility accuracy in providing program benefits and promote consistent statewide policy application. This investment will move the Food Stamp Integrity Program supported with Food Stamp Reinvestment Funds from a pilot effort to a permanent, ongoing strategy. The Food Stamp Program Integrity pilot realized a reduction of the error rate resulting in estimated cost avoidance to Oregon of \$3,178,231 in federal penalties for FFY 2005.

Employing this same strategy to the Temporary Assistance for Needy Families (TANF), Self Sufficiency Program (SSP) Medical and Child Care Program is estimated to result in additional cost efficiencies through a combination of: 1) Reducing eligibility errors; 2) Increased accuracy in assigning eligible applicants to the proper programs; 3) Greater consistency across the State in policy application; and 4) Improved program assignments for ongoing recipients with changing circumstances. The General Fund cost in CAF associated with this package is \$942,588 and includes 18 positions. The overall impact to the Department of this action is estimated to result in net savings of \$2.6 million in General Fund expenditures during the 2007-2009 biennium, realized by a reduction in case errors in various programs. It is also anticipated that this action will significantly reduce the potential of Federal penalty assessments.

Refugee Program (RP)

Services provided

The Refugee Program serves individuals and families who are fleeing persecution in their country of origin. It is a collaborative effort between DHS and partner agencies to help refugees and asylees successfully resettle in this country by providing financial, work-attachment and acculturation services. Oregon currently ranks 14th in the number of refugees resettled; the state has resettled approximately 54,768 refugees from around the world since 1975. Oregon resettled 1,135 refugees in FFY2006 and anticipates approximately the same number in future years.

Initial services provided to newly arrived refugees include:

- Cash and medical assistance for up to eight months after arrival.
- Case management services such as help obtaining a Social Security card and DMV identification, furnishing an apartment, opening a bank account, paying rent and utility bills, learning the bus system, enrolling children in school, and scheduling a health screening and follow-up medical appointments.
- A series of orientation sessions to address such issues as budgeting, housing, health care and family law in the United States.
- Employment services including intensive English language training in a workplace context, pre-employment training, employment placement and support services such as child care and transportation assistance, and retention services upon placement.

Other services are available for a longer period, generally up to 60 months, and are designed to meet other needs that arise over time. These include:

- Youth employment services to assist youth obtain after-school, weekend and summer employment.
- Services to help refugee children and their parents understand and work with the public school system.
- Vocational training services.
- Naturalization services to help refugees become U.S. citizens.
- Services to connect refugees to mainstream resources and institutions.
- Referral to mental health providers for refugees, many of whom suffer from post-traumatic stress.

Where service recipients are located

Approximately 95 percent of the refugees coming into Oregon settle in the Portland metropolitan area.

Who receives services

Refugee status is determined by the U.S. Department of State prior to the refugee's arrival in the United States; asylee status is determined by U.S. Citizenship and Immigration Services (USCIS) after the refugee arrives in this country. In either case, the Refugee Program can serve only those persons who have been granted legal resident status.

How services are delivered

Initial resettlement and case management services are delivered by four non-profit resettlement agencies located in Portland: Catholic Charities, Ecumenical Ministries of Oregon, Jewish Family and Child Services, and Lutheran Community Services Northwest. These local agencies are connected to national affiliates who work with the U.S. Department of State to place refugees in Oregon.

Initial and ongoing employment-related services, including work-based English language training, are delivered by the Immigrant and Refugee Community Organization (IRCO) in Portland.

All of these organizations depend heavily on volunteers who mentor and support refugee families.

DHS Refugee Program staff are responsible for ongoing fiscal and program monitoring and for conducting a formal annual review of each program. Corrective action plans are developed and/or program contracts are amended where deficiencies are noted.

Why these services are significant to Oregonians

Refugees are admitted to the United States for humanitarian reasons by the U.S. Department of State. Once here, the comprehensive resettlement services refugees receive help them learn how to navigate the prevalent culture, become self-sufficient as early as possible, and become contributing members of Oregon's economy.

Refugees help diversify Oregon's working population. Two years ago, the State Refugee Program's employment services partner, IRCO, won both the regional and the national Exemplary Public Interest Contribution award from the U.S. Department of Labor. More than 10 large employers in the area supported IRCO's nomination for the award. In a

changing multi-national economy, these employers consider it important to have a diversified labor force. The award recognized IRCO's – and the refugee populations – contribution to Oregon's workforce.

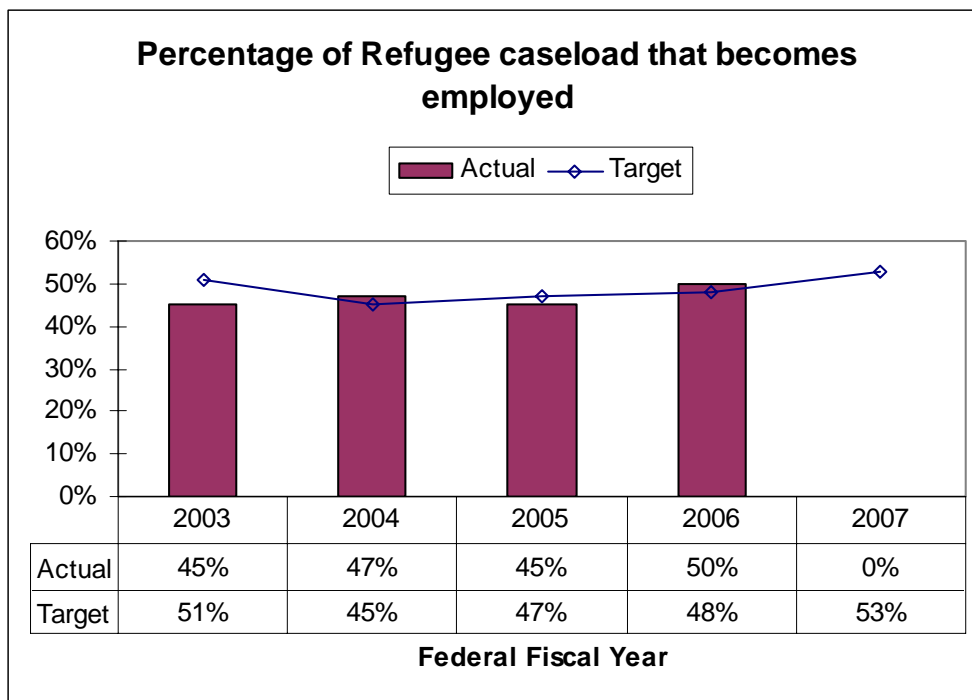
Performance Measures (RP)

The federal Office of Refugee Resettlement (ORR) requires that states establish goals related to self-sufficiency. Two of the more significant measures are the percentage of the caseload who become employed and the percentage who remain employed 90 days after placement:

ORR Measure 2 – The percentage of caseload that becomes employed.

Purpose

The purpose of this measure is to track the percentage of refugees who participate in refugee employment programs who become employed.

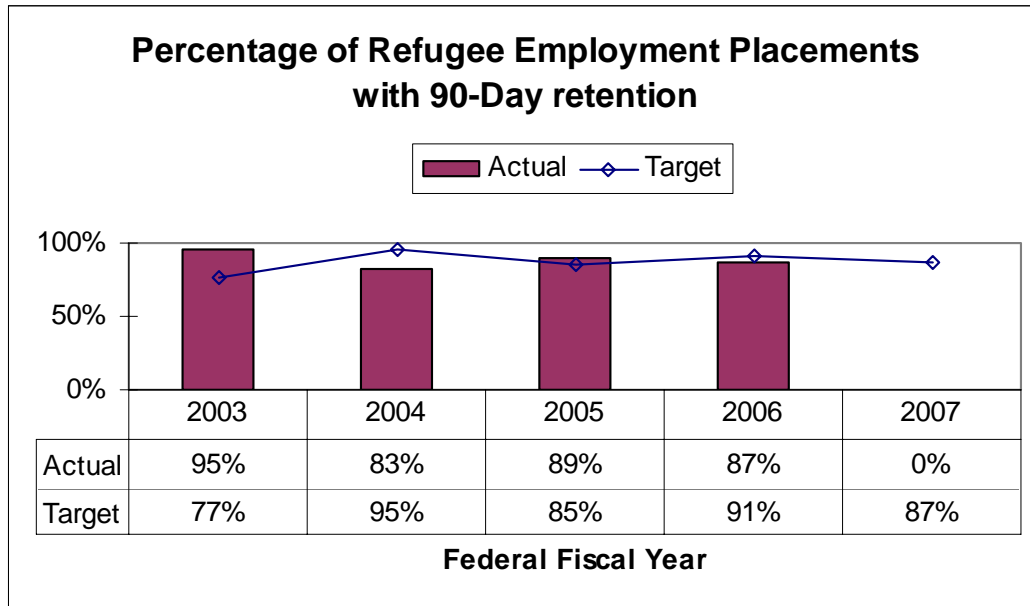


These targets are negotiated with ORR and state partners. In addition, a significant number of refugees enter employment after their participation in the refugee employment program has ended.

ORR Measure 7 – Percent of employment placements with 90-day retention.

Purpose

The purpose of this measure is to track the percentage of refugees entering employment who remain employed 90 days later.



This target also is negotiated with ORR and state partners, and has been reset to 87 percent for FFY2007. In part, this may be due to a recent emphasis on shortening the time between a refugee's arrival and entry into employment. While this will result in a higher entered employment rate, it also may lower the retention rate for initial placements. This may be an inevitable tradeoff between placement and retention.

How Oregon compares to other states

Comparisons are not possible for FFY2005 and FFY2006 because numbers are not available until they are published by ORR. However, the charts below compare Oregon's employment and retention outcomes with neighboring states for FFY2003 and FFY2004. Idaho has one of the highest placement rates in the nation as well as high retention rates. However, comparisons with the other three states are difficult because Idaho's caseload is so small. For example, Idaho's caseload in FFY2003 was 119 compared to Oregon's 2,261.

The following chart shows the percentage of refugee program participants from neighboring states who become employed.

Neighboring States Employment Rates.		
State	FFY2003 Actual	FFY2004 Actual
California	37%	38%
Idaho	79%	90%
Oregon	45%	47%
Washington	33%	33%

The following chart shows the percent of refugee employment placements from neighboring states still employed after 90 days.

Neighboring States 90-Day Retention Rate		
State	FFY2003 Actual	FFY2004 Actual
California	63%	71%
Idaho	92%	93%
Oregon	95%	83%
Washington	87%	87%
Idaho*	92%	93%

The State Refugee Program is in the process of developing a method to measure how long after arrival refugees obtain employment. It will measure what percentage of adult new arrivals obtain employment within 120 days and are still employed 60 days later. The most recent data for FFY2005 show the percentage to be 37 percent. The goal for FFY2006 is to increase this to 40 percent and for FFY2007 to 45 percent. This will help measure the attempts to shorten the time between arrival and placement in employment described in the "Quality and Efficiency Improvements" section below.

The State Refugee Program also is exploring how to measure longer-term self-sufficiency by analyzing Oregon Employment Department wage records. CAF is planning to compare current earnings of refugees who first entered employment five years ago. The intent will be to compare refugees' incomes to the state median income of the general population and see if there is progress over time.

In addition to self-sufficiency, an important goal for the Refugee Program is the full integration of refugees into American society. Indicators would include home ownership, post-secondary education, higher paying jobs and attainment of citizenship. Currently there is no reliable method for measuring long-term outcomes in this area because most refugees remain in contact with the Refugee Program for a relatively short

time after arrival. This is particularly true for those who are most successful. However, DHS is working with local refugee organizations to explore how progress can be measured in this area.

Quality and Efficiency Improvements (RP)

Two recent actions have been taken to improve the efficiency of new arrival employment services.

The first action addresses the need to more fully integrate services between two agencies working with the same client in order to reduce the amount of time a refugee remains unemployed after arrival. Initial meetings among the partner agencies led to closer coordination; suggestions to increase the pace of job placements are being implemented.

Another recent action resulted from the routine monitoring of the workplace-based English instruction project. The state program asked for structural changes in the provision of work-based English training and job referrals to ensure that both occur simultaneously and that all new arrivals have access to both. These changes are expected to increase the employability of refugees and assist in their early placement.

Future planned improvements include the development of a Web-based computer system to facilitate information sharing among agencies working with refugee clients and an EBT system to replace the current paper check process.

2007-2009 Budget Summary (RP)

Key budget drivers and issues

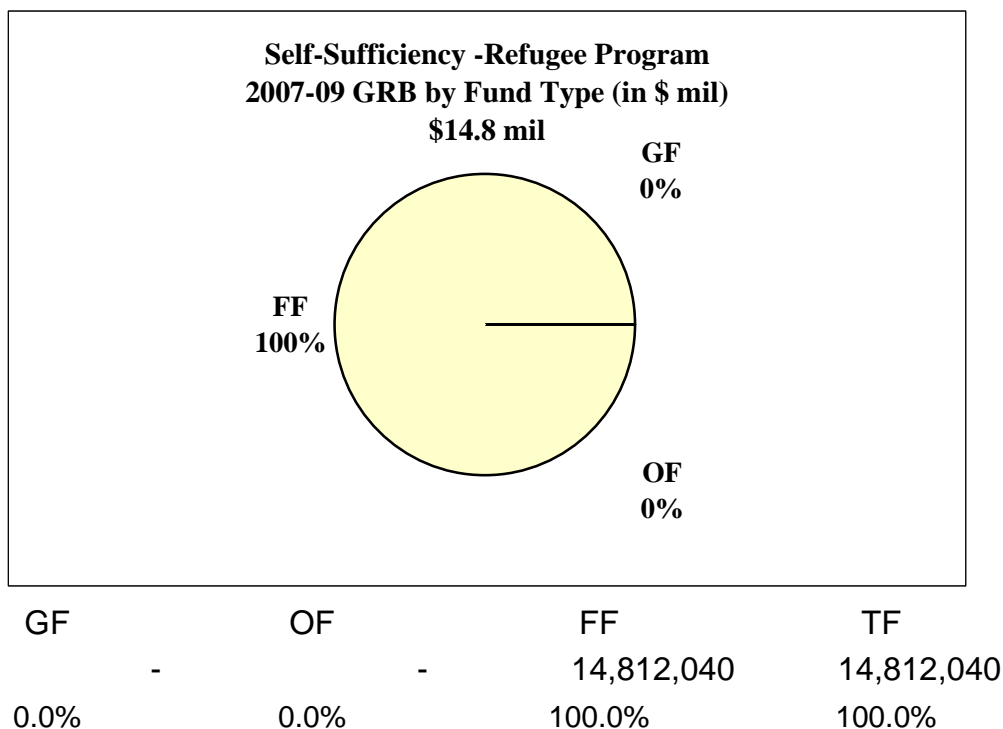
Caseload numbers are affected by the number of refugees admitted into the country by the U.S. Department of State and by the decision of national resettlement agencies regarding where refugees will resettle. New arrivals in the past few years have remained relatively constant at around 1,100 per year. This trend is expected to continue into 2007.

Congressional allocations for the refugee resettlement program affect the availability of funding for services. To this point, allocations have been adequate to fund basic resettlement services.

The introduction of new ethnic populations and their specific resettlement needs also drives program costs. There has been a steady increase during the past few years in arrivals from cultures that lack both literacy and an employment history adaptive to western culture. These refugees likely will require a higher level of service in order to achieve self-sufficiency and eventual integration.

Through the 1990s, arrivals in Oregon have predominantly been from the former Soviet Union. During the past few years there has been a significant increase in arrivals from Africa. While currently most refugees arrive from three to four major countries, future refugees are expected to arrive in small population groups from an increasing number of countries. This will result in a need for a larger number of culturally specific services.

Governor’s Recommended Budget



Reductions

No reductions were proposed for this program in the Governor’s Recommended Budget.

Policy Option Packages

No policy packages were proposed for this program in the Governor’s Recommended Budget.

Prevention Programs (Prevention)

Services provided

Prevention Services include two programs: Teen Pregnancy Prevention and Family Support and Connections. The Teen Pregnancy Prevention strategies include Students Today Are Not Ready for Sex (STARS), AmeriCorps Healthy Options through Prevention and Education (HOPE), and the Teen Pregnancy Prevention Sexual Health Partnership (TPP/SHP). These programs involve comprehensive approaches with many partners including communities and schools. Additionally, these programs coordinate with other prevention and youth development initiatives including juvenile crime, drug and alcohol, youth suicide, school drop out and recover efforts, and education. The Family Support and Connections (formerly Community Safety Net) programs help prevent TANF children from entering the foster care system. These programs are funded through a number of federal and state sources including TANF, Community Based Child Abuse Prevention (CBCAP), Child Abuse Prevention and Treatment Act (CAPTA), and private foundation funds. The Family Support and Connections program referred more than 2,300 families for services last year.

Where service recipients are located

CAF has 16 districts that provide direct client services to all Oregon counties through more than 100 field offices. Prevention services are provided throughout the state. (Appendix A: Stars Information and AmeriCorps Hope, provide additional details about STARS, AmeriCorp and Family Support and Connections.)

Who receives services

The primary focus of the pregnancy prevention programs are young people and their families. Family Support and Connections services are targeted at current TANF families who are at risk of requiring child welfare services.

How services are delivered

Teen pregnancy prevention services include three major program areas – the Teen Pregnancy Prevention/Sexual Health Partnership, the STARS program and the AmeriCorp/HOPE program.

In 2005, at the direction of Governor Kulongoski's Office, state agency representatives from the Department of Human Services, Commission on Children and Families, and the Department of Education, who have been responsible for overseeing Oregon's Teen Pregnancy Prevention Action Agenda, met with representatives from Oregon's Planned

Parenthood affiliates and the Oregon Teen Pregnancy Task Force to develop recommendations for the next phase of teen pregnancy prevention in Oregon.

This ad hoc committee developed an ongoing statewide partnership known as the Teen Pregnancy Prevention and Sexual Health Partnership (TPP/SHP). The commitment of this group is to develop and implement a new strategic plan for pregnancy prevention in Oregon.

The STARS program is a skills-based abstinence education program delivered to sixth grade youth by high school teen leaders. It is designed to prevent the early onset of sexual behavior among middle school students by building awareness of media influences, correcting misconceptions about sexual behavior and building refusal skills.

AmeriCorps/HOPE is a federal grant program that allows DHS each year to select approximately 20 AmeriCorps members to serve in various counties with local partners to educate Oregon communities about teen pregnancy and provide support for local efforts to reduce the number of teen pregnancies.

Family Support and Connections (FS&C) is a child abuse and neglect prevention program. The program is delivered through a collaborative team consisting of self-sufficiency, child welfare and FS&C contracted staff, along with other community partners. FS&C provides front-end support and interventions to at-risk TANF families that include:

- Home visits and other face-to-face contacts,
- Strengths-based family assessments,
- Individualized services based on the families' needs,
- Joint outcome-driven case planning, and
- Specific emergency services.

Why these services are significant to Oregonians

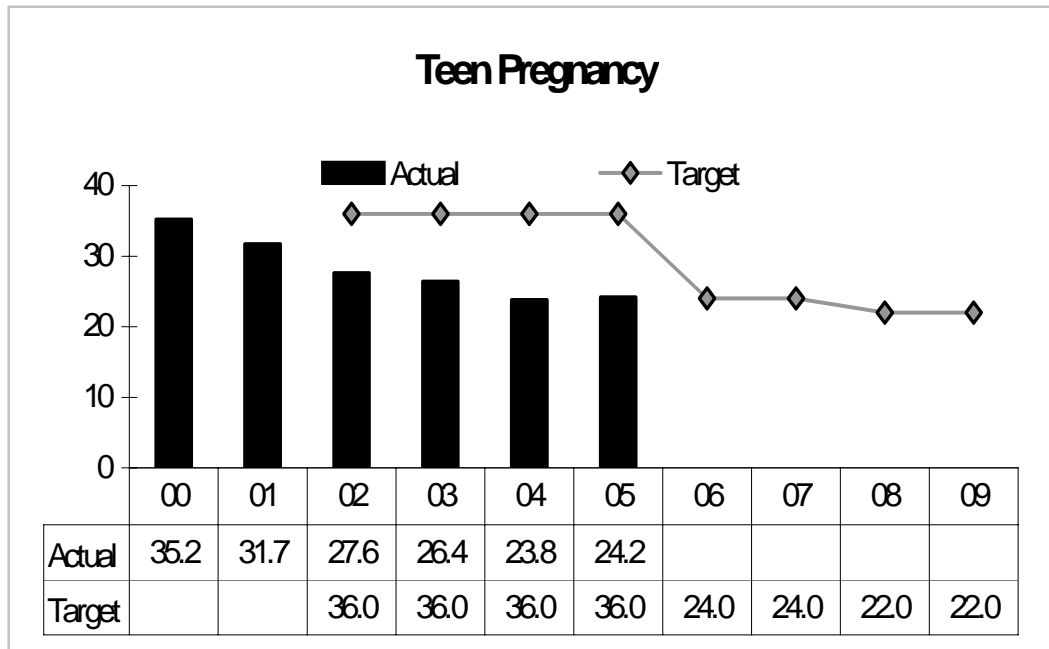
Prevention Services supports abstinence education programs for youth community pregnancy prevention efforts, as well as local Family Support and Connections programs to help prevent TANF children from entering the foster care system.

Performance Measures (Prevention)

KPM #7 – The pregnancy rate per 1,000 females ages 15-17.

Purpose

This measure reports the number of pregnancies reported to DHS among Oregon females ages 15-17, compared to the total number of Oregon females ages 15-17. This measure reflects the progress of DHS and statewide partners in providing teens with the information they need to make good decisions regarding their sexual reproductive health.



Nationally the most current data available are for 2004. The national teen pregnancy rate was 41.2 for 2004, while for Oregon the teen pregnancy rate was 23.8. The state's teen pregnancy rate consistently has been lower than the national rate and Oregon has made great progress in reducing it even further during the past decade. Continuing to reduce the rate of teen pregnancy is a good investment.

How Oregon compares to other states

According to 2005 data for teens ages 15-17, the teen pregnancy rate in Oregon is 24.2 and in Washington is 27.6. Other states in this region collect data only for teen pregnancies relative to ages 15-19, making comparisons difficult.

