



Oregon

John A. Kitzhaber, M.D., Governor

Department of Human Services
Office of the Director
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November 8, 2011

Department of Human Services Reduction Options

As a result of the ongoing economic weakness facing the state, and the potential for additional projected revenue declines in future forecasts, Oregon's Legislative Fiscal Office (LFO) requested the submission of reduction options from all state agencies. LFO requested agencies to develop a total of 10.5% in reduction options, based on 2011-13 legislatively adopted budget level, including the 3.5% supplemental ending balance adjustment amount. This list is due to LFO by November 14, 2011. To reach that target, the total level of reduction for the Department of Human Services is \$210-220 million general fund.

REQUEST FOR COMMENT: DHS is seeking feedback on the attached reduction options prior to their submission to the Legislative Fiscal Office. Feedback should be submitted no later than 12:00 noon on November 11, 2011.

Feedback should concentrate on alternative reductions that would help the agency achieve its savings target and/or on recommendations regarding the prioritization of the reductions on the list. Ultimately, decisions about any proposed reductions will be vetted through the legislative process.

Please note that these reduction options are not intended to reflect the policy or program recommendations of the agency. DHS is acutely aware that the reduction options on this list have significant consequences for Oregonians and the communities in which they live.

Reduction Option List Format

Please note the following as you review and comment on the reduction options:

- The list is organized by major program area. Within each program area, the reduction options have been prioritized – but DHS has not yet prioritized the reduction options across the department.
- At the top of each list in gray shading are reductions that the Legislature has already taken in each program in the 2011-13 budget. Some of those reductions have not yet

been fully implemented. However, the savings associated with those reductions have already been included in the 2011-13 DHS Legislatively Adopted Budget.

- The list in total equates to \$210-220 million in General Fund savings, the 10.5% target set by LFO. The entire list of reduction options would need to be taken in order for DHS to achieve the full savings target.
- The list is currently focused on program reduction options. Additional reductions to program delivery infrastructure and administration are still under review by DHS and Oregon Health Authority leadership.

Next Steps

If you would like to offer comment on the proposed reduction options, please send your comments to gene.evans@state.or.us. **Please send comments NO LATER than 12:00 p.m., November 11, 2011.** DHS Leadership will review and consider all comments prior to submitting the list to LFO on November 14, 2011.

Conclusion

These are difficult times for Oregonians and for our state. DHS takes very seriously its obligation to the people it serves, our partners in that service, and to the taxpayers of Oregon. Thank you in advance for your understanding with regard to the difficulty of this task and all it entails. Your feedback is invaluable to our ability to do the best work we can with the resources we have.