

**HB 5100 Unspecified Reductions**  
**Agency: Department of Human Services**  
**Appropriation: Services to Children and Families (SCF)**

Program Description by Appropriation	Impact of reduction	Date Implemented	2001-03 Fiscal Impact						2003-05 Fiscal Impact					
			General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	FTE	General Fund	Lott-ery Funds	Other Funds	Federal Funds	Total Funds	FTE
<b>Across-the-Board Reductions (\$88 Million Target)</b>														
Central administrative staff reductions			(21,733)			(86,167)	(107,900)	(1.07)	(99,782)			(466,079)	(565,861)	(5.00)
Reduce Foster Care Special Rates by \$1 million. The action will likely be a combination in number of cases and/or a reduction in the amount paid to foster parents for children eligible for the special rate.  The combination of number of cases and reduced amounts could be reflected in a reduction of cases of up to 300 per month losing special rates eligibility or all 3,000 cases per month losing an average of about \$58 in reduced payments. Implementation is scheduled for February 2003.	These children have medical and/or behavior problems that make them difficult to parent. Some would otherwise be in residential treatment. Finding placements for these children will be much more difficult and may result in children being inappropriately placed.	2/1/03	(473,533)		(32,218)	(491,707)	(997,458)	-	(2,334,261)		(158,817)	(2,423,848)	(4,916,926)	
Reduce child welfare related contracted family treatment and support funds by \$168,000 TF.  This includes reductions to Intensive Family Services, Parent Training, Family Sex Abuse Treatment, Intensive Home Based Services and a Multnomah Self Enhancement Program. Implemented is scheduled for February 2003.	Either some Oregon counties would no longer be served or an across the board reduction would be made. This would result in some providers dropping out of the system. Some children could remain longer in foster care; others could enter care as their parents could no longer maintain them in the home.	2/1/03	(166,962)		(1,092)		(168,054)	-	(711,618)		(4,656)	-	(716,274)	

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<p>Eliminate much of the System of Care resources including flexible funds and staff:</p> <p>Flexible funds are used to purchase services that address safety and permanency, and well-being for children and families. At an estimated average expenditure of \$1122 per child, it's anticipated that at least 1700 children per month would be impacted.</p> <p>Children who are not able to receive these services would either remain in foster care for three additional months, would require escalation in placement, or would be at increased risk of entering care. It's possible that foster care placement could return to a pre-System of Care implementation rate of 12%.</p> <p>Fifty-four positions would be eliminated including 24 caseworkers assigned to child protective services and 10 caseworkers assigned to assess children's needs and develop resources to address those needs that may not currently be available in the community. Effective February 2003</p>	<p>Fewer children will be served and the range of services will be significantly reduced to the degree that more children will enter care and more children will remain in care due to lack of services.</p> <p>Services that will end support difficult children in less restrictive placements or at home; provide ongoing treatment, mentoring and family preservation services not available through any other resource; and improve permanency outcomes for children when reunification is not an option.</p> <p>SOC provides resources that support case planning requirements of the Adoption and Safe Families Act. The provision of reasonable and active efforts required by federal rule will be impacted, as will the capacity of the Department to comply with the federal child welfare Program Improvement Plan.</p> <p>This action may place the Department in non-compliance with the terms of the legal settlement Agreement with the Juvenile Rights Project and the National Center for Youth Law.</p>	2/1/03	(1,980,354)		(87,342)	(45,301)	(2,112,997)	(1.03)	(6,683,268)		(296,308)	(246,435)	(7,226,011)	(5.40)
<p>Continue System of Care flexible funds at a reduced level, utilizing Title IV-B revenue anticipated not to be used for other purposes in the current biennium.</p> <p>The administration of System of Care will be absorbed by remaining child welfare managers. Implementation February 2003.</p>	<p>Continuance of this portion of SOC will permit many hundreds of children to be provided services that will assist in maintaining them safe in their own home, or be able to be returned to their family's home.</p>	2/1/03	(3,100,000)			3,100,000		(5.91)	(8,130,144)		(328,701)	(1,148,405)	(9,607,250)	(25.00)

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Reduce Regular Foster Care payments by \$891,965 TF. This reduces the average monthly payment from about \$420 to \$390 and will affect an estimated 5,500 children in family foster care.  These children have been temporarily placed out of their own family home due to abuse, neglect, or parental inability to care for the child or youth. Implementation is scheduled for February 2003.	This amount of reduction will put children at risk of losing their foster care placement as existing providers may be unable to continue providing care.	2/1/03	(478,022)		(93,835)	(320,108)	(891,965)		(2,433,892)		(477,768)	(1,629,862)	(4,541,522)	
Eliminate the Employment Related Foster Care Day Care pilot program, effective February, 2003. This program affected three counties and was a subset of the Supportive Remedial Day Care program.  An average of 202 children have been served each month since the program was fully implemented two years ago. The foster parents of these children, who are also getting a rate reduction in Regular and Special Rates Foster Care, will now have to pay the full cost of day care as well. Effective February 2003	This reduction could result in additional children being placed in foster care due to abuse and/or neglect by their caregivers.  This program not only provides valuable socialization services for the child, but adds an outside review of the child's development process. It is also used to reduce stress and recurrence of physical abuse.  Without this resource, children will be more likely to be placed in foster care by workers if they believe this service is not available to monitor the child while at home and reduce family stress (children could be more at risk).	2/1/03	(543,010)		(6,985)	-	(549,995)	-	(2,801,694)		(36,039)	(0)	(2,837,733)	
Reduce Adoptions Assistance payments by \$2.9 million TF. This reduction will result in a \$40.10 average monthly decrease in each eligible child's payment, reducing the total average monthly payment to \$360.94. Implementation is scheduled for February 2003.	The program serves almost 7,700 clients biennially, providing financial assistance and Medicaid coverage for adopted children with special needs.  Without adequate Adoption Assistance subsidies, these special-needs children would likely remain in substitute care. In addition, this action would most likely result in litigation and administrative hearings for some current adoptive parents. Some individuals may elect to not adopt children and children could remain in foster care.	2/1/03	(1,223,444)		(3,111)	(1,641,339)	(2,867,894)		(3,555,650)		(24,149)	(3,319,821)	(6,899,620)	

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Reduce child welfare residential treatment by \$545,002. Residential care services are contracted for children in state custody with 40 programs located across the state, serving about 450 children on any given day.  Services are provided 24 hours a day, seven days a week. This reduction will mean 30 residential care children will have to be cared for in other foster care programs, where the service is not appropriate to the children's level of need. Implementation is scheduled for February 2003.	Children displaced by this action would likely go into the special rate foster care program, which provides services inadequate to address the level of need of these children.  Some of the children may deteriorate in these placements to the point where they would need psychiatric hospitalization or placement in more restrictive and costly programs.  Courts could also, under OR 419B.349, find that special rate foster care placement is not in the best interests of the child. Foster parents forced to take inappropriate children may choose to stop being foster parents.	2/1/03	(411,411)		(64,528)	(69,063)	(545,002)	-	(1,936,881)		(303,792)	(325,140)	(2,565,813)	
Subtotal			(8,398,469)	-	(289,111)	446,315	(8,241,265)	(8.01)	(31,488,884)	-	(1,630,230)	(9,559,590)	(39,877,010)	(35.40)