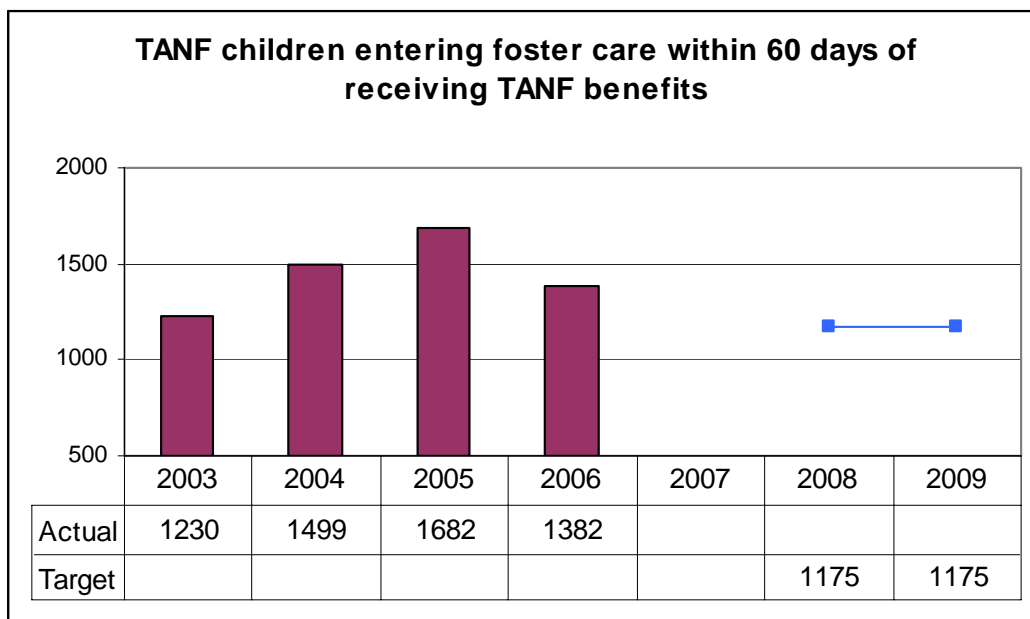
Proposed Outcome Measures (Prevention)

With the TANF Reauthorization package there is a new outcome measurement proposed that is directly related to the Family Support and Connections Program.

Measure: Number of former TANF children who enter foster care within 60 days of receiving TANF.

Purpose

This measure would track the movement of low-income children who leave the TANF program and enter foster care within two months of exit. This will help measure the overall effectiveness of the TANF program’s family stability efforts. During FFY2006, 26.1 percent of the children entering foster care had received TANF cash assistance within the prior two months. This represented 1,382 of the 5,294 children who entered foster care.



The target for this measure will be to decrease the number of TANF children who enter foster care within two months of receiving TANF cash assistance by 15 percent by the end of the 2007-2009 biennium.

Proposed improvements in the Family Support and Connections abuse prevention program will be an important element to ensure family stability. The strengthening of this element should contribute to a comprehensive strategy resulting in fewer TANF children needing foster care placements.

How Oregon compares to other states

Data regarding TANF children entering foster care provide a unique measure for Oregon and, therefore, there is a lack of data from other states for purposes of a comparison. However, a comparison of Aid to Families with Dependent Children (AFDC) and child

welfare caseloads in California, Illinois and North Carolina found the majority of children entering foster care had been removed from AFDC-eligible households (U.S. Department of Health and Human Services, Office of Assistant Secretary for Planning and Evaluation, 2000).

Quality and Efficiency Improvements (Prevention)

Pregnancy Prevention: CAF is involved in a major planning effort to develop strategies for teen pregnancy prevention and adolescent sexual health for the next six years. The Governor approved a proposal for the development of a new Teen Pregnancy Prevention State Plan which uses a statewide Steering Committee comprised of Public and Private Partnerships called Teen Pregnancy Prevention and Adolescent Sexual Health Partnership (TPP/SHP). A comprehensive planning initiative under way involves local communities and their youth. Community forums engage community members, parents and teens in the formulation of local and statewide strategies to inform the plan. Other methods of data collection include action research and surveys.

Family Support and Connections: CAF is proposing an expansion of the Family Support and Connections abuse prevention program. Strengthening the program will improve family stability and contribute to fewer TANF children needing foster care placements.

2007-2009 Budget Summary (Prevention)

Key budget drivers and issues

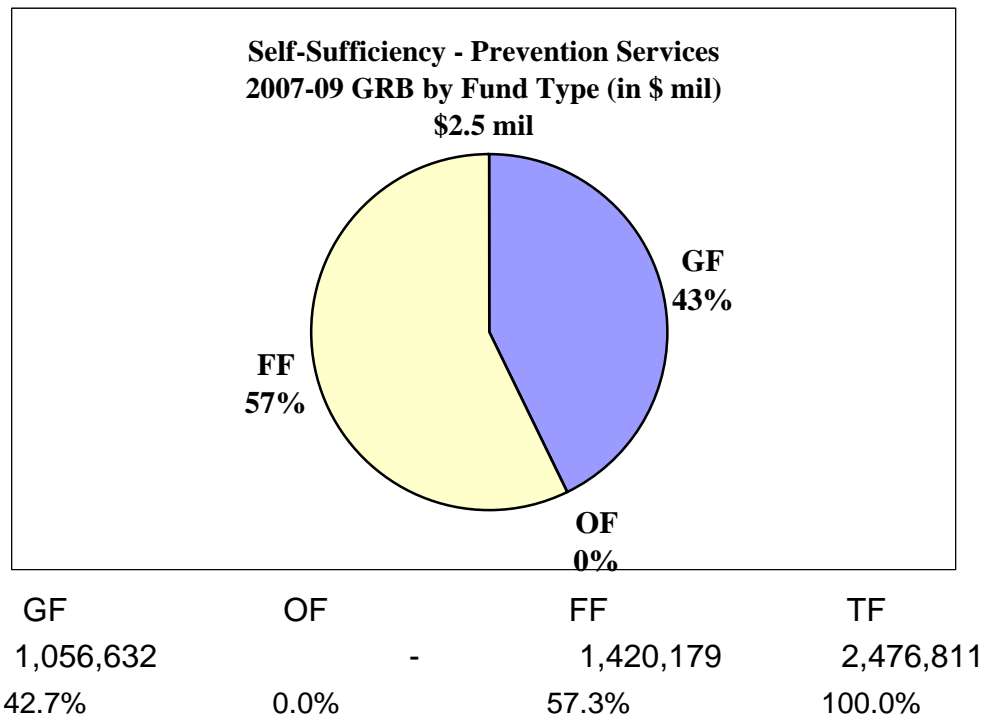
Pregnancy Prevention: Although the birth rate in Oregon has declined during the past 10 years, there remains much work to be done. The teen birth rate in Oregon declined 39 percent between 1991 and 2004. A new analysis from the National Campaign to Prevent Teen Pregnancy shows that teen childbearing (ages 19 and younger) in Oregon cost taxpayers (federal, state and Local) at least \$91 million in 2004.

Family Support and Connections: Most local FS&C programs require leveraged and in-kind funding to adequately implement their programs. The extent to which other resources are available varies from county to county. This affects the ability of local FS&C programs to operate an effective model.

During the past biennium FS&C operated on a budget that included Community-Based Child Abuse Prevention (CBCAP) federal funds and carryover from the prior Community Safety Net program. Replacing these carryover funds will be necessary for the program to continue as designed.

DHS is exploring changes in the county allocation system to more closely match the distribution of the TANF population.

Governor’s Recommended Budget



Reductions

No reductions were proposed for this program in the Governor’s Recommended Budget.

Policy Option Packages

Replacing these carryover funds and a 10 percent expansion of this program is funded within policy option package #101-4.

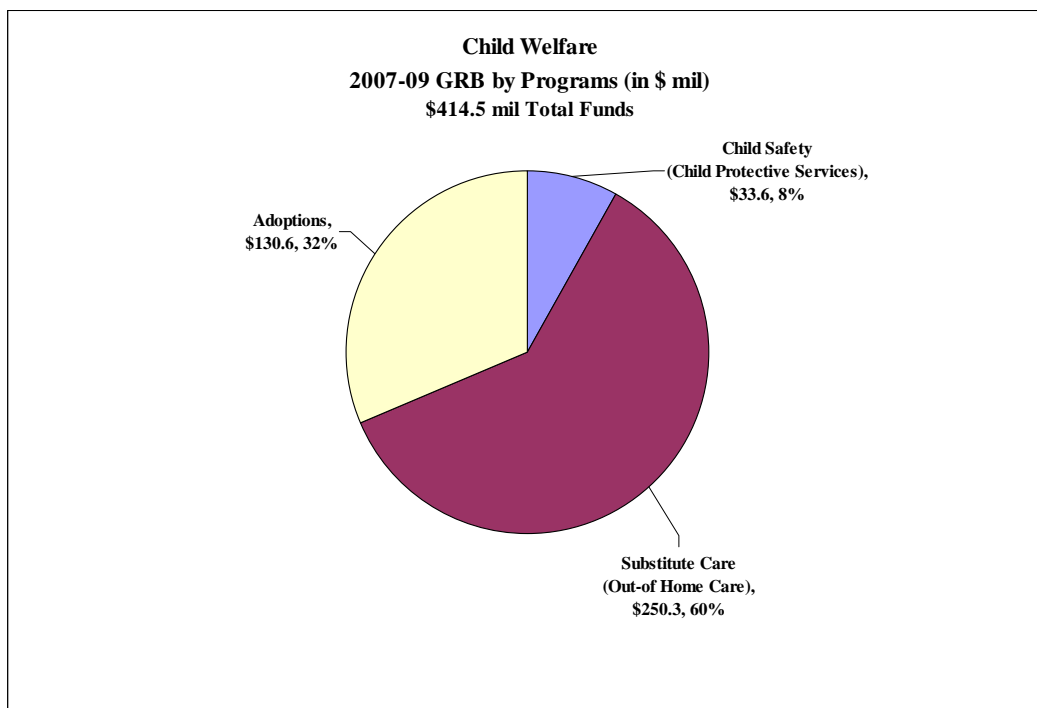
Child Welfare

Key programs

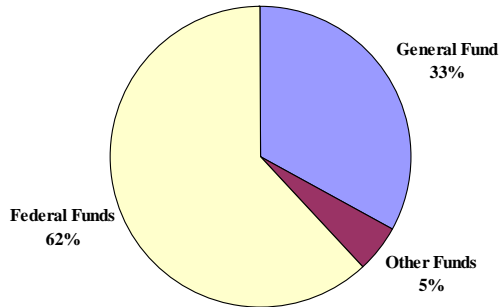
DHS is the state agency responsible (ORS 418.015) for accepting and caring for children in need. These children are dependent, neglected, abused, mentally or physically disabled, and/or placed in legal custody by a court in the State of Oregon (ORS 419B). Child Welfare services fall under three general categories – Child Protective Services, Out-of-Home Care, and Adoptive Services.

2007-2009 Budget Summary

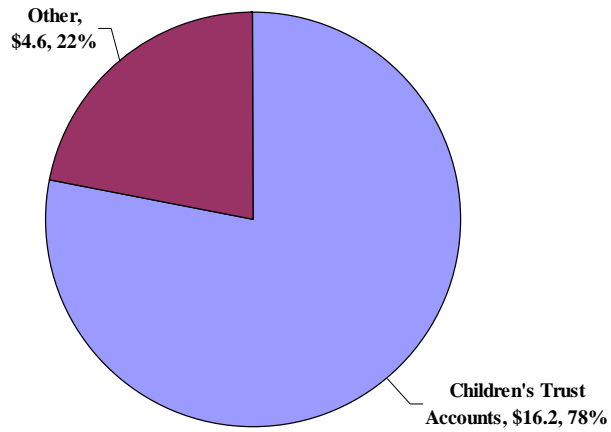
The Governor’s Recommended Budget for Child Welfare is \$414.5 million, or 16.4 percent of CAF’s budget.



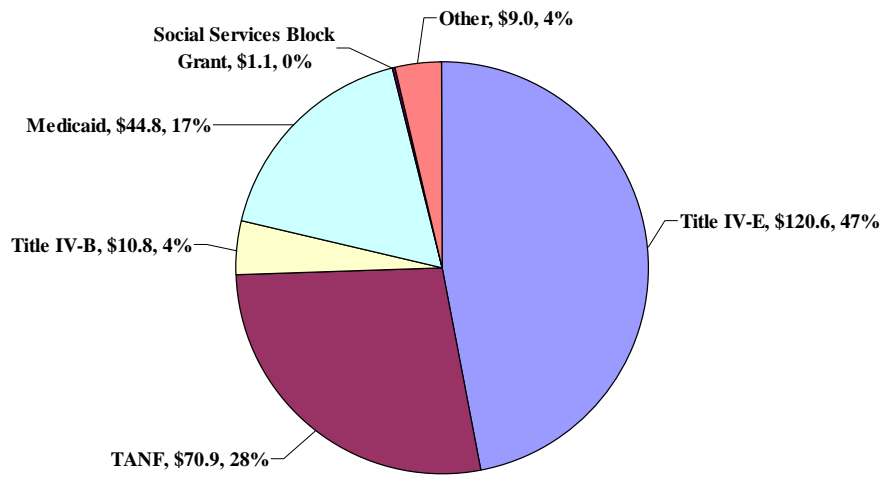
**Child Welfare
2007-09 GRB by Fund Type
\$414.5 mil Total Funds**



**Child Welfare
2007-09 GRB Major Sources of Other Funds Revenue (in \$ mil)
\$20.8 mil Other Funds**



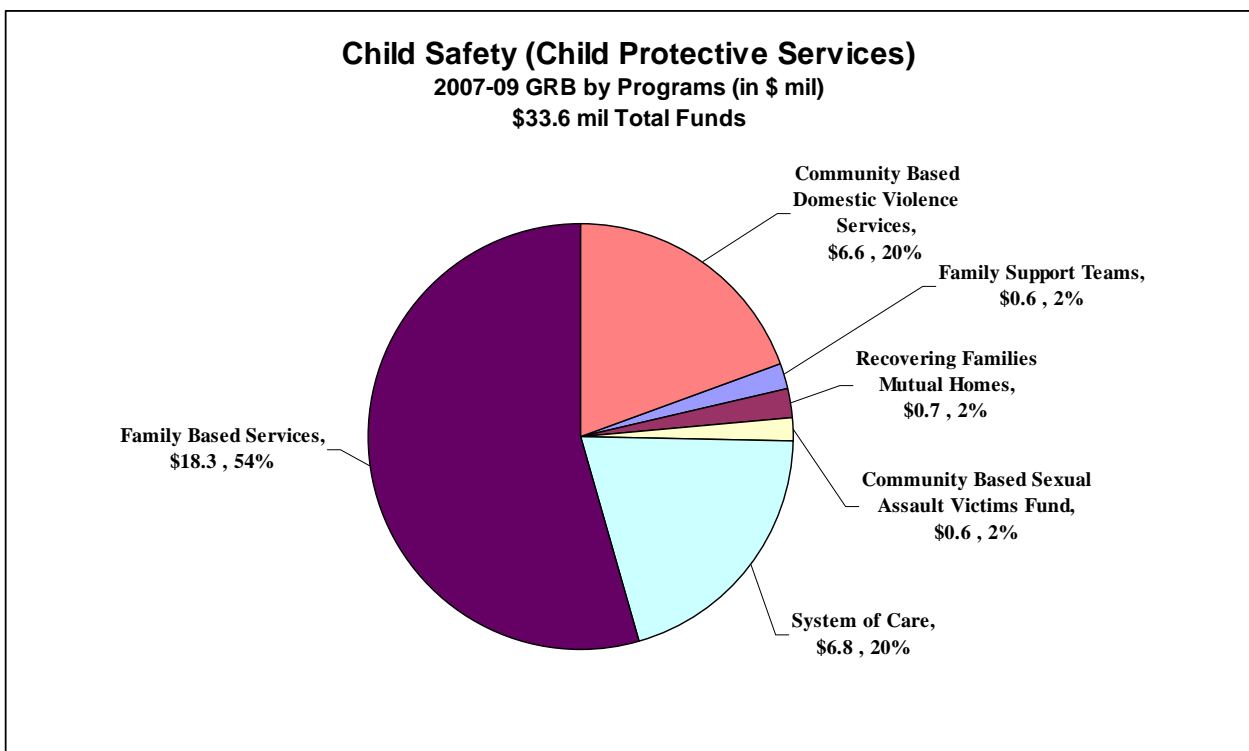
Child Welfare
2007-09 GRB Major Sources of Federal Funds Revenue (in \$ mil)
\$257.2 mil Federal Funds



Child Protective Services (CPS)

The Child Abuse Reporting Law, ORS 419B.005 – 419B.045, was enacted in 1971 and has been updated several times since then. The law was designed to provide early identification and protection of children who have been abused and neglected.

The Governor's Recommended Budget for Child Safety (Child Protective Services) is \$33.6 million, or 1.3 percent of CAF's budget.



Services provided

CAF provides child protective services in 16 districts across the state. This program is required by statute to assess reports of alleged child abuse or neglect, complete safety assessments of children, assess parent or caregiver capacity to protect, and determine whether child abuse or neglect has occurred.

In addition to assessment of abuse and neglect, CPS provides the following services to the state's child welfare system:

- **Addiction Recovery Teams** – Addiction Recovery Teams (ARTs) provide coordinated multi-disciplinary services to substance abusing families referred to child protective services.
- **Domestic Violence/Sexual Assault Funding** – DHS makes grants available to domestic violence and sexual assault service providers throughout Oregon. These providers offer crisis lines, crisis response, emergency shelter and other related services to survivors of sexual assault and survivors of domestic violence and their children.
- **Family Based Services** – These services primarily are provided to clients when there is an identified threat to children's safety. Services also are provided to a small group of clients not involved with child protective services when there is a significant need and no other resources are available to the family. Services are provided by contract to children and families in all 36 counties and include the following:
 - ◆ **Family Sexual Abuse Treatment** – There are contracts with community providers in every county to provide age-appropriate services to children who have been sexually abused and to their non-offending parents.
 - ◆ **Housekeeper Services** – These services are purchased on an individual basis in each community and are provided when a child is at risk of out-of-home placement.
 - ◆ **Parent Training Services** – There are contracts with community providers to serve every county statewide. Parent training services are skill-based and used to increase parents' ability to provide developmentally appropriate care and protection for their children.
 - ◆ **Intensive Family Services** – Every county has contracts with community providers. Intensive Family Services provides family decision meeting facilitation and family counseling for client families where abuse or neglect has occurred, or for foster/adoptive families struggling with placement issues.
 - ◆ **Intensive Home-Based Services** – There are contracts with community providers for services in 14 counties which provide in-home parental skill building. Providers can respond on an emergency basis and be in the home 10-20 hours per week.
 - ◆ **Supportive Remedial Day Care** – Respite day care services are provided to prevent out-of-home placement for high-risk families or help a child return home sooner through specialized day care planning.

- ◆ System of Care (SOC) Flexible Funds – These funds continue to be a valuable resource for Oregon's most vulnerable children by offering resources that meet the identified needs in relationship to the safety, permanency and well-being of the child. Child welfare staff use SOC funds to provide individually tailored services, family involvement in case planning, community collaboration, and a shared funding of custom-designed services in collaboration with community partners.

Where service recipients are located

CAF is organized into 16 districts that provide direct client services to all Oregon counties through more than 100 field offices throughout the state.

Who receives services

Child protective services are reserved for children reported to be abused or neglected and families who are impacted by abuse dynamics, including but not limited to substance abuse, domestic violence and sex abuse.

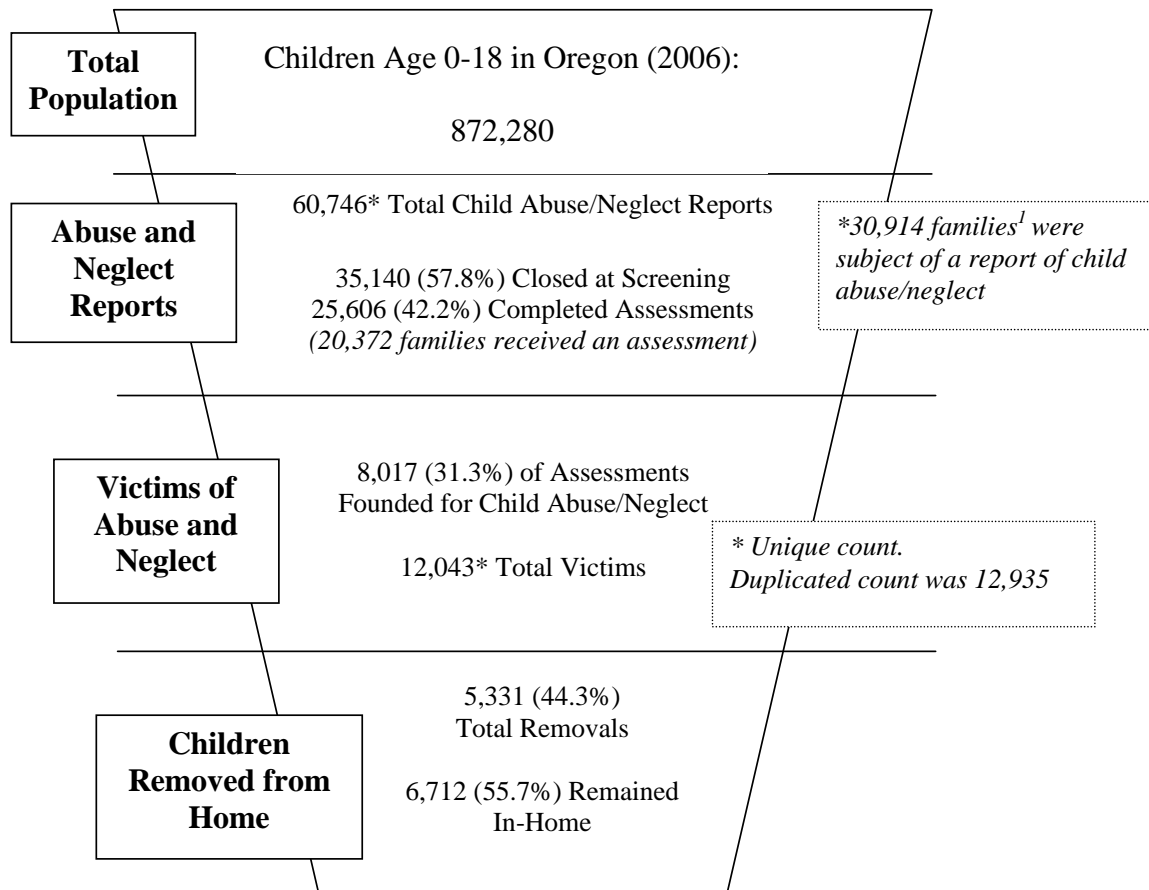
How services are delivered

When a report of suspected child abuse or neglect is received, CPS or a law enforcement agency responds. State policy requirements and protocols of the local multidisciplinary team are followed. The allegations are reviewed to determine if a child abuse assessment is appropriate. If not, the referral is said to be closed at screening.

