

October 13, 2005

**To:** LCOG Executive Committee

**From:** Senior Services Advisory Council

**Subject:** Current Year Area Plan Budget – Amendments Due to the Availability of Additional Oregon Project Independence (OPI) Funds

**Background:**

A year ago, there was considerable uncertainty regarding the availability of funding for OPI for Fiscal Year 2005-06. In response, last year's Advisory Councils' Planning and Budget Committee developed two versions of the FY 2005-06 Area Plan Budget, one based on the Governor's Recommended Budget for OPI for 2005-07, and a second based on the assumption that the Legislature would approve a more generous appropriation for OPI. The first version assumed that \$3.9 million would be available for OPI, statewide, for the 2005-07 biennium. The second assumed an appropriation twice as large, or approximately \$8 million statewide. Fortunately, due to highly successful grassroots advocacy, the Legislature appropriated \$12 million for OPI for the biennium.

The first version of LCOG's 2005-06 Area Plan Budget assumed that \$166,417 in OPI funds would be available for the period between July 2005 and June 2006. The second version assumed that \$351,340 would be available. Following the development and approval of these budgets, DHS notified S&DS that its worst-case budget for 2005-06 would be \$177, 932, or \$11,515 more than our estimate. Given the more positive outlook for OPI funding at that point in the legislative process (May 2005), the LCOG Board Executive Committee approved small adjustments to the Option #1 version of the OPI budget to provide "bridge" funding to programs funded in 2004-05 but excluded from the budget in 2005-06. Two awards went to the Meals on Wheels programs; the third went to the Money Management Program.

**Current Situation:**

S&DS' estimated share of the \$12 million appropriation is \$1,080,000. However,

DHS has not yet released all of these funds to us. Instead, the Department has released only \$811,586; it is holding back on the balance until issues with its OPI distribution formula are resolved. The timetable for the resolution of these issues is unknown.

Now, the time is right to develop two additional versions of the OPI budget for 2005-06. One should be based on one-half of the \$811,586 currently available, or \$405,793. The other should be based on \$520,000, or 48% of the estimated \$1,080,000 which should be available to the agency this fiscal year. Responsibility for the development of these budgets rests with the Advisory Councils' Planning and Budget Committee. The Committee met on the morning of October 11. It presented its recommendations to the Senior Services Advisory Council at its meeting that afternoon. The Council's recommendations to the LCOG Executive Committee are presented below.

The Planning and Budget Committee and Advisory Council considered two additional versions of the FY 2005-06 OPI Budget developed by S&DS staff. A spreadsheet displaying background data and their recommendations is attached. The proposed \$405,793 version increases appropriations to Home Care, Personal Care, and OPI Case Management, and decreases the appropriation to OPI-CEP Home and Personal Care services. These adjustments are made based on current rates of spending. The proposed \$520,000 version reverts to the traditional approach used in the development of the OPI Budget, namely, allocating 10% for Administration, 20% for OPI Case Management, and 70% for direct services. Within the direct services area, appropriations are based on historical spending patterns, as well as current and perceived needs, especially for Home Care, Personal Care, and Meals on Wheels.

### **Requested Actions:**

It is recommended by the Senior Services Advisory Council that the LCOG Executive Committee approve both new versions of the FY 2005-06 OPI Budget, as proposed by the Council, with the understanding that the \$405,793 version will be implemented now and that the \$520,000 will be implemented once the funds are available from DHS.

*Attachment: 2005-2006 OPI Budget*