For those allegations requiring a face-to-face assessment, law enforcement and CPS staff investigate the allegations and determine responsibility for maltreatment of the child. A CPS-trained worker completes a safety assessment of the child and assesses caregiver protective capacity and supportive resources available to the family. After the investigation and assessment, a completed assessment is classified in one of three ways – founded, unfounded or unable to determine because of insufficient information.

CPS caseworkers identify and provide services to keep children safe. Wherever possible, the caseworker and other members of the team work in collaboration with the family. They prepare an action plan to provide safety for the child using the strengths of the family.

FFY 2006 Child Abuse and Neglect Summary



- **13.2 percent of total protective service child abuse/neglect reports are founded for child abuse or neglect.**
- **55.7 percent of victims of child abuse/neglect remain in their homes.**

¹ This figure represents the maximum number of families subject of a report of child abuse and neglect, as case numbers are not assigned until an investigation has occurred on the family. 19.4 percent of child abuse reports had no family case number assigned in 2006.

Why these services are significant to Oregonians

ORS 419B.015-419B.035 defines the statutory responsibility and authority of DHS to provide child protective services to receive reports; determine if child abuse or neglect has occurred and to provide protective social services to prevent further abuses. Child protective services assess and provide for the safety needs of Oregon's most vulnerable population.

Family Based Services fulfill DHS’s case planning responsibilities and are a key component of federal and state requirements for reasonable efforts to maintain a child in his or her home. Services are intended to increase the safety of children in their own homes, increase parents’ ability to protect their children and prevent the need to place children in out-of-home care, limit the time children stay in care, and facilitate the safe return of children to their homes following out-of-home placement.

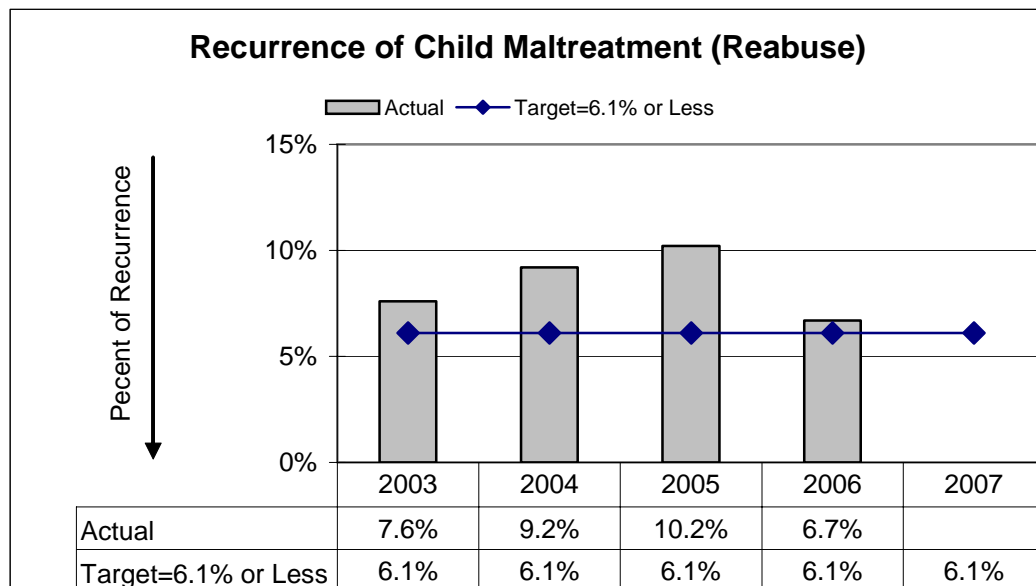
Performance/Outcome Measures (CPS)

Child Protective Services is measured by the federal child welfare performance indicator for the recurrence of child maltreatment.

Measure: Recurrence of child maltreatment (re-abuse)

Purpose

The purpose of this performance measure is to evaluate the effectiveness of the state Child Protective Services safety intervention system. A state meets the national standard for this indicator if, of all children who were victims of substantiated or indicated child abuse and/or neglect during the period under review, 6.1 percent or fewer children have had another substantiated report within six months. This same measurement is a DHS Performance Measure (#14) and is related to the Oregon Benchmark High Level Outcome (#HLO N).



How Oregon compares to other states

The following chart compares Oregon's performance to the national standard established by the initial Federal Child and Family Services Review, neighbor states within the same federal region area, and Oklahoma, which is a state of similar size and structure to Oregon.

Measure	National Standard	Alaska	Idaho	Washington	Oklahoma	Oregon			
		Data for FFY 2004	Data for FFY 2004	Data for FFY 2004	Data for FFY 2004	2003	2004	2005	2006
Recurrence of maltreatment	6.1% or less	not reported	6.1%	9.6%	8.2%	7.6%	9.2%	10.2%	6.7%

Source for Non-Oregon Data: National Child Abuse & Neglect Data System, 2004

Quality and Efficiency Improvements (CPS)

Child Protective Services administrative rules have been revised to incorporate a systematic approach to child safety decisions.

A procedures manual is being developed to support and clarify this safety intervention approach.

Administrative rules have been revised to direct child welfare staff in the child safety assessment of dangerous exposure of children to hazardous drug manufacturing environments and reckless substance use by parents resulting in drug-exposed infants or children left unsafe and seriously neglected.

During 2005-2006, CPS provided 19 individual training events to 1,531 child welfare staff, treatment providers, law enforcement officials, community partners, and state and national professionals regarding the impact of parental substance abuse on child safety and the need for adequate treatment resources.

Child Welfare staff participated with law enforcement in the development and implementation of Endangered Child Protocols. These protocols have been added to the Multidisciplinary Team (MDT) Protocol agreements in every county.

CPS also revised the screening and assessment policy to ensure appropriate and timely notification to Human Resources when an employee of DHS or Oregon Youth Authority is reported to be the alleged perpetrator of child abuse.

Based on 2005 legislation, CPS developed the "What you need to know about a Child Protective Service Assessment" pamphlet. Child Welfare administrative rules now require a CPS worker to provide each parent a copy of this pamphlet at the beginning of every

CPS assessment to assist the parent in understanding the CPS process and their rights during the assessment.

2007-2009 Budget Summary (CPS)

Key budget drivers and issues

The Governor appointed a task force in 2005 to address issues related to methamphetamine manufacture and use in the state of Oregon. The state has made numerous efforts to deal with the impact of methamphetamine on Oregon's families. Limited, appropriate treatment resources continue to have budget implications including an increase in the numbers and severity of issues for children served by Child Welfare.

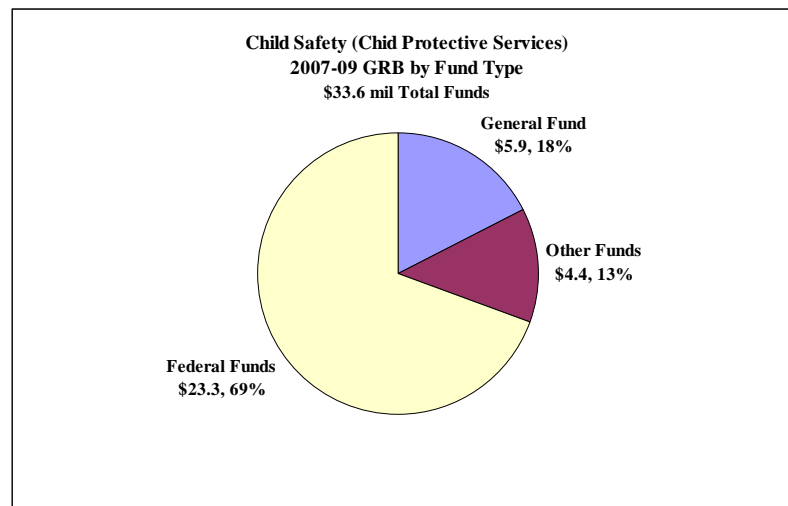
Family Based Services currently has a contracted capacity of 4,265 families or groups per year. This capacity decreased from 4,640 in 2003, although during the same time there has been a growth in Child Welfare case load.

The average cost per case for families receiving FBS services is \$2,000. Slightly less than 20 percent of families with children in care received FBS services in the six months between October 2005 and March 2006. Most providers reported being fully used or overused during that time.

Implementation of the Oregon Child Welfare Safety Model may lead to an increased need for services, such as Intensive In-Home and System of Care to keep children safe in their homes. However, there is no additional capacity to provide services.

Governor's Recommended Budget

The Governor's Recommended Budget for Child Safety (Child Protective Services) is \$33.6 million, or 1.3 percent of CAF's budget.



Reductions

No reductions were proposed for this program in the Governor's Recommended Budget.

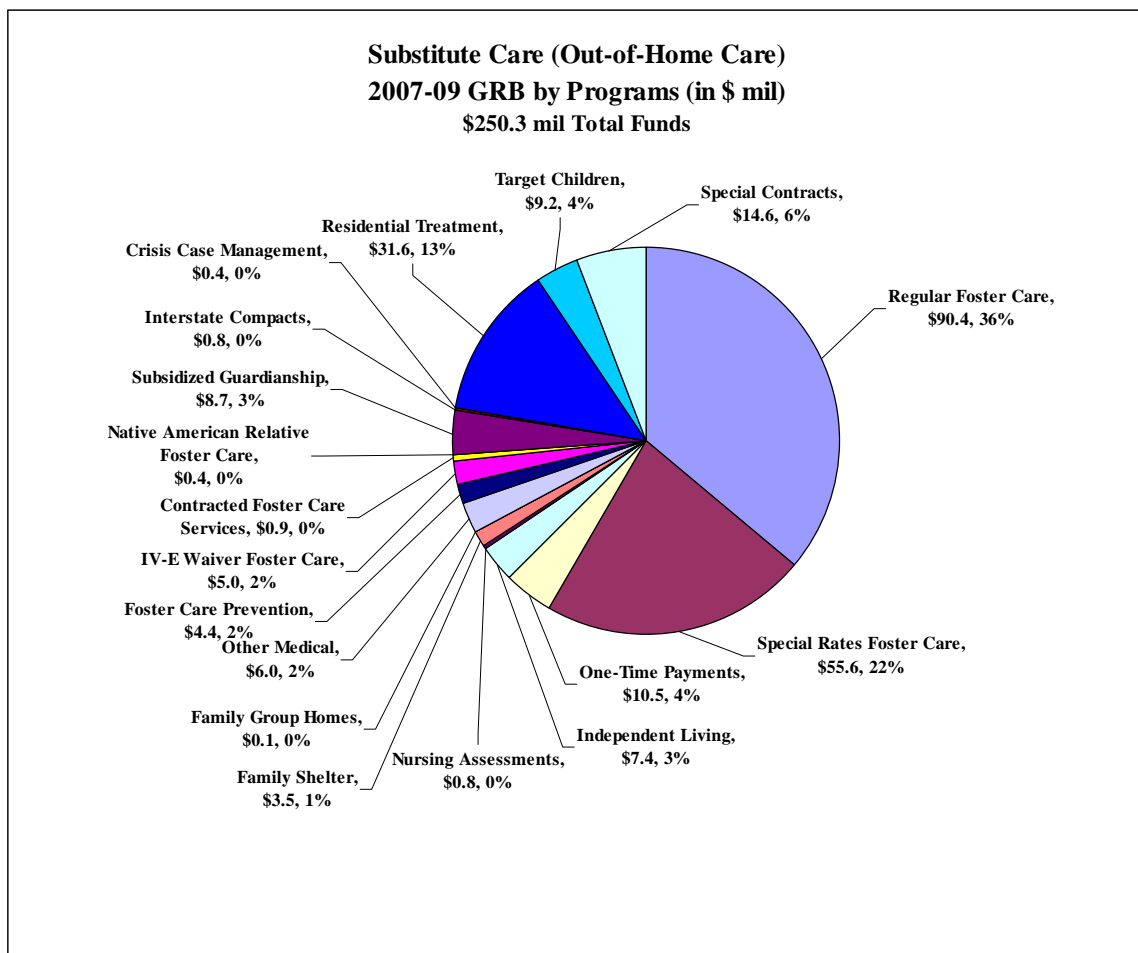
Policy Option Packages

Protective Services will be impacted by the Policy Option Packages for Child Welfare Safety Improvements and Legal representation. These will be discussed during the Field Services presentation.

Out-of-Home Care

DHS is the state agency responsible (ORS 418.015) for accepting and caring for children in need. These children are dependent, neglected, mentally or physically disabled and/or placed in the legal custody of DHS by a court (ORS 419B).

The Governor's Recommended Budget for Substitute Care (Out-of-Home Care) is \$250.3 million, or 9.9 percent of CAF's budget.



Services provided

Out-of-Home care involves an array of programs serving children and families:

- Family Foster Care – Family homes that give temporary care for children who cannot be safely cared for by their birth parent(s).
- Relative Care – Care provided by extended family members for children who cannot live with their birth parent(s).

- Family Foster Group Care – A family model of care for children who have behavioral or emotional care needs that require more structure than a family foster care home, but less structure than a group residential care program.
- Emergency Foster Care – Family foster care homes that are prepared to receive a child into their home at any time of the day or night by law enforcement or DHS. The purpose is to provide the child a safe place to reside until a formalized plan can be developed with the child’s family, DHS and the court.
- Independent Living Program (ILP) – Services for youth in foster care, 14 years and older, which provide skill development (education, budgeting, life skills, job readiness, preparation for housing, etc.) to enhance a youth’s ability to live independently.
- Independent Living Subsidy Program – Stipends and semi-supervised assistance for youth 16 years of age or older who are working on independent living skills and have demonstrated the capacity of maintaining housing services independently.
- Therapeutic Foster Care – Homes that provide care and treatment supervised and directed by private and public professional treatment agencies. Children served are able to live in a family setting while receiving intensive treatment for behavioral or emotional problems.
- Residential Shelter Care – Facilities that serve children with behavior or emotional problems who need assessment and evaluation to develop a placement or treatment plan.
- Residential Treatment – Facilities that serve behaviorally and emotionally disturbed children who cannot be treated and safely maintained in less restrictive foster care settings.
- Interstate Compact: The Interstate Compact on the Placement of Children (ICPC) was adopted into law by the 1975 Legislature. All states are members, as are the District of Columbia and the U.S. Virgin Islands. The Compact guarantees that children placed across state lines will receive services as they would if they were to remain in their home states. The Compact also guarantees that children shall be returned to their home states should the need arise, and that states are financially and legally responsible for their children when the children are placed out of state. The Compact arranges and pays for travel and related costs for Oregon children who are being placed out of state or are returning to Oregon, while ensuring that safe and appropriate planning occurs and jurisdictional responsibility remains fixed. During 2006 DHS placed 626 children with families located out of state. Forty percent of these children were placed with permanent adoptive families.

The American Public Human Services Association (APHSA) has proposed a new version of the Compact. The new Compact is designed to replace the current ICPC, which was drafted in 1960, and addresses many of the commonly perceived shortcomings of the existing ICPC. Passage of House Bill 2173 will enact the new Compact in Oregon.

In July 2006 President Bush signed into law the Safe and Timely Interstate Placement of Foster Children Act of 2006. This new federal law does not replace the Compact, but does impose federal requirements governing interstate placements of children that go beyond what is required by the ICPC. DHS has developed a policy option package seeking the additional resources necessary to comply with these new federal standards.

Where service recipients are located

Foster families are found all over the state. The number of available foster homes has increased during the years, but it continues to be a struggle for the state to have an adequate supply of families for children. The following list shows the number of foster homes that have been available in recent years:

FFY 2000: 3,450 families
FFY 2002: 4,532 families
FFY 2004: 4,830 families
FFY 2006: 5,309 families

Private child caring agencies are found across the state, more predominantly in the Willamette Valley and centered toward the northern part of the valley.

Who receives services

The program serves children and families when children cannot remain safely in their homes. The array of services in this program provides a safe place for the children to stay while family circumstances improve.

Out-of-home care in Oregon provides a continuum of services for children based on their individual needs. The goal, as well as to meet a federal mandate, is to place children in the least restrictive environment possible to meet their needs. This includes keeping children within their communities and connected to family and extended family.

The majority of children in the foster care system are in family foster care, which is most often the least restrictive environment. Family foster care is designed to provide placements within family settings for children and youth who cannot safely live in their own homes, or who have special needs their families cannot meet.

Family foster care includes relatives who have been certified by DHS to provide foster care. This service is often referred to as kinship care or relative care. In Oregon, this is referred to as relative care.

- Nearly all children in family foster care with DHS are there as a result of some intervention on the part of CPS.
- All children in foster care or relative care are in the temporary or permanent legal custody of DHS.

Children receiving family foster care services are provided with the basic necessities of room and board, clothing, school supplies, and personal incidentals. These basic necessities are provided to the child by the foster parent. DHS then reimburses the foster parent for a portion of the child's cost of care.

Youth ages 14 and older who are in out-of-home care are eligible to receive services to assist them toward emancipation and living independent of state services. The Independent Living Program (ILP) is a community-based service delivered by independent contractors across the state.

- Independent living services include help with life skills, money management and budgeting, communication and social skills, community connections and supportive relationships, informed decision-making, parenting, health, education support, housing, job preparation and readiness, and individual emancipation plans.
- The 2003 Legislature enacted the requirement for DHS to develop Comprehensive Transitional Plans for youths' 16 years and older (ORS 419B.343). The plan is to include a plan for the youths' education, housing, employment, health care, community connections and supportive relationships.

How services are delivered

Family foster care is designed to provide safe placements for children within a family setting. These are most often the least restrictive environments as required by federal law. There are 5,309 foster families, including relatives who are certified to care for children in Oregon.

Residential treatment programs are contracted by DHS to provide services to some of the most difficult children in the child welfare system. All contracted providers are authorized as Behavioral Rehabilitation Programs (BRS) and are monitored by DHS to

ensure compliance with BRS contractual standards. Each residential treatment program also must be licensed as a Private Child Caring Agency.

- On average, DHS works with 240 licensed Private Child Caring Agencies, 45 of which have contracts with the department.

Why these services are significant to Oregonians

Abused, neglected or otherwise dependent children often require out-of-home care. In Oregon, the priority is to keep children in their homes if it is safely possible and, if that is not possible, identify a relative or other known individual who may be able to safely care for the child. Barring these possibilities, the state will recruit a non-related foster care placement.

- During FFY 2006, DHS provided foster care services to 16,142 children.
- On an average day in Oregon in FFY 2006, 7,734 children resided in family foster care. Of those children, 30.5 percent of them were placed with a relative.
- An additional 664 children on average were served in some type of residential treatment program.
- Independent Living Program services were provided to 1,327 youth during FFY 2006. This program has shown a steady increase each of the last six years, including an increase in the number of youth served this year by 79.

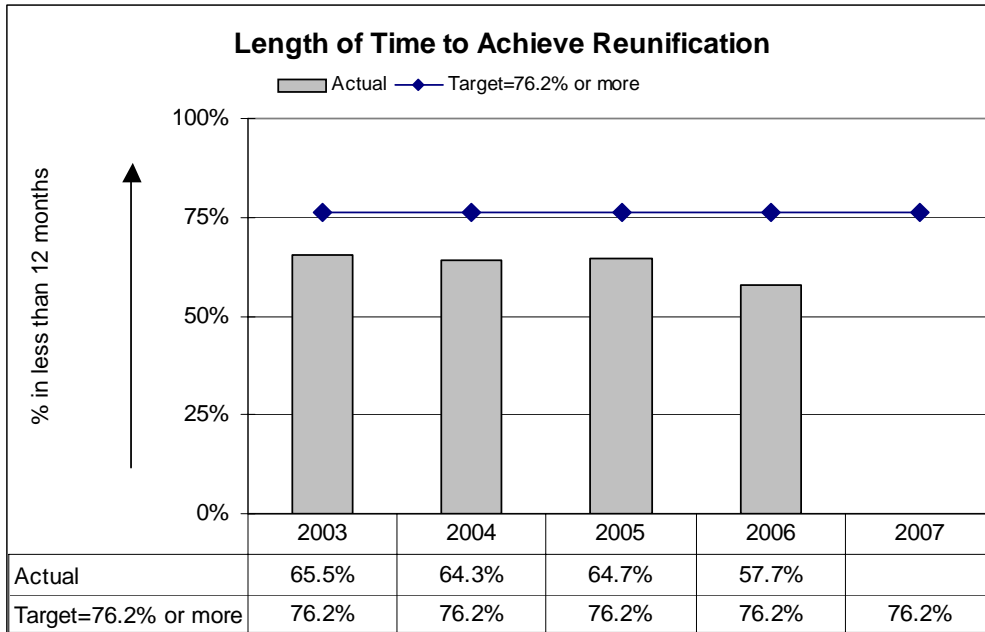
Performance/Outcome Measures (Out-of-Home Care)

The federal Adoptions and Safe Families Act (ASFA) has established four outcome measures specific to the Out-of-Home care programs that are evaluated as a part of the Child and Family Services Review (CFSR).

Measure: Length of time to achieve reunification

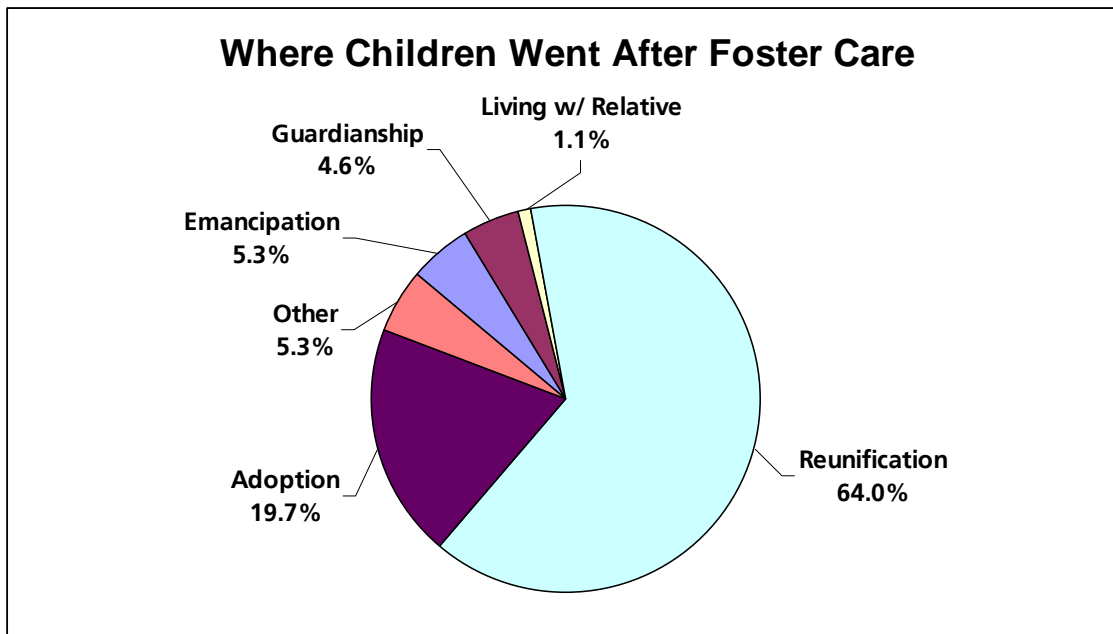
Purpose

A state meets the national standard for this indicator if, of all children who were reunified with their parents or caretakers at the time of discharge from foster care, 76.2 percent or more children were reunified in less than 12 months from the time of the latest removal from home.



The majority of children entering out-of-home care are reunified with their parents. Efforts are made by DHS along with community providers and family resources to correct the safety or treatment needs with the child or within the family setting so the child may be reunified with the parents.

- In FFY 2006, 64 percent of the children and youth exiting the out-of-home care system were successfully reunified with their families.



- In Oregon, the legal custody assigned by the court usually continues for children being reunited with their parents to provide a level of DHS oversight, supervision, monitoring and services for the family. This extends the timeframe for reunification by the federal standard.
- CAF policy and practice have been reviewed and are being addressed by the inclusion of two key concepts of the Oregon Safety Intervention Model – Protective Capacity Assessment and Conditions to Return – which should enable DHS to evaluate reunification plans for children and families on an ongoing basis.
- While the reunification rate is below the federal standard, it has remained steady the last two years at 64 percent of all children being reunified with family.

How Oregon compares to other states

The following chart compares Oregon’s performance to the national standard established by the initial Federal Child and Family Services Review, neighbor states within the same federal region area, and Oklahoma, which is a state of similar size and structure to Oregon.

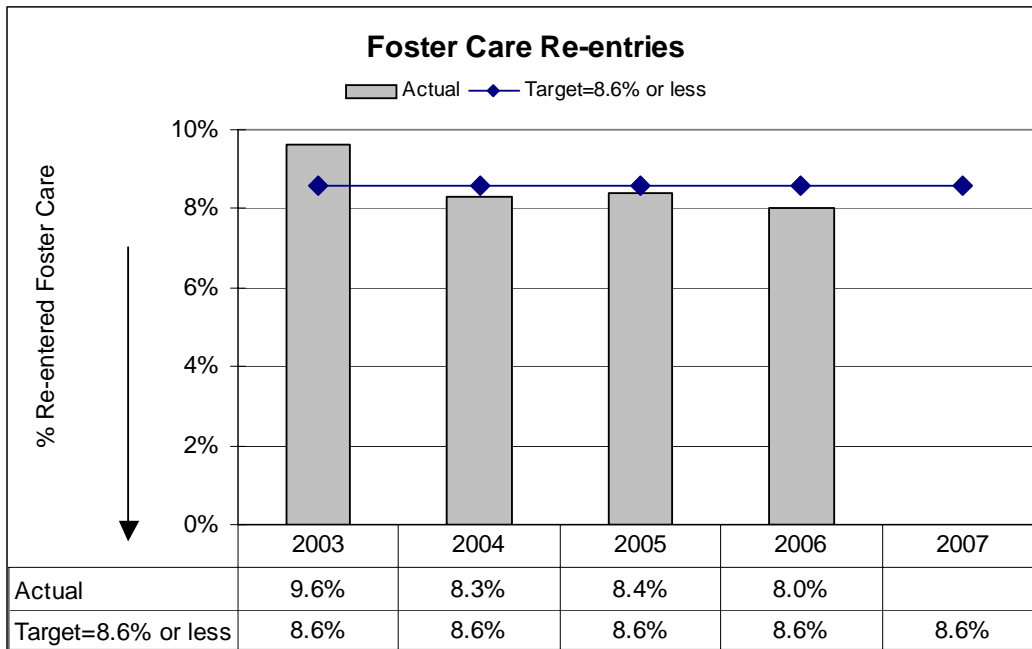
Measure	National Standard	Alaska	Idaho	Washington	Oklahoma	Oregon			
		Data for FFY 2003	Data for FFY 2003	Data for FFY 2003	Data for FFY 2003	2003	2004	2005	2006
Length of time to achieve reunification	76.2% or more	58.7%	84.5%	75.1%	83.1%	65.5%	64.3%	64.7%	57.7%

Source for Non-Oregon Data: Child Welfare Outcomes 2003: Annual Report

Measure: Foster care re-entries

Purpose

A state meets the national standard for this indicator if, of all children who entered foster care during the year under review, 8.6 percent or fewer of those children re-entered foster care within 12 months of a prior foster care episode.



- CAF continues to evaluate policy and practice in order to enhance and increase the ability to have face-to-face contact with the child and parents, both for children in foster care and children who have been returned home.
- CAF has made efforts to concentrate on adequate supports for families to prevent foster care re-entry. These efforts include ongoing family decision meetings as well as identifying family support systems.

How Oregon compares to other states

The following chart compares Oregon’s performance to the national standard established by the initial Federal Child and Family Services Review, neighbor states within the same federal region area, and Oklahoma, which is a state of similar size and structure to Oregon.

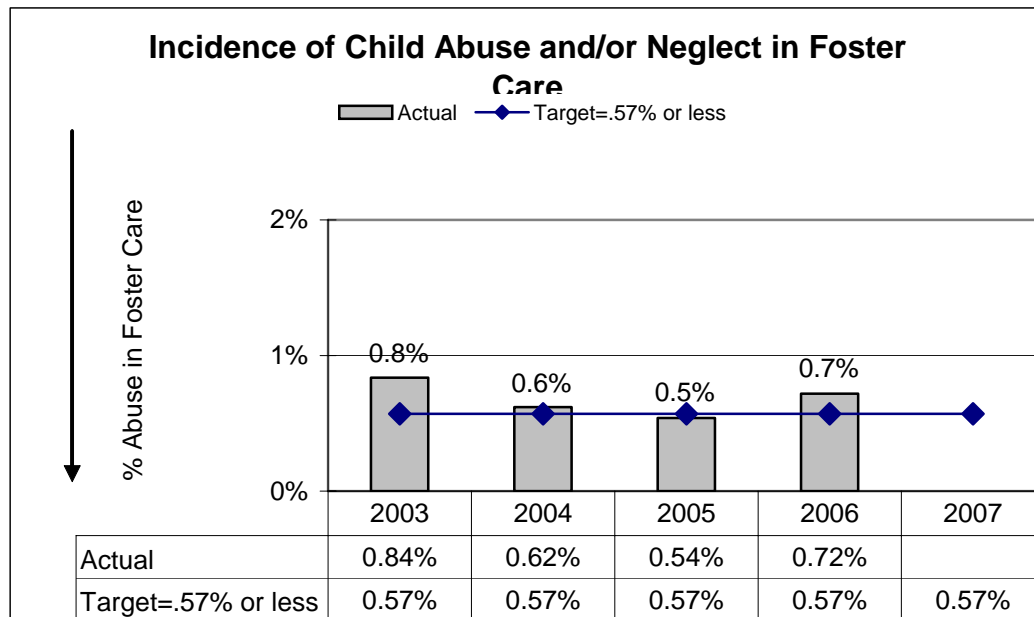
Measure	National Standard	Alaska	Idaho	Washington	Oklahoma	Oregon			
		Data for FFY 2003	Data for FFY 2003	Data for FFY 2003	Data for FFY 2003	2003	2004	2005	2006
Foster care re-entries	8.6% or less	5.0%	11.9%	11.2%	15.0%	9.6%	8.3%	8.4%	8.0%

Source for Non-Oregon Data: Child Welfare Outcomes 2003: Annual Report

Measure: Incidence of child abuse and/or neglect in foster care

Purpose

A state meets the national standard for this indicator if, for all children in foster care in the state during the period under review, the percentage of children who were the subject of substantiated or indicated maltreatment by a foster parent or facility staff is 0.57 percent or less.



- Adequate supports and training must be provided to foster parents and relative caregivers to prevent abuse or neglect.
- CAF is continuing to provide training for staff on how best to assess families and residential programs, and perform adequate background checks.
- CAF policy and practice have been reviewed and are being addressed by the inclusion of a Key Concept of the Oregon Safety Intervention Model – Confirming Safe Environments.

How Oregon compares to other states

The following chart compares Oregon's performance to the national standard established by the initial Federal Child and Family Services Review, neighbor states within the same federal region area, and Oklahoma, which is a state of similar size and structure to Oregon.

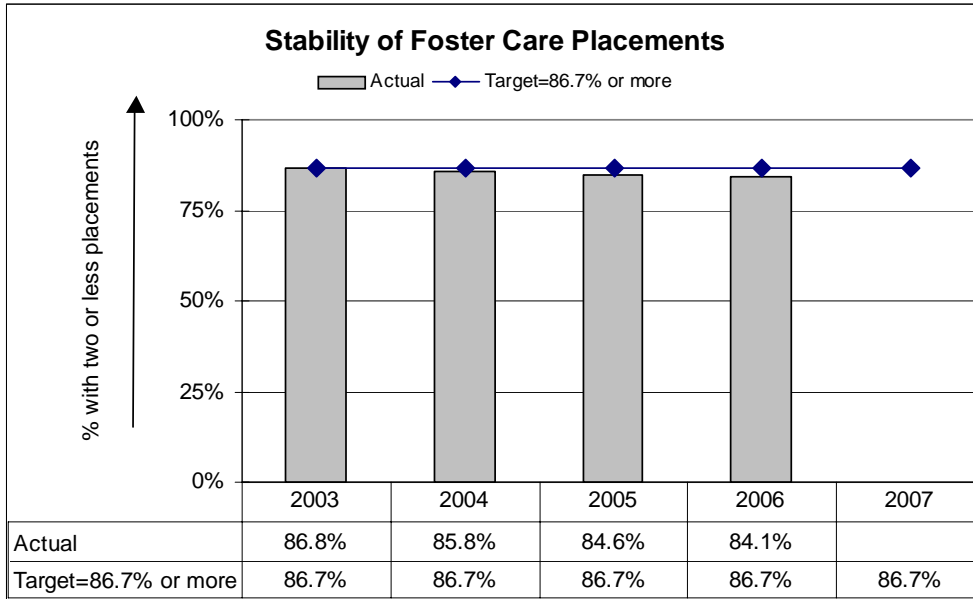
Measure	National Standard	Alaska	Idaho	Washington	Oklahoma	Oregon			
		Data for FFY 2004	Data for FFY 2004	Data for FFY 2004	Data for FFY 2004	2003	2004	2005	2006
Incidence of child abuse and/or neglect in foster care	0.57% or less	not reported	0.3%	0.3%	0.9%	0.8%	0.6%	0.5%	0.7%

Source for Non-Oregon Data: National Child Abuse & Neglect Data System, 2004

Measure: Stability of foster care placements

Purpose

A state meets the national standard for this indicator if, of all children who have been in foster care less than 12 months from the time of the latest removal, 86.7 percent or more children had no more than two placement settings.



- This standard can be impacted by the use of shelter homes or short-term receiving homes or centers.
- This measure is impacted by placing the child in an emergency placement with a non-related foster parent, then proceeding to locate, assess and complete background checks on relatives before moving the child to the home. Once this move to relative placement occurs there can be a negative impact on this measure.
- CAF has reviewed and is in the process of incorporating policies and procedures to support placement matching of children to homes and to support the placements.

How Oregon compares to other states

The following chart compares Oregon’s performance to the national standard established by the initial Federal Child and Family Services Review, neighbor states within the same federal region area, and Oklahoma, which is a state of similar size and structure to Oregon.

Measure	National Standard	Alaska	Idaho	Washington	Oklahoma	Oregon			
		Data for FFY 2003	Data for FFY 2003	Data for FFY 2003	Data for FFY 2003	2003	2004	2005	2006
Stability of foster care placements	86.7% or more	74.2%	85.5%	85.3%	73.6%	86.8%	85.8%	84.6%	84.1%

Source for Non-Oregon Data: Child Welfare Outcomes 2003: Annual Report.

Quality and Efficiency Improvements (Out-of-Home Care)

The overall average daily population of children in out-of-home care has been relatively stable for the past few years. This is in part a result of efforts to reunify families and to find permanent homes for children. In FFY 2006, more children exited foster care than entered, reversing a three-year trend.

- Entered Care 5,294 children
- Exited Care 5,568 children

The average daily population in out-of-home care is 7,734 children, but this does not reflect the total number of children in Oregon who experience out-of-home care during a given year. A child experiences an out-of-home care placement if they are placed into care for a minimum of one day. DHS served 16,142 children through an out-of-home experience in FFY 2006.

Children in out-of-home care are served predominantly in a foster family setting. CAF seeks to identify relatives to care for these children whenever possible. When a relative is not available or is deemed not suitable for placement, efforts are made to locate a family friend, neighbor, someone known to the child, or a certified non-related foster family.

Relatives who are identified to care for their related child must meet certification standards set by CAF and comply with required personal and criminal background checks. The percentage of relative care placements has remained steady even with the increases in the total numbers of children served.

Year 2002	25 percent
Year 2003	28 percent
Year 2004	30 percent
Year 2005	30 percent
Year 2006	30.5 percent

The average number of families certified as foster families to care for children on a given day for the past several years follows:

Year 2002	4,532 families
Year 2003	4,450 families
Year 2004	4,830 families
Year 2005	5,373 families
Year 2006	5,309 families

- In FFY 2006, 64 percent of the 5,568 children were able to be reunited with their families.
- More than 5,300 Oregon families representing every county step up to provide foster care services to Oregon’s most needy children.
- CAF is projecting approximately \$3 million in savings in the Special Rate service program by increasing management action and oversight.
- In FFY 2005, 86 former foster care youth received scholarships for higher education through a federal grant awarded to DHS and implemented through collaboration with the Oregon Student Assistance Commission.
- Federal review of DHS’s compliance with the Title IV-E program (foster care funding) in September 2005 resulted in CAF receiving a 100 percent compliance rating as well as an acknowledgement of the high level of competency among the staff who oversee this program from the federal review team.
- CAF requested from the National Resource Center for Youth Development a program review in August 2005 of the Independent Living Program. This review was positive and noted;

“Oregon’s Independent Living Program is providing valuable services to youth in care to assist them in making successful transitions to adulthood.”

The program is experiencing “growing pains”... due to the growth in the program.

With an expanded infrastructure to ensure the coordination of services, Oregon’s program will be able to effectively work with young people to meet the challenges they face as they transition from foster care.”

2007-2009 Budget Summary (Out-of-Home Care)

Key budget drivers and issues

The cost of basic care is determined by the age of the child and has been adjusted over time due to cost of living increases allowable through legislative authorization.

The overall age of children in out-of-home care is:

0-5 years of age	39.8 percent
6-12 years of age	32.8 percent
13+ years of age	27.4 percent

Approximately 20 percent of the children served in foster care are younger than 3 years of age.

The basic reimbursement rates for family foster care are prorated daily based on a monthly rate effective December 31, 2006:

Monthly Rate	Age 0-5	Age 6-12	Age 13 +
Room, board, other	\$334	\$331	\$395
Clothing replacement	45	51	73
Personal allowance	8	20	29
Total monthly	\$387	\$402	\$497

Many children have been emotionally, physically or sexually abused. As a result, they may have emotional, behavioral, mental or physical problems that require special services.

- Foster parents and relative caregivers increasingly need special skills and support to deal with the special needs of children in out-of-home care.

- Special Rates / Personal Care are paid to some families for additional costs associated with unique physical or mental health care requirements of the child.
- As of December 31, 2006, 42.6 percent of the children in family foster care qualify and require additional support in their foster homes.
- As of December 31, 2006, there were 1,698 foster parent households receiving a Special Rate / Personal Care Rate.
- DHS' safety standards have the same requirements for relatives, foster families and families considering adoption. These include:
 - ◆ Personal reference checks from family members, friends, neighbors and employers;
 - ◆ A criminal history background check;
 - ◆ An internal Child Welfare check for previous involvement with Child Welfare as a provider or client;
 - ◆ A family assessment of the parenting knowledge, skills and abilities of the applicants; and
 - ◆ A home visit to assess safety conditions of the interior and exterior of the environment.

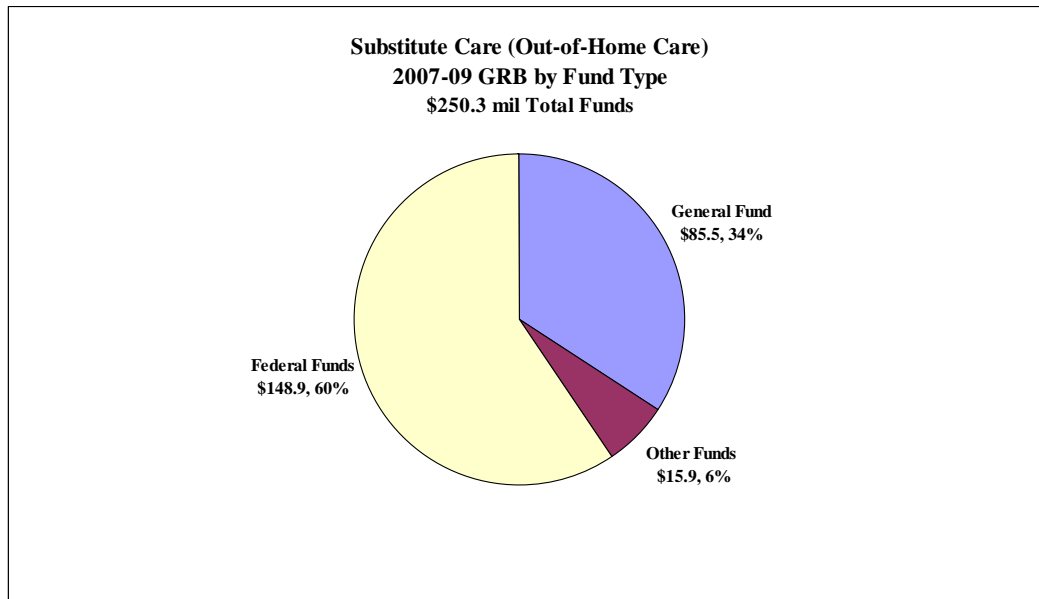
Residential treatment service providers that contract with DHS did receive one cost of living adjustment (COLA) in the last biennium. However, the per diem rate paid by DHS to residential providers of BRS services is far behind that paid by OYA for similar services. CAF has begun to lose bed capacity while OYA's has increased.

The implementation of the Children's Mental Health System Change Initiative has influenced the movement of children from the more restrictive inpatient residential setting to a community-based intensive foster home environment. The need for additional recruitment and supports to enhance the foster home environment and provide for a more specialized, therapeutic foster home is now more apparent. This enhancement of foster homes comes with additional resource needs, which DHS must meet.

The 2005 Legislature passed legislation (ORS339.133) that allows for a foster child to remain in their home school if it is in the best interest of the child, rather than having to move to a new school as a result of a foster care placement. This legislation required DHS to provide transportation for the child and to provide a report of compliance and costs to the Legislature. The report was submitted as required February 1, 2007.

Governor's Recommended Budget

The Governor's Recommended Budget for Substitute Care (Out-of-Home Care) is \$250.3 million, or 9.9 percent of CAF's budget.



Reductions

The Governor's Recommended Budget (GRB) reduces Substitute Care (Out-of-Home Care) through improvements in the management of foster care payments. This results in a decrease of \$3.0 million in General Funds, \$0.2 million in Other Funds, \$4.5 million in Federal Funds, and \$7.8 million in Total Funds.

Policy Option Packages

There are four policy option packages contained in the GRB for out-of-home care.

101-18 Relative Caregiver Reimbursement

101-18 <u>Relative Caregiver Reimbursement</u> : Oregon does not currently provide foster care funding to relatives caring for children in foster care, unless the child is eligible for federal funding. This request is to support relatives caring for children in the State's care and legal custody.	GF	OF	FF	TF
	Governor's Recommended Budget	\$ 2.7	\$ -	\$ -

(dollars in millions)

Relative Care Reimbursement includes a provision for DHS to provide foster care financial assistance to a greater number of relatives caring for related children in the foster care system. Currently, if the child is eligible for federal funding, the state will provide the relative with the foster care financial reimbursement. If the child is not

eligible the state does not provide financial assistance to the relative. This package would allow DHS to assess the relatives' financial need and provide assistance if necessary in order to keep the child in foster care with a related provider rather than a non-related person.

101-19 Safe and Timely Interstate Placement of Foster Children

<p><u>101-19 Safe and Timely Interstate Placement of Foster Children:</u> In order to ensure that the Department is able to consistently perform home studies within the time limits prescribed by the federal law, it is proposed that the Department create a small number of Social Service Specialist 1 (SSS1) positions dedicated to the performance of these duties.</p>	GF	OF	FF	TF
Governor's Recommended Budget	\$ 0.5	\$ -	\$ 0.5	\$ 0.9

(dollars in millions)

In order to ensure that CAF is able to consistently perform home studies within the time limits prescribed by federal law for Safe and Timely Interstate Placement for foster children, it is proposed that DHS create a small number of Social Service Specialist 1 (SSS1) positions dedicated to these duties.

102-21 Behavior Rehab Services (BRS) Rates Increase

<p><u>102- 21 Behavior Rehab. Services (BRS) Rates Increase:</u> This package addresses rate disparity issues between the Oregon Youth Authority and DHS for payments to BRS providers. During the past eight years, DHS and OYA have not received the same cost of living adjustments, resulting in rate inequities for providers. This has resulted in the two agencies paying different rates for the same BRS services.</p>	GF	OF	FF	TF
Governor's Recommended Budget	\$ 1.4	\$ 0.1	\$ 1.1	\$ 2.6

(dollars in millions)

This package addresses rate disparity issues between OYA and DHS for payments to BRS providers. During the past eight years, DHS and OYA have not received the same cost of living adjustments, resulting in rate inequities for providers. This has resulted in the two agencies paying different rates for the same BRS services.

106-57 Staffing for Children's Benefits Unit

<p><u>106- 57 Staffing for Children's Benefits Unit:</u> This package adds staff resource to increase the division's capacity to help disabled children achieve Supplemental Security Income (SSI) eligibility more rapidly</p>	GF	OF	FF	TF
Governor's Recommended Budget	\$ 0.1	\$ -	\$ 0.1	\$ 0.2

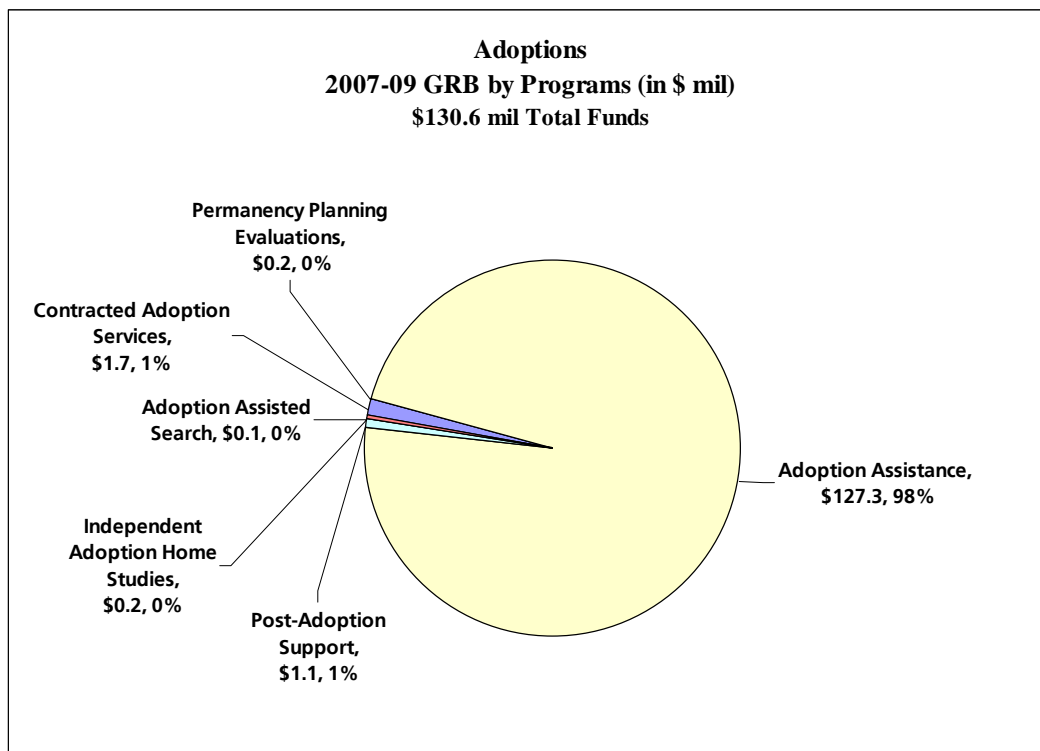
(dollars in millions)

This package adds staff resources to increase CAF's capacity to help disabled children in child welfare achieve Supplemental Security Income (SSI) eligibility more rapidly and enhance the level of service the Children's Benefit unit provides to partners, clients and field staff. Funding these positions will result in an increase in the percentage of children in foster care who are eligible for Social Security benefits and an increase in revenue received by CAF on behalf of these children.

Adoptions

DHS's Adoption Program establishes permanency through adoption and guardianship for children in foster care who are unable to return to the care of their biological parents. The Federal Adoption and Safe Families Act (ASFA) of 1997 mandated that public child welfare agencies provide permanency for children within shorter timeframes to ensure that children moved to permanency in a timely fashion. This was incorporated into Oregon statute in 1999.

The Governor's Recommended Budget for Adoptions is \$130.6 million, or 5.2 percent of CAF's budget.



Services provided

The Adoption Program has the responsibility for the oversight, management and supervision of adoption practices and services for children in the state's foster care system. When it is determined that a child cannot return to the care of their biological parent, adoption or guardianship are acceptable permanency options.

The Adoption Program provides a comprehensive array of services and operations ranging from the recruitment of potential adoptive and guardianship families to support services that help ensure the success and longevity of the placement. Adoption

Assistance and Guardianship Assistance benefits are available to children. This supplemental support enhances the capacity of parents to meet the special needs of their children and strengthens placement stability. Benefits may include medical and mental health coverage and financial assistance.

Where service recipients are located

DHS provides adoption and guardianship services in 36 counties across the state.

Who receives services

Services are provided to children in the state's foster care system for whom it is determined that it is not in their best interest to return to the care of their biological parents.

How services are delivered

Adoption staff consist of social workers who have specialized training and expertise in adoption services. Through the development and implementation of policies, procedures and rules, the Adoption Program ensures that Oregon's children are served in accordance with best practice guidelines. Staff provide consultation, facilitation and support to the decision-making process that determine if adoption or guardianship is an appropriate case plan and in the best interest of the child. If the case plan is adoption, staff facilitate the termination of parental rights, either voluntarily or through court procedures. Potential adoptive families are recruited, trained and assessed regarding their ability to meet the needs of waiting children. Staff further coordinate and manage Adoption Assistance benefits.

Why these services are significant to Oregonians

Oregon's children are entitled to the security of a permanent home. The stability of a safe, loving and nurturing home is vital to the overall well-being of children. One of the goals of DHS is to help children who are unable to live safely in their own homes live in settings that provide safety, stability and continuity with their families. ORS 419B.340, ORS 419B.498, ORS 419B.502 and ORS 419B.192 provide statutory guidance.

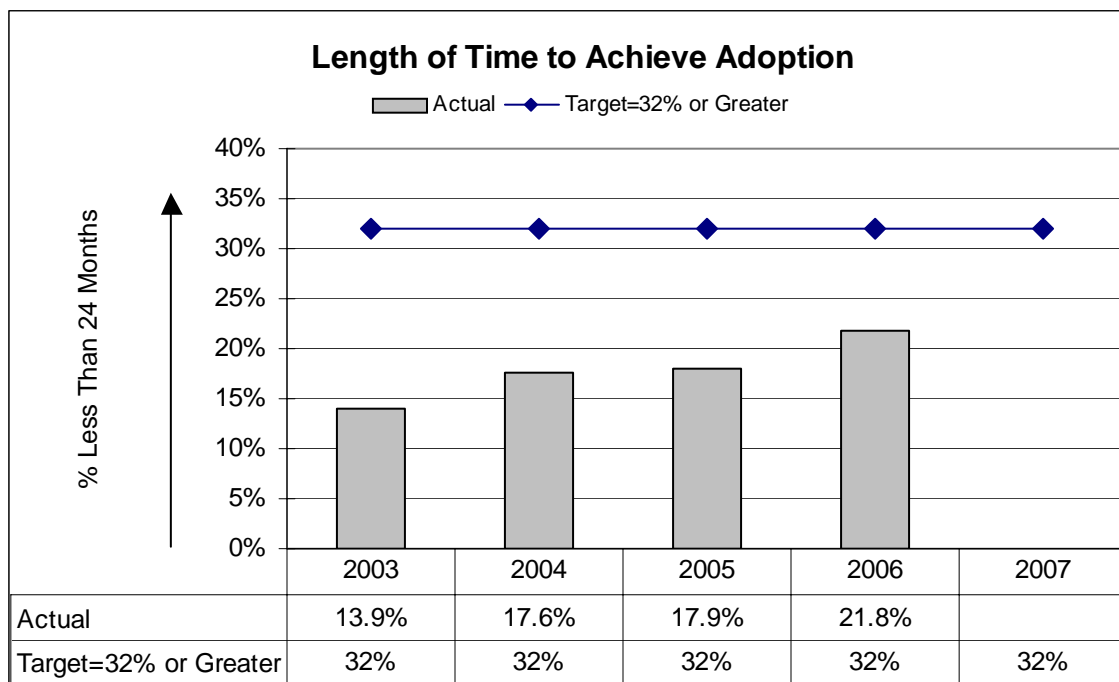
Performance/Outcome Measures (Adoptions)

The federal Adoptions and Safe Families Act (ASFA) has established two outcome measures specific to the adoption programs that are evaluated as a part of the Child and Family Services Review (CFSR).

Measure: Length of time to achieve adoption

Purpose

The purpose of this performance measure is to evaluate Oregon's timelines to achieving permanency for children in the foster care system. A state meets the national standard for this indicator if, for all children who exited foster care during the period under review to a finalized adoption, 32 percent or more children exited care in less than 24 months from the time of the last removal from home.



How Oregon compares to other states

The following chart compares Oregon's performance to the national standard established by the initial Federal Child and Family Services Review, neighbor states within the same federal region area, and Oklahoma, which is a state of similar size and structure to Oregon.

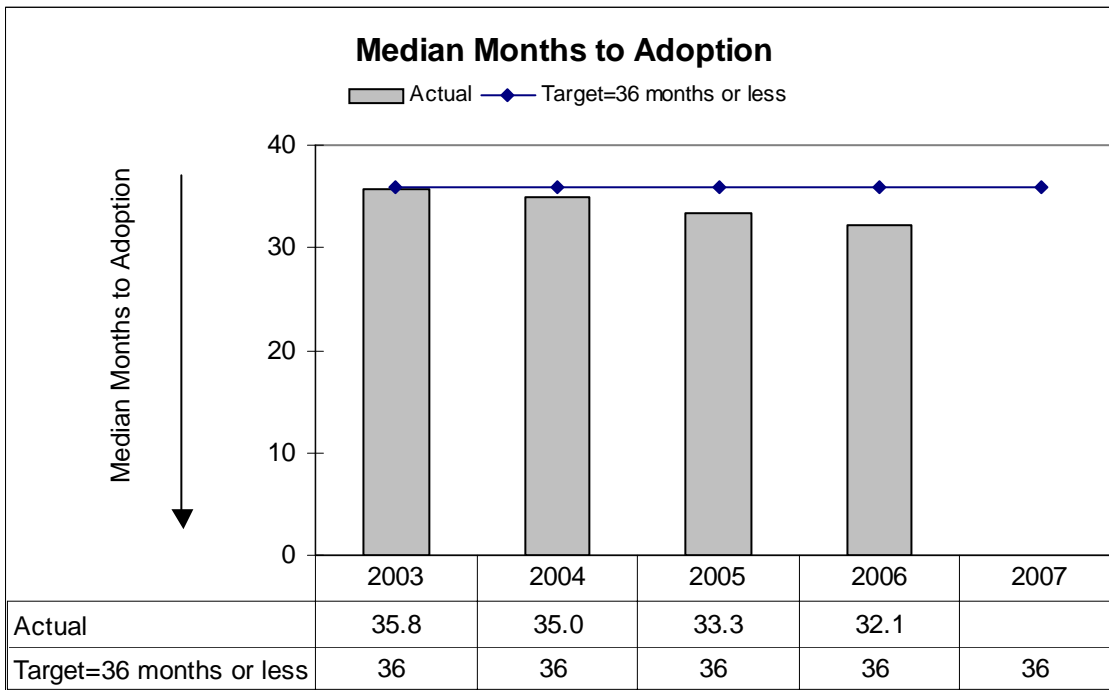
Measure	National Standard	Alaska	Idaho	Washington	Oklahoma	Oregon			
		Data for FFY 2003	Data for FFY 2003	Data for FFY 2003	Data for FFY 2003	2003	2004	2005	2006
Length of time to achieve adoption	32.0% or more	23.8%	21.5%	24.7%	26.5%	13.9%	17.6%	17.9%	21.8%

Source for Non-Oregon Data: Child Welfare Outcomes 2003: Annual Report.

Measure: Median months to adoption

Purpose

The purpose of this performance measure is to evaluate Oregon's timelines for achieving permanency for children in the foster care system. A state meets this indicator if it achieves a median length of time from the date of the latest removal from home to finalized adoption of 36 months or less for two reporting periods in a row.



How Oregon compares to other states

Measure	National Standard	Alaska	Idaho	Washington	Oklahoma	Oregon			
		Data for FFY 2003	Data for FFY 2003	Data for FFY 2003	Data for FFY 2003	2003	2004	2005	2006
Median months to adoption	no standard set	not reported	not reported	not reported	not reported	35.8	35.0	33.3	32.1

Source for Non-Oregon Data: Child Welfare Outcomes 2003: Annual Report.

Quality and Efficiency Improvements (Adoptions)

The Adoption Program has identified two areas where delays are directly impacting Oregon's ability to meet the Length of Time to Achieve Adoption and Median Months to Adoption performance measures.

The first area is the delays that occur from appeals to the termination of parental rights (TPR). Adoptions sometimes can be delayed a year due to appeals to the TPR. As of October 2006, DHS and the Oregon Department of Justice began piloting a project that offers a mediation process in TPR appellate cases. It is hoped that mediation will result in more timely resolutions in TPR matters and reduce the delays to finalizing adoption. There are no findings to date.

The second area is the adoptive family selection process. Oregon currently uses a committee process to select the most appropriate family to adopt a child based upon the needs of the child. During the last year this process has been challenged by various community stakeholders. It is criticized as being a closed process. In several instances, adoptions have been delayed while committee placement decisions have been questioned and reviewed. To address this issue, Oregon will be receiving technical support and assistance from the National Child Welfare Resource Center for Adoption (NRC). The NRC will review the current process and provide recommendations for improvement. If warranted, the appropriate modifications will be made to avoid future delays to permanency.

2007-2009 Budget Summary (Adoptions)

Key budget drivers and issues

Federal Public Law 96-272 in 1980 established Adoption Assistance benefits to remove barriers to achieve permanency and adoption for children in foster care. In 1997 the Adoption and Safe Families Act, through the enforcement of defined timeframes to achieve permanency, increased the number of children exiting foster care via adoption. Adoption Assistance and Guardianship Assistance directly impact the cost for the DHS Adoption Program.

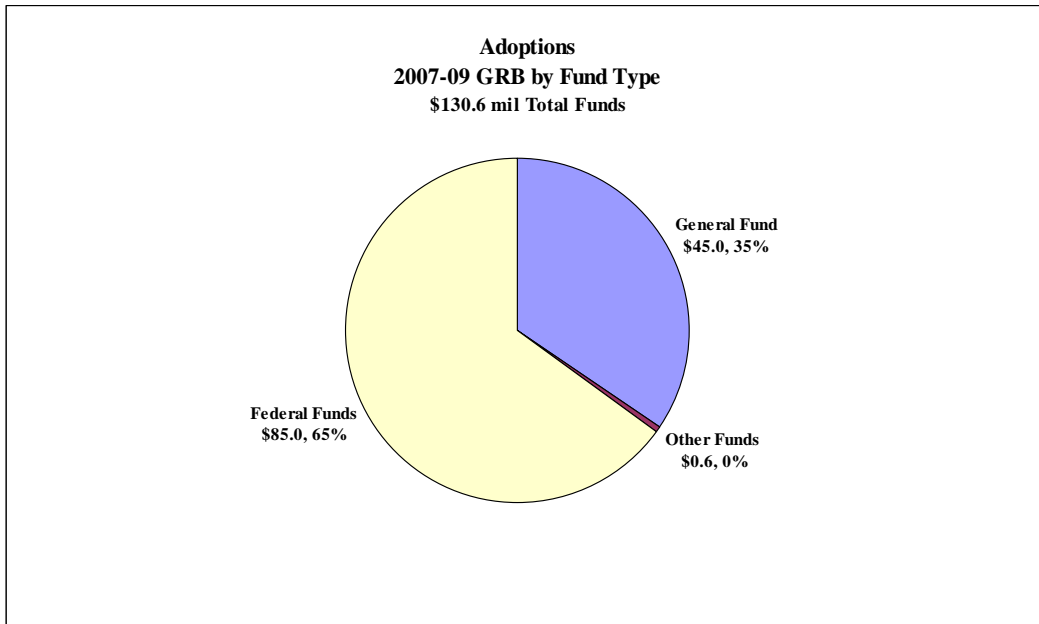
Other costs involved in achieving adoption for children include:

- Identifying and evaluating the child's individual needs and treating the child's physical, emotional and mental disabilities;
- Legally freeing the child for adoption through termination of parental rights;

- Recruiting adoptive families for children of color, older children, children with siblings needing to be adopted together, and children with physical, emotional or mental disabilities; and
- When appropriate, providing mediation services for the establishment of legally binding agreements for communication between the child’s birth and adoptive families after adoption finalization.
-

Governor’s Recommended Budget

The Governor’s Recommended Budget for Adoptions is \$130.6 million, or 5.2 percent of CAF’s budget.



Reductions

There are no reductions related to the Adoption Program.

Policy Option Packages

Protective Services will be impacted by the Policy Option Packages for Child Welfare Safety Improvements and Legal representation. These will be discussed during the Field Services presentation.

Vocational Rehabilitation

Overview of services provided

The Office of Vocational Rehabilitation Services (OVRs) assesses, plans, develops and provides vocational rehabilitation services to individuals whose disabilities present impediments to employment.

The Governor's Recommended Budget for OVRs is \$32.6 million Total Funds, or about 1 percent of CAF's budget.

Services Provided

The primary programs of OVRs are Basic Vocational Rehabilitation Services, the Youth Transition Program, Supported Employment Services, and the Independent Living Program.

Vocational Rehabilitation (VR) services are designed to assess, plan, develop and provide vocational rehabilitation services to individuals whose disabilities present impediments to employment. A rehabilitation counselor conducts a comprehensive assessment to evaluate vocational rehabilitation potential, including diagnostic and related services necessary for the determination of eligibility for services as well as the nature and scope of services to be provided. Vocational counseling and guidance builds on this assessment and assists the consumer to identify a vocational goal. The counselor, in partnership with the consumer, develops an individualized plan for employment. The counselor authorizes an array of goods, services and training in support of the plan while maintaining a counseling relationship with the consumer.

Youth Transition Program (YTP) bridges the gap between school and work by providing coordinated vocational rehabilitation services while the student is in school and ensuring a smooth transition to adult services and employment after completion of school. Currently, OVRs contracts with more than 40 school districts to provide and coordinate these services for approximately 1,300 students each year.

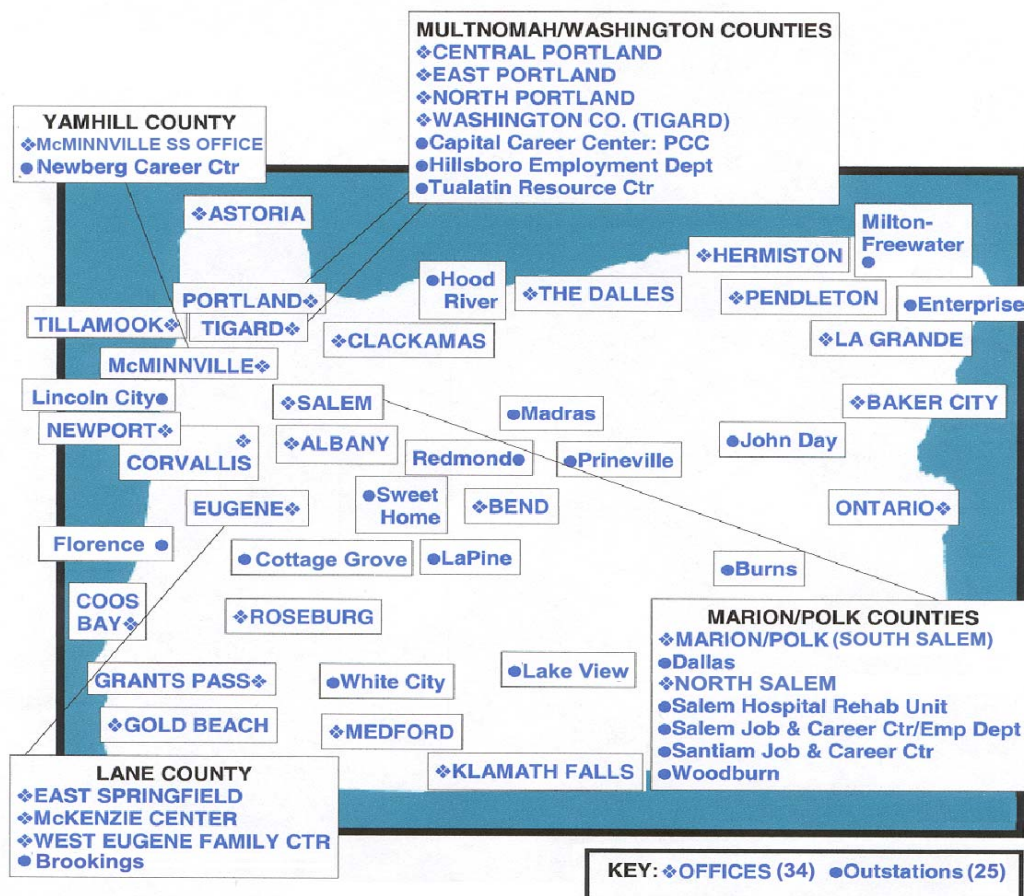
Supported Employment Services (SES) targets individuals with the most significant disabilities who, with intensive training, job coaching and the provision of ongoing supports, can obtain and retain competitive employment in the community. Basic vocational rehabilitation services are provided on a time-limited basis for each client. The Mental Health Program, Developmental Disability Program, other community programs, families and private employers are responsible for the follow-along services once OVRs has completed placement and training services.

Independent Living Program (ILP) provides services to help consumers with severe disabilities maintain or increase their level of independence at home, in the community and in employment. These services are provided through community-based, non-profit providers called Centers for Independent Living (CIL). Oregon has CILs in Portland, Roseburg, Grants Pass, Klamath Falls, Eugene, Bend, Ontario, Newport and Brookings. Oregon has established the State Independent Living Council (SILC) to monitor independent living services and jointly develop an Independent Living State Plan with OVRS and the Commission for the Blind.

Centers for Independent Living must provide at least four core services – information and referral; independent living skills training; peer counseling; and both systems and individual advocacy. CILs also provide a range of services based on local needs. These services include respite care programs, benefits planning as an incentive to work, and Disability Navigator services.

Where service recipients are located

OFFICE OF VOCATIONAL REHABILITATION SERVICES
Field Offices and Outstations
2007



Vocational Rehabilitation Outcomes by County – FY 2006

County	Served	Closed Employed **	Average Wage	Average Hours	Annual Earnings	Tax Revenue
Baker	206	35	\$8.75	30	\$477,962.94	\$109,931.48
Benton	453	76	\$11.44	28	\$1,265,495.21	\$291,063.90
Clackamas	1,541	252	\$10.57	32	\$4,430,661.58	\$1,019,052.16
Clatsop	137	20	\$10.46	26	\$282,814.06	\$65,047.23
Columbia	278	55	\$9.53	32	\$872,515.07	\$200,678.47
Coos	316	57	\$8.68	25	\$643,225.05	\$147,941.76
Crook	35	7	\$11.33	40	\$165,011.39	\$37,952.62
Curry	116	17	\$10.04	27	\$239,739.74	\$55,140.14
Deschutes	382	81	\$9.30	26	\$1,018,647.77	\$234,288.99
Douglas	482	76	\$9.05	27	\$965,297.74	\$222,018.48
Gilliam	5	0	\$0.00	0	\$0.00	\$0.00
Grant	32	6	\$11.42	31	\$110,421.36	\$25,396.91
Harney	33	8	\$10.07	30	\$125,621.18	\$28,892.87
Hood River	73	6	\$11.32	33	\$116,599.11	\$26,817.80
Jackson	949	170	\$9.32	30	\$2,472,910.44	\$568,769.40
Jefferson	50	4	\$9.60	35	\$69,888.00	\$16,074.24
Josephine	366	70	\$9.68	31	\$1,092,279.92	\$251,224.38
Klamath	303	40	\$9.80	32	\$652,401.15	\$150,052.26
Lake	13	1	\$10.63	40	\$22,100.00	\$5,083.00
Lane	1,844	358	\$9.51	27	\$4,780,784.27	\$1,099,580.38
Lincoln	296	50	\$10.28	34	\$909,017.20	\$209,073.96
Linn	723	99	\$8.87	30	\$1,369,311.37	\$314,941.62
Malheur	161	24	\$8.07	28	\$281,935.18	\$64,845.09
Marion	1,902	297	\$10.64	32	\$5,258,373.12	\$1,209,425.82
Morrow	21	5	\$11.45	36	\$107,185.10	\$24,652.57
Multnomah	3,963	610	\$10.41	30	\$9,906,631.80	\$2,278,525.31
Polk	310	52	\$10.01	34	\$920,297.75	\$211,668.48
Sherman	13	2	\$9.92	14	\$14,443.52	\$3,322.01
Tillamook	170	10	\$9.38	29	\$141,480.56	\$32,540.53
Umatilla	404	60	\$10.05	32	\$1,003,212.29	\$230,738.83
Union	137	17	\$8.92	31	\$244,567.00	\$56,250.41
Wallowa	29	10	\$9.65	34	\$170,612.00	\$39,240.76
Wasco	143	16	\$9.85	30	\$245,758.66	\$56,524.49
Washington	1,440	256	\$10.49	28	\$3,910,149.73	\$899,334.44
Wheeler	2	0	\$0.00	0	\$0.00	\$0.00
Yamhill	695	116	\$9.73	30	\$1,760,632.22	\$404,945.41
Total*	18,104	2985	\$10.16	30	\$47,311,056.00	\$10,881,542.88

* The totals were adjusted to include the out of state consumers served

** Closed Employed for at least 90 days of employment in a competitive setting at or above minimum wages.

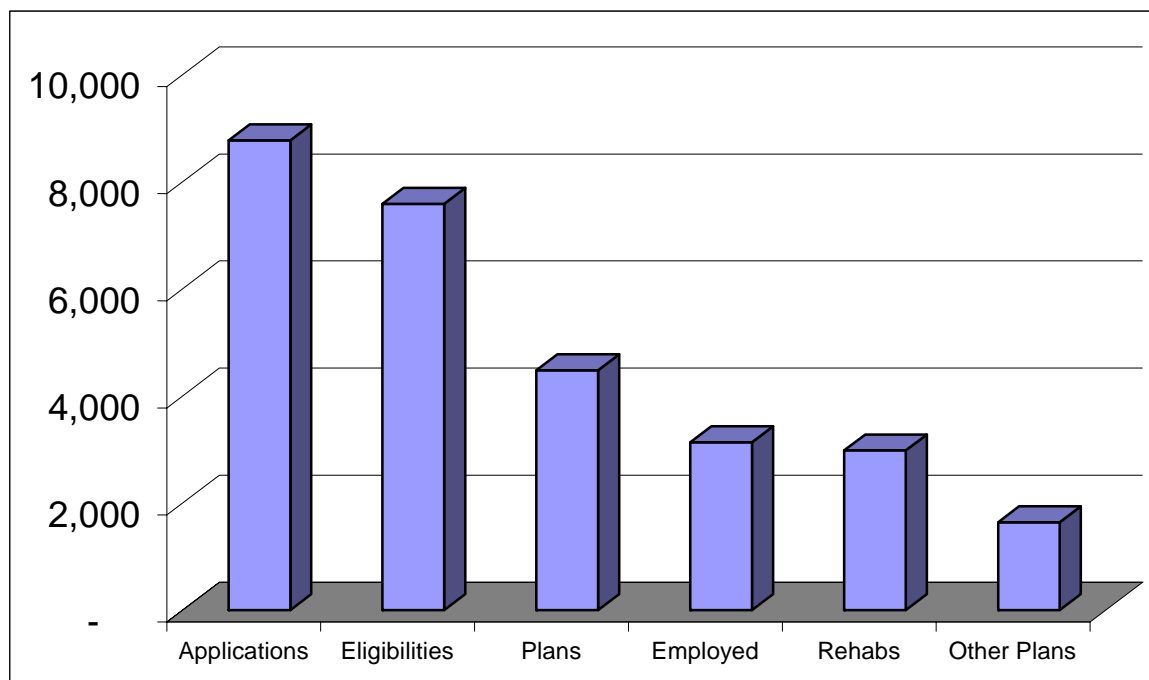
Source: Queries from ORCA 2 database

Who receives services

All Oregonians with the exception of individuals with blindness are potentially eligible for services from OVRs. Those individuals who experience a medical, cognitive or psychiatric diagnosis that results in an impediment to employment typically are eligible for services. Recipients of Social Security disability benefits are presumed eligible for services. Most individuals are ages 18-65, though there are increasing numbers of consumers over the age of 65.

OVRs assisted 18,104 individuals during FY 2006. Of the 7,645 individuals currently receiving services, 1,357 are school age. Approximately 87.2 percent of all eligible clients currently served by OVRs are persons with severe disabilities. These individuals typically experience multiple functional limitations requiring several services provided over an extended period.

OVRs Caseload by Status FY 2006



OVRS Caseload: Demographic Information Timeframe

Gender	Frequency	Percent
Male	9,159	50.6%
Female	8,945	49.4%
Total	18,104	100%
Age	Frequency	Percent
Under 20	1,180	6.5%
20 to 29	3,826	21.1%
30 to 39	3,316	18.3%
40 to 49	5,049	27.9%
50 to 59	3,864	21.3%
60 Plus	869	4.8%
Total	18,104	100%
Ethnicity Only	Frequency	Percent
American Indian or Alaskan Native	618	3.4%
Black	800	4.4%
Chinese	19	0.1%
Filipino	14	0.1%
Hawaiian	14	0.1%
Japanese	34	0.2%
Korean	48	0.3%
Laotian	19	0.1%
White	16,537	91.3%
Total	18,104	100%

Source: Queries from ORCA 2 database

OVRs Caseload: Disability Makeup: 10-1-2005 Thru 9-30-2006

Disability Impairment	Primary Disability		Secondary Disability	
	Count	Percent	Count	Percent
Blindness	50	0.3%	82	0.4%
Cognitive impairments	4,240	24.0%	3,367	14.6%
Communicative impairments	209	1.2%	321	1.4%
Deaf-Blindness	3	0.0%	5	0.0%
Deafness, communication auditory	217	1.2%	68	0.3%
Deafness, communication visual	305	1.7%	8	0.0%
General physical debilitation	884	5.0%	1,246	5.4%
Hearing loss, communication auditory	368	2.1%	269	1.2%
Hearing loss, communication visual	53	0.3%	17	0.1%
Manipulation	425	2.4%	686	3.0%
Mobility	833	4.7%	766	3.3%
Mobility and manipulation	826	4.7%	570	2.5%
Other Hearing Impairments	27	0.2%	42	0.2%
Mental impairments	2,721	15.4%	4,243	18.4%
Orthopedic impairments	1,439	8.1%	1,443	6.3%
Physical impairments	2,208	12.5%	4,102	17.8%
Other visual impairments	107	0.6%	293	1.3%
Psychosocial impairments	2,654	15.0%	5,071	22.0%
Respiratory impairments	117	0.7%	413	1.8%
Total Caseload Served	17,686	100%	23,012	100%

Source: Queries from ORCA 2 database

How services are delivered

Vocational Rehabilitation (VR) services are provided by rehabilitation counselors and support staff who deliver direct client services through 34 field services offices and multiple single employee outstations in one-stop career centers and other human services agencies. The Youth Transition Program (YTP) uses transition specialists who work with students in their home schools. Supported Employment Services combine traditional VR services and support services provided by job coaches typically at job sites. Independent Living services are provided at IL centers and a variety of community settings.

OVRs Caseload: Social Security Benefits Recipients: FY 2005

		OR(G)	OR(B)	WA(G)	WA(B)	ID(G)	ID(B)	AK(C)	National
SSI	Number Served	665	41	1,529	83	616	18	163	
	Employment Rate	54.74	78.05	37.93	43.37	49.68	38.89	52.76	
	Hours Worked	30.84	28.14	27.94	32.26	31.96	27.93	33.12	23.48
	Earnings	10.19	13.10	11.91	14.88	9.17	11.70	13.00	7.32
SSDI	Number Served	748	71	1,218	52	651	37	149	
	Employment Rate	54.68	78.87	38.51	48.08	54.69	67.57	49.66	
	Hours Worked	23.08	20.07	22.85	31.12	23.22	18.75	26.72	23.84
	Earnings	9.25	7.62	9.72	10.42	8.28	9.04	11.30	9.25

Oregon General (G); Oregon Blind (B); Washington (G); Washington (B); Idaho (G); Idaho (B); Alaska Combined; RSA Minimum Performance Level

Source: RSA FY 2005 Monitoring Report

Of OVRs's 124 vocational rehabilitation counselors, 33 counselors hold bachelor's degrees and 82 hold master's degrees. There are 10 counselor specialists with expertise in the fields of head injury, traumatic brain injury, mental health, deafness, hearing impairments and general caseload management who provide consultation and technical assistance to agency staff.

Support staff provide clerical support and assist counselors with more routine tasks. Sixteen branch managers provide onsite supervision, program and budget management. Fourteen central office staff provide overall program and budget management, quality assurance, research, technical assistance and dispute resolution.

Oregon's nine Centers for Independent Living are typically staffed by paid and volunteer staff. Most are individuals with disabilities.

Why these services are significant to Oregonians

Vocational Rehabilitation services allowed 2,984 Oregonians in FY 2006 to become employed. There was a 79.5 percent increase in the percentage of individuals who achieved employment outcomes who had their own income as a primary source of support at closure compared to the percentage who had their own income as a primary source of support when they applied for VR services. For the 348 youth who obtained employment outcomes through the YTP, these youth substantially reduced their chances of unemployment and under-employment as adults, and reduced their dependence on

public benefits. As a result of Independent Living Skills, 2065 Oregonians were more independent in their daily lives.

OVRS Staffing Patterns: FY 2005

Staffing Patterns	OR(G)		OR(B)	WA(G)	WA(B)	ID(G)	ID(B)	AK(C)	National
	Count	%	Count	Count	Count	Count	Count	Count	%
Administrative	14	6.57	6	35	14	19	7	15	13.75
Counselors	117	54.93	12	262	12	70	7	36	42.51
Support	82	38.50	24	25	31	50	22	41	40.97
Other	0	0.00	2	14	5	3	4	1	2.77
Total	213	100	44	336	62	142	40	93	100

Oregon General (G); Oregon Blind (B); Washington (G); Washington (B); Idaho (G); Idaho (B); Alaska Combined; RSA Minimum Performance Level

Source: RSA FY 2005 Monitoring Report

Performance Measures

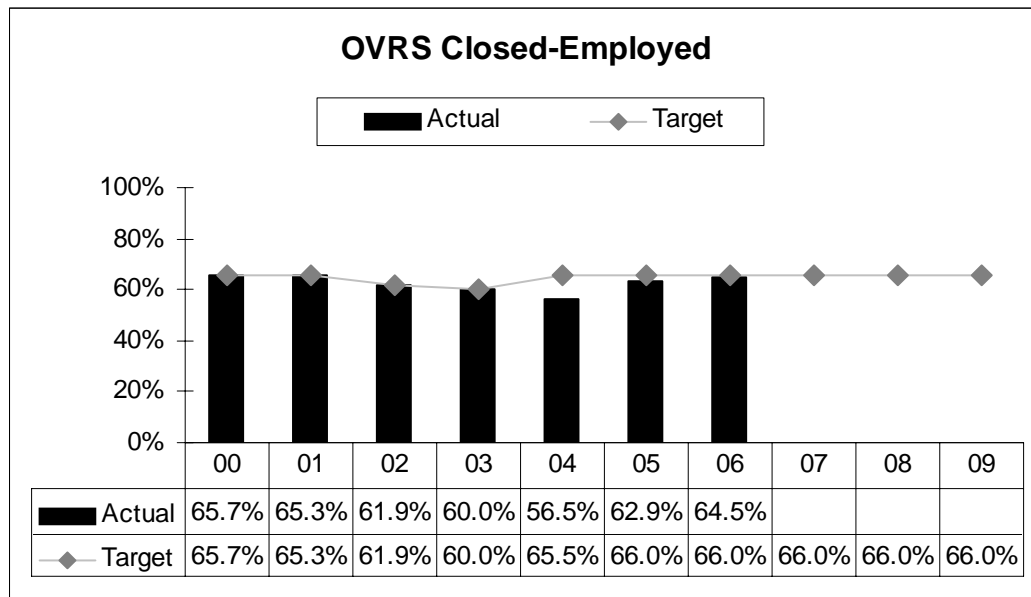
OVRS is responsible for one of the department's 29 Key Performance Measures (KPMs):

KPM #3 – The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who obtained employment. The goal for this measure is 66 percent of consumers with employment plans obtaining employment.

Purpose

The purpose of this measure is to track progress in meeting a funded mandate and evaluating the effectiveness of program and practice changes. Analysis of the data is critical to effective program management.

Oregon's Performance on KPM #3



Source: Database (ORCA2)

In FY 2006 OVRs assisted 2,984 Oregonians secure competitive employment outcomes; of these, 56 were self-employed and 21.8 percent were individuals who had been Social Security disability benefit recipients at the time of application.

For FY 2006 these individuals earned an average of \$10.16 per hour working an average of 30 hours a week. A rough estimate of the return on investment (ROI) is \$47,311,056. The ROI is the estimated taxes paid by these individuals based on average earnings times average hours by 52 weeks. In many instances, individuals were able to reduce or eliminate their dependence on public benefits including income supports and medical benefits.

Of the 2,984 individuals served in FY 2006 who obtained employment outcomes, 348 were youth participating in the YTP. Outcome data for the 2003-2005 biennium indicated that 88 percent of the 673 students who exited YTP received a high school completion certificate. During the first year after completing the program, an average of 65 percent of YTP youth were employed. This compares favorably with the national average of 43 percent. The average hours worked were 32, with an average wage of \$8.42 an hour. Again, this compares favorably with the national averages of 29 hours at \$7.30 an hour.

OVRS Historical Outcome Performance

	FFY-2007*	FFY-2006	FFY-2005	FFY-2204
Employment Outcomes	985	2,984	2,871	2,724
Wage Per Hour	\$10.05	\$10.06	\$9.90	\$9.74
Hours Per Week	30.2	30.2	30.9	30.5
Total Earnings	\$15,545,782	\$47,141,900	\$45,669,916	\$42,079,371
Return on Investment	\$3,575,530	\$10,842,637	\$10,504,081	\$9,678,255

*Includes only the first four months of federal year 2007

Source: queries from the database (ORCA2)

How Oregon compares to other states

Oregon's Competitive Employment Outcomes as compared to states in Region & Federal Standard 2006

	OR(G)	OR(B)	WA(G)	WA(B)	ID(G)	ID(B)	AK	National
Employment Counts	2,871	111	1,737	129	2,121	59	526	213,431
Hours per Week	30.84	28.14	27.94	32.26	31.96	27.93	33.12	32.77
Earnings per Hour	10.19	13.10	11.91	14.88	9.17	11.70	13.00	11.91

Oregon General (G); Oregon Blind (B); Washington (G); Washington (B); Idaho (G); Idaho (B); Alaska Combined; RSA Minimum Performance Level

Source: Federal-911 Report FY-2005

OVRS must annually satisfy a set of federally determined standards and indicators or be at risk for placement on a performance improvement plan and/or reduction in funding. For FY 2004 and FY 2005, OVRS passed all six indicators and all three primary standards. In FY 2005, of the 80 state programs funded by the Rehabilitation Service Administration (RSA), Oregon was one of only 18 programs to pass all standards and indicators.

Federal Standards and Indicator: Oregon and Regional Comparisons, FY2005

1.2

Of all individuals who exit the VR program after receiving services, the percentage who are determined to have achieved an employment outcome.

	Actuals	Required Performance Level	Outcome
Oregon (G)	64.5	>=55.8 percent	Passed
Washington (G)	43.9	>=55.8 percent	Not Met
Alaska Combined	61.1	>=55.8 percent	Passed
Idaho (G)	58.4	>=55.8 percent	Passed

1.3

Of all individuals determined to have achieved an employment outcome, the percentage who exits the VR program in competitive, self-, or business enterprise program (BEP) employment with earnings equivalent to at least the minimum wage.

	Actuals	Required Performance Level	Outcome
Oregon (G)	97.4	>=72.6 percent	Passed
Washington (G)	98.1	>=72.6 percent	Passed
Alaska Combined	96.6	>=72.6 percent	Passed
Idaho (G)	99.7	>=72.6 percent	Passed

1.4

Of all individuals who exit the VR program in competitive, self-, or BEP employment with earnings equivalent to at least the minimum wage, the percentage who are individuals with significant disabilities.

	Actuals	Required Performance Level	Outcome
Oregon (G)	92.3	>=62.4 percent	Passed
Washington (G)	99.8	>=62.4 percent	Passed
Alaska Combined	83.7	>=62.4 percent	Passed
Idaho (G)	97.2	>=62.4 percent	Passed

1.5

The average hourly earnings of all individuals who exit the VR program in competitive, self-, or BEP employment with earnings equivalent to at least the minimum wage as a ratio to the State's average hourly earnings for all individuals in the State who are employed.

	Actuals	Required Performance Level	Outcome
Oregon (G)	0.582	>=0.52	Passed
Washington (G)	0.532	>=0.52	Passed
Alaska Combined	0.676	>=0.52	Passed
Idaho (G)	0.622	>=0.52	Passed

1.6

Of all individuals who exit the VR program in competitive, self-, or BEP employment with earnings equivalent to at least the minimum wage, the difference between the percentage who report their own income as the largest single source of economic support at the time they exit the VR program and the percentage who report their own income as the largest single source of support at the time they apply for VR services.

	Actuals	Required Performance Level	Outcome
Oregon (G)	79.46	>=53.0 percent	Passed
Washington (G)	56.69	>=53.0 percent	Passed
Alaska Combined	59.06	>=53.0 percent	Passed
Idaho (G)	68.98	>=53.0 percent	Passed

2.1

The service rate for all individuals with disabilities from minority backgrounds as a ratio to the service rate for all individuals with disabilities from non-minority backgrounds.

	Actuals	Required Performance Level	Outcome
Oregon (G)	0.911	>=0.80	Passed
Washington (G)	0.911	>=0.80	Passed
Alaska Combined	0.949	>=0.80	Passed
Idaho (G)	1	>=0.80	Passed

Quality and Efficiency Improvements

The Oregon Rehabilitation Case Automation (ORCA) system was implemented in 1996 as a computerized case-management system supporting the provision of vocational rehabilitation services. This model system is a comprehensive tool that supports counselor activities, makes and tracks payments, compiles data, generates required federal reports and saves staff time.

Since the implementation of the ORCA system, OVRs support staff have redirected their activities from primarily clerical functions to supporting counselors by taking on clerical tasks previously performed by counselors. Phase II of The Staffing and Process Improvement Study, conducted by Public Knowledge, LLC, found that "VR counselors spent an average of less than 26 percent of their time entering case notes and documentation for key steps in the VR process." They attributed this to "VR's much more sophisticated information technology system called ORCA." OVRs continues to seek further efficiencies through the use of this system. ORCA will be updated in mid 2007 and will incorporate a number of changes to enhance its efficiencies.

OVRs conducted a successful pilot of NexTalk, a computer-based program that replaces Text Telephones (TTYs) and allows all staff to have direct access to customers who are deaf, speech impaired or hearing impaired. NexTalk now has been implemented across the program. OVRs expects a savings generated by no longer needing to replace and repair TTY machines, improved customer service, and increased staff efficiency.

OVRs has partnered with the Addictions and Mental Health Division (AMH) on several evidence-based supported employment projects. The RSA Annual Report for FY 2005 reported a program-wide increase of 5.26 percent in the rate of employment for individuals with mental and emotional disabilities. From FY 2005 to FY 2006, in the counties where OVRs is working collaboratively with local mental health programs, improvements have ranged from a 5.6 percent increase in Josephine County to a 7.2 percent increase in Washington County.

Comparing Consumers with psychosocial impairments over the past 3 Calendar Years

	2004	2005	2004/2005	2006	2005/2006
County Name	Count	Count	Percent Change	Count	Percent Change
Clackamas	770	840	8.3%	837	-0.4%
Josephine	158	136	-16.2%	144	5.6%
Marion	670	754	11.1%	824	8.5%
Washington	259	296	12.5%	319	7.2%
Total	1,857	2,026	8.3%	2,124	4.6%

OVRs currently is conducting a pilot project called “Enhancing Employment Outcomes” in consultation with Employment Management Professionals (EMP). The goals of the pilot are to provide counselors skills to better assess and address the motivation of clients and to increase and enhance placement outcomes, particularly for individuals with the most significant disabilities. The training phase will be completed by April 2007. Implementation will be monitored, with increased employment outcomes serving as the broad performance measure.

OVRs continued to administer the Oregon Competitive Employment Project, known as the Project, a four-year system change initiative funded by a Medicaid Infrastructure Grant that was awarded to OVRs in 2005. The Project is being carried out in collaboration with persons with disabilities, allied state and community agencies and programs, and Oregon’s business community.

This year, the Project and its partners began to implement the strategic plan through a number of initiatives and activities in order to achieve the following strategic objectives:

- Expand the availability of supported employment for persons with serious and persistent mental illnesses, severe developmental disabilities and acquired traumatic brain injuries.
- Develop the benefits and work incentive planning services needed by persons with disabilities in order to obtain and maintain employment.
- Increase employment of persons with disabilities by reducing disincentives to work and assisting individuals in obtaining needed work incentives.
- Support youth with disabilities in transitioning into adult competitive employment.
- Develop and implement a comprehensive education and marketing strategy to support and promote employment of persons with disabilities with public and private employers.
- Foster development of transportation services needed by persons with disabilities to work, particularly in areas of Oregon where such services are limited or are non-existent.

2007-2009 Budget Summary

Key budget drivers and issues

The anticipated reauthorization of the federal Rehabilitation Act in 2007, in combination with the reauthorization of the federal Individuals for Disabilities Education Act, places a special focus on transition-aged youth and represents an under-funded mandate for state Vocational Rehabilitation programs.

The continuing escalation in service costs – including tuition, books, rehabilitation technology, assistive devices and medical services – far exceeds cost of living increases granted at the federal and state levels, resulting in increased demands upon existing resources.

Vocational Rehabilitation continues to experience challenges in recruiting staff with the needed education and training. A national shortage of graduate degree vocational rehabilitation counselors has been further complicated by the loss of grant funding, experienced by two of the four graduate programs in the Pacific Northwest.

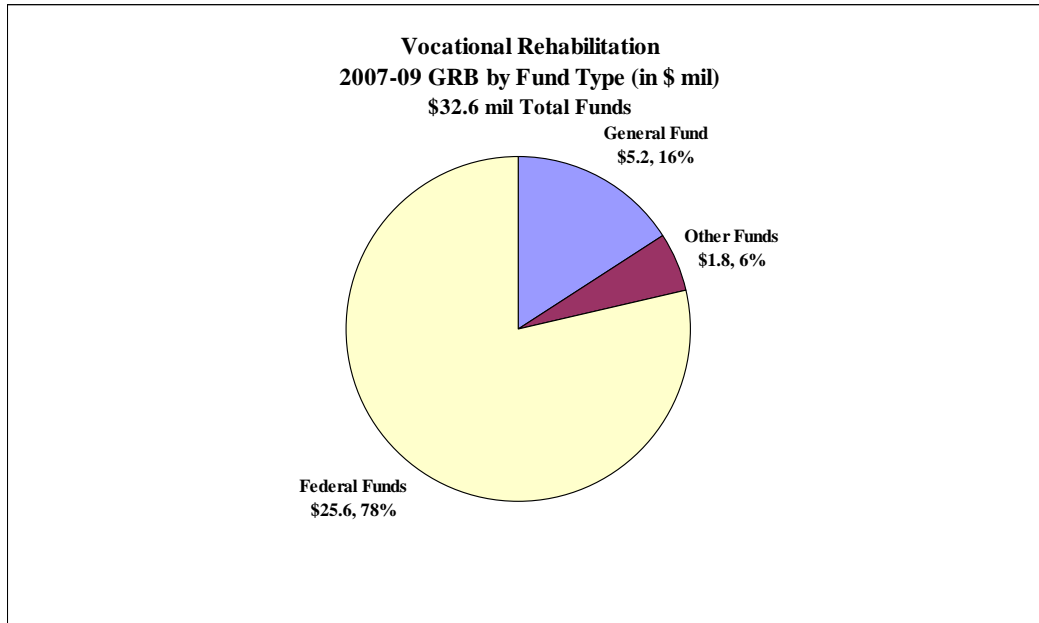
OVRs has experienced a decline in its caseload, which mirrors a decline at the national level. At both the national and regional levels the decline is approximately 11 percent during the last three federal fiscal years; Oregon's decline has been approximately 8 percent. Factors contributing to this decline include:

- A decline in the availability of mental health and substance abuse services,
- Staff turnover, and
- Relocation and reconfiguration of OVRs branch offices.

The estimated annual base funding level for an effective CIL operation is \$250,000 per year. Given limited state and federal funding, the base funding is unrealistic for all but one of Oregon's nine CILs. The State Plan for Independent Living funding priorities are to maintain a \$200,000 minimum funding level for Oregon's five long-term established CILs and to work to attain the \$200,000 level for Oregon's four newer CILs, which do not receive any direct federal base funding.

Governor's Recommended Budget

The Governor's Recommended Budget for OVRS is \$32.6 million Total Funds, or about 1 percent of CAF's budget.



Reductions

The Governor's Recommended Budget reduces Vocational Rehabilitation's client special pay by 10 percent. This results in a reduction of \$784,747 GF, 2,556,995 FF, and \$3,341,762 TF.

Policy Option Packages

106-63 Social Security Recovery

106- 63 Social Security Recovery: This package enables the Vocational Rehabilitation unit to recoup an additional \$1.5 million in Social Security Disability Insurance funds for use in providing services to individuals with severe disabilities.	GF	OF	FF	TF
	Governor's Recommended Budget	\$ -	\$ -	\$ 0.1

OVRS has been unable to capture all of the available Social Security reimbursements to the program for individual recipients of Social Security Insurance (SSI) and/or Social Security Disability Insurance (SSDI) benefits who become employed as a result of OVRS services. Historically, these revenues have approached \$1.5 million per biennium. A limited duration position has allowed OVRS to address the situation and to begin to submit and manage timely reimbursements to the program.

To date, OVRS has submitted \$641,629.91 in claims to the Social Security Administration (SSA). For FY 2007, 37 claims have been approved thus far, resulting in \$326,214.64. This policy option package makes permanent the current limited duration position.

OVRS anticipates changes to the Ticket to Work that will expand opportunities to pursue reimbursement from the SSA.

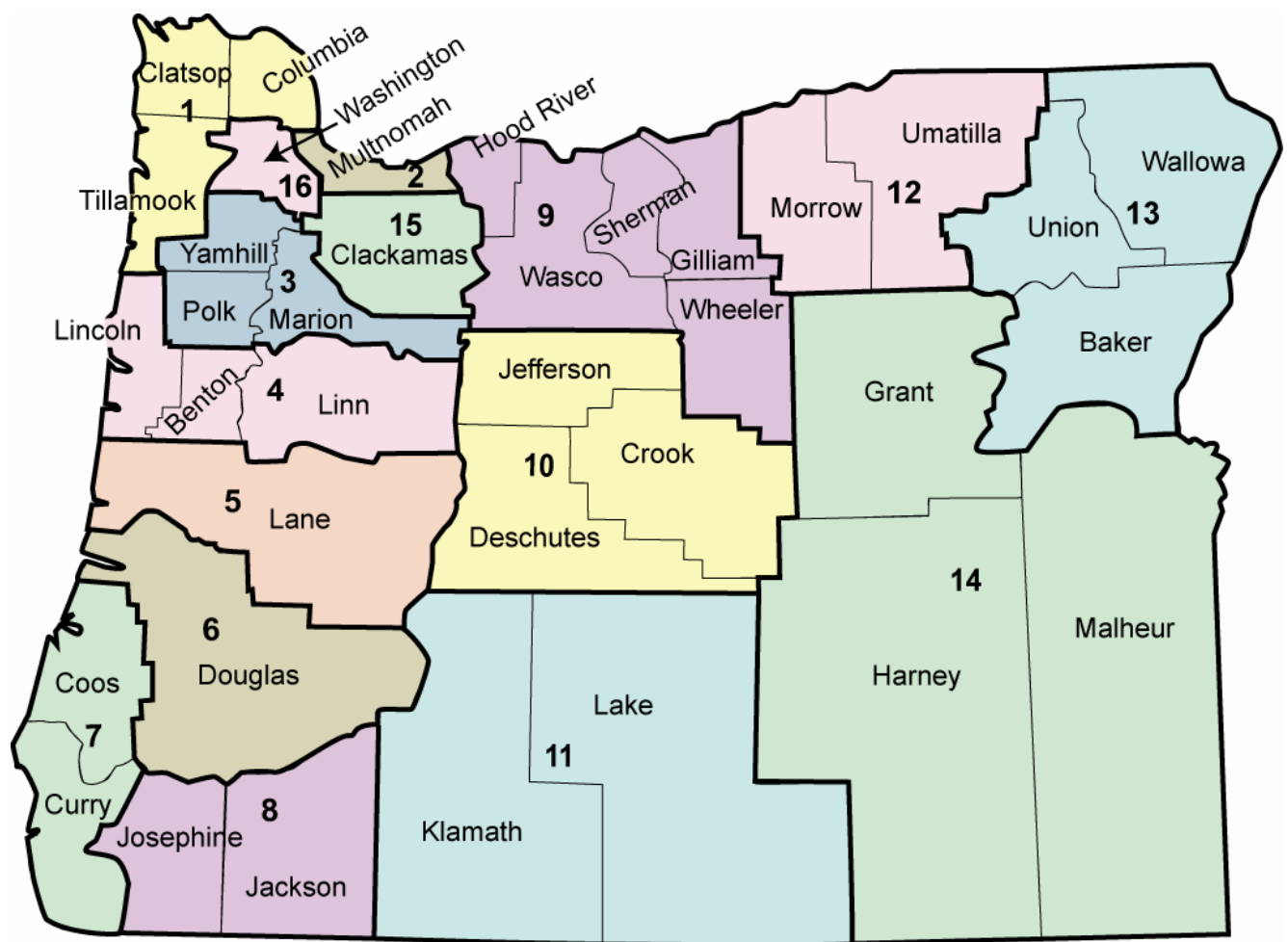
To monitor the performance of this position, OVRS has established the following performance measures:

- Percentage of individuals for whom reimbursement claims are submitted to SSA due to the individuals having obtained their employment outcomes: Target 75 percent.
- Percentage of initial claims for SSA reimbursement which are accepted on initial submission: Target 80 percent.

CAF Field Services

Field Services Staffing

CAF Field Services (CAF - FS) provides clients with benefits and services for Self Sufficiency (SS) and Child Welfare (CW) programs through a network of CAF field offices located in communities across the state and a Salem-based statewide processing center. Each field office is located within one of 16 districts. CAF – FS operates approximately 100 field offices around the state.



District 1 Columbia, Clatsop and Tillamook Counties	Service Type	Phone	Address
District 1 Office	Administration	503-397-3292 x 261	500 N Hwy 30, Suite 210 St. Helens, OR 97051
Astoria	CW	503-325-9179	450 Marine Dr, Ste. 210 Astoria, OR 97103
	SS	503-325-2021	450 Marine Dr, Ste. 200 Astoria, OR 97103
	VR	503-325-7335	450 Marine Dr., Suite 100 Astoria, OR 97103
St. Helens	CW	503-397-3292	500 N. Highway 30, Ste. 220 St Helens, OR 97051
	SS	503-397-1784	500 N. Highway 30, Ste. 210 St Helens, OR 97051
	VR	503-366-8383	500 N. Highway 30, Ste. 230 St Helens, OR 97051
Tillamook	CW	503-842-5571	Wilson River Building 4670 E 3 rd Street Tillamook, OR 97141
	SS	503-842-4453	
	VR	503-842-7873	
District 2 Multnomah County	Service Type	Phone	Address
District 2 Office	Administration	503-731-3111	2446 SE Ladd Ave Portland, OR 97214
Integrated Services SS	SS	971-673-2550	3975 SE Powell Blvd Portland, OR 97202
District 2 ERDC	SS	503-257-4226	PO Box 86760 Portland, OR 97286
Outer SE Processing Center	SS Processing	971-673-2411	PO Box 86130 Portland, OR 97286
Southeast Portland	SS	971-673-2550	3975 SE Powell Blvd Portland, OR 97202
Teen Parent	SS	971-673-2552	3975 SE Powell Blvd Portland, OR 97202
	VR	503-731-3210	3945 SE Powell Blvd Portland, OR 97202
Rockwood CW	CW	971-673-2100	3552 SE 122 nd Ave Portland, OR 97236
East Child Welfare	CW	971-673-2100	3618 SE 122nd Ave Portland, OR 97236
East Self Sufficiency	SS	503-257-4200	1415 SE 122nd Ave, #B Portland, OR 97233
Metro Processing Center	SS Processing	971-673-2422	PO Box 86190 Portland, OR 97286
New Market	CW SS	971-673-1400	New Market 50 SW 2 nd Ave Portland, OR 97204
St. Johns SS	SS	971-673-5500	6443 N Lombard Portland, OR 97203
Alberta	CW	971-673-6769	30 N. Webster St, Suite D Portland, OR 97217
	SS	971-673-6900	30 N. Webster St, Suite A Portland, OR 97217

North VR Office	VR	503-280-6940	4744 N Interstate Ave Portland, OR 97217
Midtown	CW	971-673-1800	1425 NE Irving St, Suite 400 Portland, OR 97223
Northeast Self Sufficiency	SS	503-280-6683	4425 NE Broadway St Portland, OR 97213
East VR	VR	503-257-4412	305 NE 102nd Avenue Suite 200 Portland, OR 97220
Gresham	SS	503-491-1979	912 NE Kelly Gresham, OR 97030
Gresham	CW	503-674-3610	355 NW Division Gresham, OR 97030
District 3 Marion, Polk and Yamhill Counties	Service Type	Phone	Address
District 3 Office	Administration	503-378-3402	3420 Cherry Ave NE, Suite 110 Salem, OR 97303 PO Box 17909 Salem, OR 97305
Dallas	CW	503-623-8118	177 SW Oak St. Dallas, OR 97338
	SS	503-623-5526	
Newberg Job & Career Center	CS SS	(503) 537-4065	2251 E Hancock Street Newberg, OR 97132
Polk County VR	VR	503-378-2483	1701 Liberty St SE Salem, OR 97302
McMinnville	CW	503-472-4634	368 NE Norton Lane McMinnville, OR 97128
	SS	503-472-0311	
	VR	503-472-2116	
Salem	CW	503-378-6800	2045 Silverton Road NE Salem, OR 97303
Marion/Polk/Yamhill Teen Parents	SS	503-378-2731	4074 Winema Pl NE Suite 100 Salem, OR 97305
North Salem	VR	503-399-2301	4001 Winema Pl NE #200 Salem, OR 97305
	SS	503-378-2731	4074 Winema Place, Suite 100 Salem, OR 97305
South Salem	SS	503-378-6327	1185-22nd Street SE Salem, OR 97302 PO Box 14200 Salem, OR 97309
	VR	503-378-2483	1701 Liberty St. S. Salem, OR 97310
Keizer	SS	503-373-0808	3420 Cherry Ave. Suite 110 Salem, OR 97303
Sublimity	SS	503-769-7439	Santiam Center 11656 Sublimity RD SE #200 Sublimity, OR 97385
Woodburn	SS	503-980-6677	120 E. Lincoln, Suite 120 Woodburn, OR 97071

District 4 Linn, Benton and Lincoln Counties	Service Type	Phone	Address
District 4 Office	Administration	541-967-2078	118-2nd Ave SE Albany, OR 97321
District 4 FS Processing Center	SS	541-967-2077	PO Box 886 Albany, OR 97321
Albany	CW	541-967-2060	118-2nd Ave SE Albany, OR 97321
	SS	541-967-2078	
	VR	541-967-2022	1400 SE Queen Ave, Suite 107 Albany, OR 97321
Corvallis	CW	541-757-4121	555 NW 5th Corvallis, OR 97330
	SS	541-757-4201	545 SW 2nd, Ste. B Corvallis, OR 97333
	VR	541-757-4131	546 SW 2nd, Ste. G Corvallis, OR 97333
Lebanon	SS	541-259-5860	44 Industrial Way, Suite D Lebanon, OR 97355
Newport	CW	541-265-8557	119 NE 4th Street, Rm. 5 Newport, OR 97365
	VR	541-265-7843	119 NE 4th Street, Ste 1 Newport, OR 97365
	SS	541-265-2248	120 NE Avery Street Newport, OR 97365
District 5 Lane County	Service Type	Phone	Address
District 5 Office	Administration	541-687-7373	McKenzie Center 2885 Chad Drive Eugene, OR 97408
Eugene	SS	541-686-7878	McKenzie Center 2885 Chad Drive Eugene, OR 97408
Willamette Office	CW SS	541-686-7555	1899 Willamette Eugene, OR 97401
West Eugene Family Center	SS	541-686-7722	2101 W 11th Ave Eugene, OR 97402
Cottage Grove	CW, SS, VR	541-942-9186	305 Coop Court Cottage Grove, OR 97424
Florence	SS	541-997-8251	Central Coast Resource Center 3180 Highway 101 N Florence, OR 97439
Springfield	CW, SS	541-726-6644	Gateway Center 1040 Harlow Road Springfield, OR 97477
	SS	541-726-3525	Main Street Center 101 30th Street Springfield, OR 97478

District 6 Douglas County	Service Type	Phone	Address
District 6 Office	Administration	541-440-3301	1937 W Harvard Ave Roseburg, OR 97470
Roseburg	CW	541-440-3373	
	SS	541-440-3301	
	VR	541-440-3371	2020 NW Newcastle Street Roseburg, OR 97470
Reedsport	CW	541-271-4851	2630 Frontage Road Reedsport, OR 97467
Canyonville	SS	541-839-6901	South Umqua Office 245 N. Main PO Box 1126 Canyonville, OR 97417
District 7 Coos and Curry Counties	Service Type	Phone	Address
District 7 Office	Administration	541-888-7174	Newmark Center 2110 Newmark Ave Coos Bay, OR 97420
Brookings (Gold Beach Satellite Office)	SS	541-469-5306	16399 Lower Harbor Rd Brookings, OR 97415 PO Box 2743 Harbor, Oregon 97415
Coos Bay / North Bend	SS	541-888-2667	Newmark Center 2110 Newmark Ave Coos Bay, OR 97420
	CW	541-756-5500	2025 Sheridan North Bend, OR 97459
	VR	541-888-7051	
Coquille	SS	541-396-7282	The Courtyard 341 2nd St Coquille, OR 97423
Gold Beach	CW SS	541-247-0247	94145 W 5th Pl. PO Box 1170 Gold Beach, OR 97444
	VR	541-247-0247	
District 8 Jackson and Josephine Counties	Service Type	Phone	Address
District 8 Office	Administration	541-776-6186	800 Cardley Medford, OR 97501
Ashland	SS	541-482-2041	1658 Ashland St Ashland, OR 97520
Cave Junction (Illinois Valley)	SS	541-592-4149	535 East River St Cave Junction, OR 97523
Grants Pass	CW	541-474-3120	726 NE 7th Street Grants Pass, OR 97526
	SS	541-474-3101	
		VR	541-474-3130

Medford	CW	541-776-6120	909 Royal Court Medford, OR 97504
	SS	541-776-6172	800 Cardley Medford, OR 97501
	VR	541-776-6035	28 W. 6th Street, Suite A Medford, OR 97501
West Medford Family Center	SS	541-734-7516	914 West Main Street Medford, OR 97501
Processing Center	SS Processing	541-858-3104	PO Box 940 Medford, OR 97501
White City	SS	541-864-8700	Rogue Family Center 3131 Avenue C White City, OR 97503
District 9 Hood River, Wasco, Sherman, Gilliam and Wheeler Counties	Service Type	Phone	Address
District 9 Office	Administration	541-298-4961	700 Union St, Rm 216 The Dalles, OR 97058
Condon	CW SS	541-384-4252 541-384-2882	425 N Washington St PO Box 65 Condon, OR 97823
Hood River	CW SS VR	541-386-2962 541-386-3199 541-386-3199	1610-9th Court Hood River, OR 97031
The Dalles	CW	541-298-5136	700 Union St. Suite 230 The Dalles, OR 97058
	SS	541-296-4661	700 Union St. Suite 128 The Dalles, OR 97058
	VR	541-296-4661	700 Union St. The Dalles, OR 97058
District 10 Deschutes, Jefferson and Crook Counties	Service Type	Phone	Address
District 10 Office	Administration	541-504-1320	1135 SW Highland Ave Redmond, OR 97756
Bend	CW	541-388-6161	1300 NW Wall St, Suite 104 Bend, OR 97701
	SS	541-388-6010	1300 NW Wall St, Suite 101 Bend, OR 97701
	VR	541-388-6336	Red Oak Square 1230 NE 3rd, Suite A-152 Bend, OR 97701
La Pine	SS	541-536-5380	16493 Bluewood Place #3 La Pine, OR 97739
Madras	CW	541-475-2292	678 NE Highway 97, Ste C Madras, OR 97741
	SS	541-475-6131	678 NE Highway 97, Ste A Madras, OR 97741

Prineville	CW	541-447-6207	457 NE Ochoco Plaza Drive Prineville, OR 97754
	SS	541-447-3851	
Redmond	SS	541-548-5547	2158 S.E. College Loop Redmond, OR 97756
Warm Springs Family Resource Center	SS	541-553-1626	1144 Warm Springs Street (Physical) Warm Springs, OR 97761 678 NE Hwy 97, Suite A (Mailing) Madras, OR 97741
District 11 Klamath and Lake Counties			
District 11 Office	Administration	541-883-5511	700 Klamath Ave, Suite 100 Klamath Falls, OR 97601
Christmas Valley	SS	541-576-2115 x25	87127 Christmas Valley Rd Christmas Valley, OR 97641
Klamath Falls	CW	541-883-5570	700 Klamath Ave, Suite 500 Klamath Falls, OR 97601
	SS	541-883-5511	700 Klamath Ave, Suite 100 Klamath Falls, OR 97601
	VR	541-883-5614	801 Oak Avenue Klamath Falls, OR 97601
Lakeview	CW SS	541-947-2273	108 E Street N Lakeview, OR 97630
District 12 Morrow and Umatilla Counties			
District 12 Office	Administration	541-567-2253	950 SE Columbia Drive, Suite A Hermiston, OR 97838
Boardman	CW SS VR	541-481-9482	103 SW Kinkade Avenue PO Box 498 Boardman, OR 97818
Hermiston	SS VR	541-567-2253	950 SE Columbia Drive Hermiston, OR 97838
Milton-Freewater	SS	541-938-6627	309 N Columbia Milton-Freewater, OR 97862
Pendleton	CW	541-276-9220	700 SE Emigrant, Suite 200 Pendleton, OR 97801
	SS	541-276-9000	700 SE Emigrant, Suite 120 Pendleton, OR 97801
	VR	541-278-4161 x253	1555 Southgate Place Pendleton, OR 97801
District 13 Baker, Union and Wallow Counties			
District 13 Office	Administration	541-524-1800	3165 10 th Street, Suite 100 Baker City, OR 97814
Baker City	CW	541-523-6423	3165 10 th Street, Suite 200 Baker City, OR 97814
	SS	541-523-3648	3165 10 th Street, Suite 100 Baker City, OR 97814
	VR	541-523-8444	3165 10 th Street, Suite 500 Baker City, OR 97814

Enterprise	CW SS	541-426-4558	104 Litch Street, D177 PO Box A Enterprise, OR 97828
LaGrande	CW SS VR	541-963-4113	1607 Gekeler Lane La Grande, OR 97850
District 14 Grant, Harney and Malheur counties	Service Type	Phone	Address
District 14 Office	Administration	541-573-2086	186 East Lane Ontario, OR 97914
Burns	CW	541-573-2086	809 W. Jackson, Ste 100 Burns, OR 97720
	SS	541-573-5227	
	VR	541-889-9148	186 East Lane Ontario, OR 97914
John Day	CW	541-575-0728	725 W Main John Day, OR 97845
	SS	541-575-0309	
	VR	541-889-9148	186 East Lane Ontario, OR 97914
Ontario	CW	541-889-9194	186 East Lane, Suite 3 Ontario, OR 97914
	SS	541-889-9141	186 East Lane, Suite 2 Ontario, OR 97914
	VR	541-889-9148	186 East Lane Ontario, OR 97914
District 15 Clackamas County	Service Type	Phone	Address
District 15 Office	Administration	503-657-2123	315 S. Beaver Creek Rd Oregon City, OR 97045
Milwaukie	CW, SS	503-731-3400	4252 SE International Way, Suite A Milwaukie, OR 97222 PO Box 22470 Milwaukie, Or 97269
	VR	503-653-3024	4382 SE International Way, Suite B Milwaukie, OR 97222
Oregon City	CW	503-657-2112	315 S. Beavercreek Rd Oregon City, OR 97045
	SS	503-657-2043	
District 16 Washington County	Service Type	Phone	Address
District 16 Office	Administration	503-598-3100	10777 SW Cascade Avenue Tigard, OR 97223
Beaverton	CW SS	503-646-7234 503-646-9952	12901 SW Jenkins Road, Ste. B Beaverton, OR 97005
Hillsboro	CW SS	503-648-8951	5920 NE Ray Circle, Suite 110 Hillsboro, Or 97124-6469 PO Box 1687 Hillsboro, OR 97123

Tigard	VR	503-670-9575	10777 SW Cascade Ave Tigard, OR 97223
	SS	503-670-9711	
Washington County Processing Center	SS	503-431-2339	PO Box 23847 Tigard, OR 97281-3847
North Tualatin Processing Center	SS	503-620-6418	PO Box 4690 Tualatin, OR 97062
Statewide Processing	Service Type	Phone	Address
Statewide Processing Center	Medical-program Child-Care Payments	503-378-2666 503-378-5372	Oregon Health Plan PO Box 14520 Salem, OR 97309
Direct Pay Unit		503-373-0727	PO Box 14850 Salem, OR 97309

Historical Perspective

Prior to the reorganization of 2001, each of the former divisions had their own field structure that included direct service staff, support staff, administrative structures and their own offices. During reorganization, the field structures from the former Adult and Family Services, Senior and Disabled Services, State Office for Services to Children and Families, and Vocational Rehabilitation Services were combined into a single division called Community Human Services (CHS). This division worked with the program divisions, but was a stand-alone entity. CHS created a field structure that was divided into 16 districts and a statewide processing center. Each of the districts had an administrative structure that included a manager and at least one program manager devoted to child welfare and one to self sufficiency.

In 2003 the field was realigned with the intent to bring policy and program delivery closer together. Field staff of child welfare and self sufficiency programs were reunited with CAF, and field staff providing services for Seniors and People with Disabilities were reunited with SPD. Vocational Rehabilitation (OVRS) was transitioned from CHS to CAF. The CAF field structure had a focus on child welfare, self sufficiency and volunteer program service delivery. The district managers continue to represent DHS in the community and work closely with the local managers providing SPD and VR services.

Program Summary and Target Groups

Staff in the districts and the Statewide Processing Center are responsible for direct client services in the programs administered within CAF and Division of Medical Assistance Programs (DMAP).

DHS delivers child welfare and self sufficiency services and benefits directly through the CAF field offices. These programs include Temporary Assistance to Needy Families (TANF), Food Stamps, JOBS, Employment Related Day Care, Medicaid, Child Protective Services, Foster Care and Adoptions.

District managers also are responsible for strengthening working relationships with communities, counties and local partners. District managers work with these partners to create an integrated delivery system for clients in need of social supports, rather than expecting clients to navigate a confusing system of multiple offices, case plans, caseworkers, and conflicting appointments and requirements. The management team within each district includes program managers with expertise in the specific program areas of child welfare services and self-sufficiency programs.

CAF - FS includes the Statewide Processing Center that processes applications for the Oregon Health Plan and determines medical eligibility.

Performance/Outcome Measures

Field Services Outcome Measures

Each of CAF's Key Performance Measures and Outcome Measures that have been discussed relative to the individual program areas are directly linked to Field Services. Because of the large number of performance and outcome measures that are applicable, Field Services places special emphasis on nine specific measures representative of the range of programs directly administered by staff in CAF field offices. These measures include:

Child Welfare

- Timeliness of child protection service response
- Timeliness of child protection assessments and completion of documentation
- Median number of months to finalized adoption
- Percent of children reunited with their families within 12 months
- Percent of completed face-to-face visits with children every 30 days

TANF

- Meeting federal participation requirements
- Percent of TANF participants placed in employment each month

Food Stamps

- Percent of Food Stamp cases without errors
- Ratio of people receiving Food Stamps relative to the number of people below poverty

Each month every district generates reports detailing their performance in each of these nine performance measures, with data breakouts down to the branch office level. These data show the districts how they are performing on each measure as well as how that performance compares to statewide goals and to other districts. The majority of this information is available to the districts down to the individual worker level. This detail helps managers sort out systems issues related individual, unit or branch performance problems.

Quality and Efficiency Improvements

Staffing Studies

Self Sufficiency: As a result of a Budget Note by the 2003 Legislature, two staffing studies were conducted related to Self Sufficiency programs. The first (Phase 1), conducted in 2003-2005, focused on eligibility-driven programs, primarily Food Stamps and Medicaid. The second (Phase 2) conducted in 2005-2007, focused primarily on the Temporary Assistance for Needy Families (TANF) program. The emphasis of these staffing studies (which also included some SPD and OVRS categories) was to move from an outdated caseload-driven staffing model to a more precise workload-driven model. Unfortunately, the Phase 2 study was not completed in time to be used in the budget and staffing development process, but will be used in future biennia.

Child Welfare: Based on recommendations from the National Resource Center on Child Protective Services (NRCCPS) Report in 2005, CAF enlisted the services of the National Resource Center on Organizational Improvement (NRCOI). This expertise was specifically sought to assist in the evaluation of Child Welfare's use of current resources related to staffing. The NRCOI report was released in January of 2007. The study confirms that current national caseload standards may be twice what are reasonable to perform competently, and Oregon's workload situation exceeds even these national standards. Most recommendations were specific to four classifications:

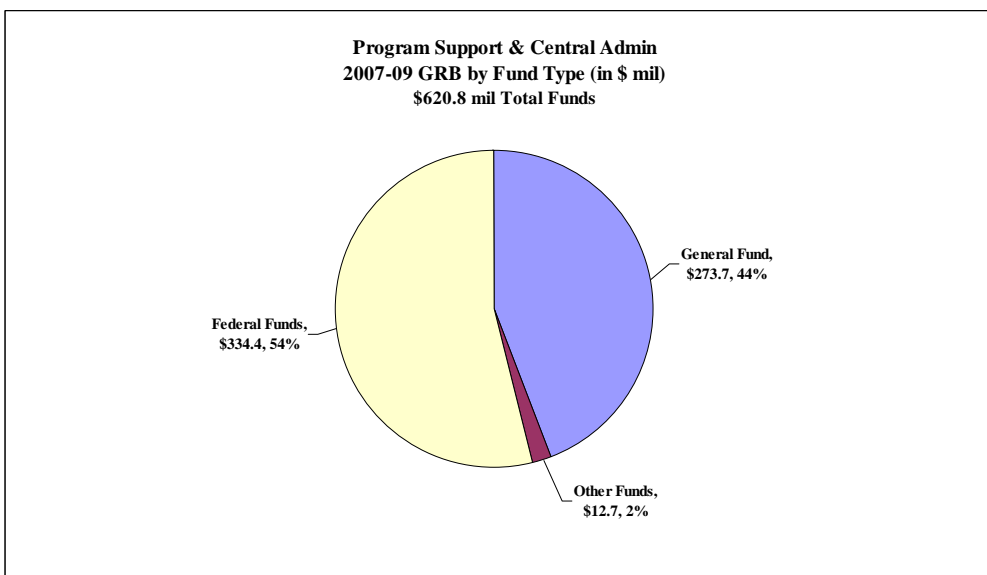
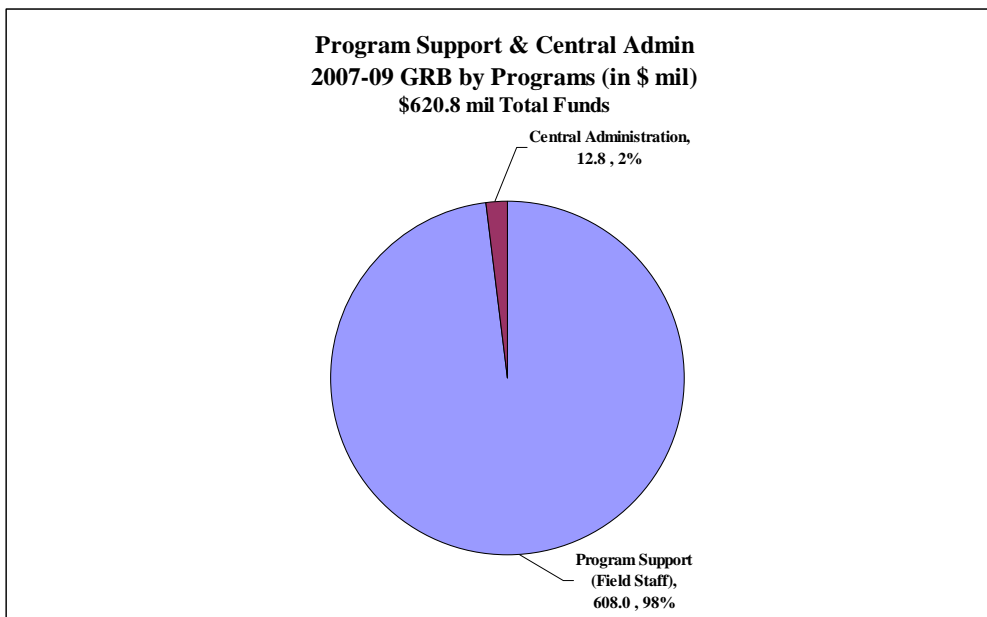
- Supervisors: Span of supervision currently is too large to perform effective clinical supervision and not enough specific training is available for supervisors.
- Consultants, Educators and Trainers (CETs): CETs should be assigned either as supervisors to improve the current supervisor-to-worker ratio, or as caseworkers to lower the caseloads and thus increase the amount of time available to be spent with clients.
- Caseworkers: Workloads are too high to ensure adequate case management and thus child safety.

- Social Service Assistants (SSAs): While staff in this category perform important work, they are doing some tasks that should be done by caseworkers.

2007-2009 Budget Summary

Governor's Recommended Budget

The Governor's Recommended Budget for Program Support and Central Administration is \$620.8 million, or 24.6 percent of CAF's budget.



Major Federal Funds sources include: Medicaid, TANF, Title IV-E Foster Care, Food Stamp Administration, and Basic 110 Grant.

Reductions

The Governor's Recommended Budget reduces the department's administrative expenditures by \$1 million in General Fund. CAF's share of this reduction is \$0.6 million.

Policy Option Packages

101-2 Child Welfare Safety Improvements

101-2 Child Welfare Safety Improvements: This package would bring Oregon's staffing for child welfare services into alignment with national standards for ensuring proper services and safety of children at risk are addressed.	GF	OF	FF	TF
	Governor's Recommended Budget	\$ 1.56	\$ -	\$ 1.56

(dollars in millions)

Findings from the National Resource Center for Organizational Improvement (NRCOI) prompted DHS to propose this policy option package. To improve the staffing and supervisor-to-worker ratio issues detailed in their report, this package proposes the lowest cost approach to improvement by reclassifying current staff positions in a cost neutral manner, while adding 31 FTE for a total cost of \$3.8 million Total Funds, or \$1.9 million General Fund.

The policy option package proposes:

- Reclassifying 66 SSA positions to caseworkers
- Abolishing 26 SSA positions to fund the reclassifications
- Reclassifying 35 CET positions to caseworkers
- Reclassifying 29 CET positions to supervisors
- Adding 31 FTE (6 caseworkers, 21 Office Specialist 2s, 3 Office Manager 3s, 1 Human Service Specialist 2)

The net result of these actions would compare to current staffing ratios as follows:

Workload	Current Ratio	National Std.	Proposed Ratio
CPS Referrals	1:14 Cases	1:12 Cases	1:12 Cases
CPS Plans	1:14 Cases	1:12 Cases	1:12 Cases
CPS Screening	No Standard	No Standard	1:40 Cases
In-Home Plans	1:16 Cases	1:17 Cases	1:17 Cases
Foster Care	1:25 Children	1:15 Children	1:15 Children
Residential Care	1:40 Children	1:15 Children	1:15 Children
FC Certification	1:95 Children	No Standard	1:55 Homes
Adoptions	No Standard	1:12 Families	1:15 Children
Supervision Span	1:9.5	1:7	1:7

101-3 Legal Representation

101-3 Legal Representation: This package provides legal representation for DHS child welfare caseworkers at most juvenile dependency hearings.	GF	OF	FF	IF
CAF	\$ 3.1		\$ 2.0	\$ 5.1

(dollars in million)

In October 2005, the Emergency Board granted the Department of Justice and the Department of Human Services a special appropriation of \$2.5 million to help the problem of limited legal representation for child welfare caseworkers in dependency hearings. Not having legal representation presents a number of problems, ranging from delayed permanency for children to requiring caseworkers to act as attorneys. This not only diverts caseworkers from providing needed services, but also sets up a dynamic that impedes the caseworker's ability to work with parents.

This special appropriation helped the departments develop criteria used by local DHS child welfare staff and the Attorney's General Office to review all child welfare dependency cases going to court. The proposal for the special appropriation funds assumed that the District Attorneys would continue to provide the same level of services they now provide to child welfare caseworkers. However, with decreasing resources at the county level, this assumption was challenged shortly thereafter at the April 2006 Emergency Board.

The Attorney General formed the Child Welfare Legal Representation Workgroup to examine the need for increased legal representation of the state and DHS in the juvenile dependency process and to recommend the next steps the Legislative Assembly should take to improve that representation.

This package is a result of those recommendations which include:

- Providing limited financial reimbursement for District Attorneys who enter into intergovernmental agreements with the Department of Justice regarding appearances in certain juvenile court hearings. These agreements will cover the shelter care and pre-jurisdiction proceedings and will provide more uniformity with respect to representation of the State in the early stages of dependency cases.
- Providing additional Department of Justice attorneys for review and advice in individual juvenile cases at the five and eleven month marks, two critical points in a case. The five month review is important because it is soon after the jurisdiction hearing and DHS either has developed or is developing the services to be provided to parents and children. Any issues or omissions can then be corrected at this early stage. The eleven month review is critical because by then required services will have been provided to parents and children, and DHS will be deciding whether it can recommend that children ultimately can be returned to parents or not. Legal review at this point can help in determining whether, from a legal perspective, further services are necessary for DHS to be able to successfully pursue either alternative course of action.

This package includes \$3.1 million Total Funds funding for DOJ to hire:

- 9 Senior Assistant Attorney Generals
- 1 Supervising Attorney
- 2 Paralegals
- 3 Legal Secretaries
- 1 Office Specialist 1

Additionally this package provides \$2.0m (TF) for agreements with District Attorneys.

While this package does not guarantee legal representation at every hearing, it does represent a significant step forward in providing legal services at critical points which ultimately will speed up permanency for children.

Proposed Legislative Actions

House Bill 2173 – Interstate Compact for the Placement of Children

Concept:

House Bill 2173 allows Oregon to adopt the proposed national Interstate Compact for the Placement of Children (ICPC) rules.

Need for Policy Change:

This new ICPC agreement will replace the current ICPC agreement. Nationally, states have determined that the current 47-year old Compact needs revision.

DHS anticipates this proposed legislation will have a fiscal impact of \$28,000 in the 2009-2011 biennium. This amount is not in the Governor's Recommended Budget since the costs will not occur until the 2009-2011 biennium.

House Bill 2179 – Criminal Records Checks

Concept:

House Bill 2179 allows DHS to conduct criminal records checks without permission on a potential child abuse offender (and other adults living in the household) when a new report of abuse is made on that person. This bill requires DHS to notify the person of the criminal records check after assessing the child abuse allegation. This bill also changes state law to comply with the new federal law that prohibits exceptions to criminal record background results.

Need for Policy Change:

This legislative change allows child protection workers to make a more accurate and complete assessment of a child abuse or neglect report. It further helps to protect caseworkers from entering unknown and potentially dangerous situations.

There is no fiscal impact for DHS with this bill as written.

House Bill 2180 – *TANF Reauthorization*

Concept:

This legislation has been proposed to allow Oregon to implement federal law changes related to the Temporary Assistance for Needy Families (TANF) program as a result of the Deficit Reduction Act of 2005.

Need for Policy Change:

DHS must implement new federal laws that require changes in Oregon statutes.

DHS anticipates a fiscal impact with this bill to comply with federal law. The estimated fiscal impact at this time is \$3.9 million General Fund. This amount is in the Governor's Recommended Budget.

House Bill 2181 – *Post-placement Custody*

Concept:

House Bill 2181 is a legislative concept that proposes courts review child welfare custody cases at certain times after a child is returned home from out-of-home care. The court is to consider dismissal of the custody order when child safety issues have been resolved.

Need for Policy Change:

This legislation allows DHS to monitor child safety for a period of time after a child returns home from foster care and requires the court to monitor this situation every 90 days to determine when custody can safely be returned to the parents.

DHS does not anticipate a fiscal impact with this legislation as written.

House Bill 2182 – *Relative Foster Care Reimbursements*

Concept:

House Bill 2182 is a concept that will allow DHS, after applying a "means test" to the relatives' income, to reimburse relative foster parents at the same rate as DHS reimburses non-relative foster parents.

Need for Policy Change:

Relatives often are asked to care for children when the children's parents have child abuse and neglect issues. This legislation supports the best practice of placing children with relatives when such placement is in the child's best interest.

DHS anticipates a fiscal impact of \$2,651,880 with this legislation; this amount is in the Governor's Recommended Budget.

House Bill 2189 – Threat of Harm

Concept:

House Bill 2189 is a concept to clarify "threat of harm" as a child abuse definition in Oregon statutes.

Need for Policy Change:

"Threat of harm" is a broad and confusing definition in Oregon statutes. Clarification of this definition will benefit the person making the report and will help DHS more effectively serve families by clearly defining what constitutes a "threat of harm" to a child.

DHS does not anticipate a fiscal impact with this legislation as written.

House Bill 2190 – Pre-placement Services to Families

Concept:

House Bill 2190 is a concept that would allow courts to order parents to participate in services related to a dependency petition while a child remains in the parents' home and without the parents losing custody of their child.

Need for Policy Change:

Allowing parents to maintain custody of their child while services are ordered by the court places DHS in a position to work collaboratively with families toward a successful outcome.

DHS does not anticipate a fiscal impact with this legislation as written.

House Bill 2195 – Caseworker Authority

Concept:

House Bill 2195 clarifies the role and responsibility of the child welfare agency and the law enforcement agency in working together, whenever possible, in child removal situations. The concept also defines "resistance" and clarifies when the child welfare agency should seek a court order prior to taking protective custody of a child.

Need for Policy Change:

DHS maintains that a better decision will be made regarding the need for removal of a child from the parents if, whenever possible, both agencies can be present at the removal. DHS also contends this will be less confusing to families and will result in improved decision-making regarding removals.

DHS does not anticipate a fiscal impact with this legislation as written.

Division Summary

Budget Notes and Actions Taken

Community Based Delivery of Services:

The Department of Human Services (DHS) is directed to work with the State Commission on Children and Families, through the Senate Bill 555 Partners for Children and Families work group, to review and make recommendations for increased community based delivery of services. This work should focus on early childhood and self-sufficiency, mental health, public health, alcohol and drug prevention and treatment services for children and families. DHS and the Commission are to report to the Emergency Board no later than July 2006 on this work and the findings and recommendations.

This report was presented to the Emergency Board in July 2006. An updated report was presented to the Emergency Board in November 2006.

Education Benefits by JOBS Plus Participants:

The House Education Subcommittee finds that the education benefits available to JOBS Plus program participants through the Individual Education Account are underutilized. The Oregon Student Assistance Commission and the Department of Human Services shall jointly report to the Emergency Board, no later than April 30, 2006, on their efforts to improve the utilization of available education benefits by JOBS Plus participants. The report shall include any changes they have implemented to support this effort, and the results of these changes to date. The report shall further describe any additional proposals to improve utilization of the available education benefits, including any suggested statutory changes requested for that purpose.

This report was presented to and accepted by the Emergency Board in March 2006. Updated reports were presented to and accepted by the Emergency Board in May 2006 and in November 2006.

Child Care Regulation and Services:

The Employment Department, the Department of Human Services, and the Commission on Children and Families are directed to review Oregon's statutes, program structure, funding distribution, and program outcomes for child care regulation and services. The review should, at a minimum, report on Oregon's current statutory policies, structure, funding and program outcomes; compare Oregon's structure and funding to other

states; report on best practices in child care regulation and services; address whether regulatory functions should be separate from state subsidized services; and identify potential efficiencies, structural changes (such as consolidation into one agency) and funding reallocations. The agencies shall report to the appropriate interim substantive committees and the Joint Legislative Audit Committee no later than fall 2006.

This report was presented to the Child Welfare Interim Task Force in July 2006 and to the Joint Legislative Audit Committee in November 2006.

Legal Representation Special Purpose Appropriation:

This report was presented to and accepted by the Emergency Board Subcommittee October 27, 2005. DHS received a special appropriation of \$2,497,924 General Fund by the full Emergency Board October 28, 2005.

Audits for CAF:

Type of Audit:	Secretary of State
Nature of Audit:	SPOTS Visa Card
Recommendations:	Implement boundaries and guidelines for spending
Status:	Completed
Date Completed:	September 20, 2005

Type of Audit:	Federal
Nature of Audit:	Oregon Title IV-E Foster Care Eligibility Review
Recommendations:	Refund \$238 to federal government State needs to claim matchable costs for each provider. Database had one error related to birthday and payment was calculated incorrectly. State should consider incorporating necessary manual entries into the new SACWIS system being developed. For residential care, the State should update methodology to track costs between maintenance, administration and social services.
Status:	Completed
Date Completed:	October 28, 2005

Type of Audit: Secretary of State
Nature of Audit: Food Stamp Program Compliance
Recommendations: DHS needs to emphasize the importance of adherence to the department's policies regarding eligibility determination
Status: Completed
Date Completed: February 28, 2006

Type of Audit: Secretary of State
Nature of Audit: Refugee Program Compliance
Recommendations: DHS should include a step in their contracting practices to ensure contracting practices are not listed on the suspended or debarment list.
Status: Completed
Date Completed: February 28, 2006

Legislative Reports:

Report: Law Enforcement Medical Liability Account
Due: Within 30 days of each biennial legislative session
Destination: Joint Judiciary
Status: Completed

Report: Domestic Violence
Due: Each Legislative Session
Destination: Legislative Fiscal Office
Status: Currently working on report for the 2007 Legislative Session

Report: Foster Care Transportation Report
Due: In January of each Legislative Session
Destination: Joint Legislative Leadership
Status: Completed

Report: JOBS Plus Report
Due: Annually
Destination: Legislature and Governor
Status: Currently working on report for the 2007 Legislature

Report: TANF Report
Due: Fifteenth day after legislative session starts
Destination: Legislature
Status: Completed and submitted January 22, 2007
