

# Health Department

FY 2026  
State/Federal  
Rebalance





# Agenda

1

FY 2026 Adopted Budget Recap

2

FY 2026 Adopted Budget Impacts

3

Budget Rebalance - State & Federal Context

4

Budget Rebalance - Policy & Funding Context

5

Budget Rebalance - Details

6

Future Impacts of Federal Policy

7

Questions

# Total FY 2026 Adopted - Operating Budget

FY 2026  
Reductions  
GF  
Other Funds  
FTE

## \$531.4 million

Adopted Operating Budget

Excludes \$94.2 million cash transfers, contingencies, and unappropriated balances.

### 1,650.99 FTE

Total Adopted Staffing



### -45.32 FTE

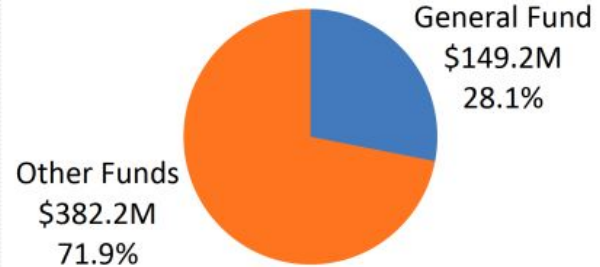
Decrease from  
FY 2025 Adopted

### (\$14.0) million



Operating Budget  
Decrease from  
FY 2025 Adopted

### -3% decrease



General Fund

### \$2.7 million

New **One-Time-Only** Investments

### \$0.4 million

New/Backfill **Ongoing** Investments

# FY 2026 Adopted - Operating Budget

*Excludes  
Integrated  
Clinical  
Services*

## \$314.2 million

Adopted Operating Budget

Excludes \$16.6 million cash transfers, contingencies, and unappropriated balances.

### 924.46 FTE

Total Adopted Staffing



**-79.19 FTE**

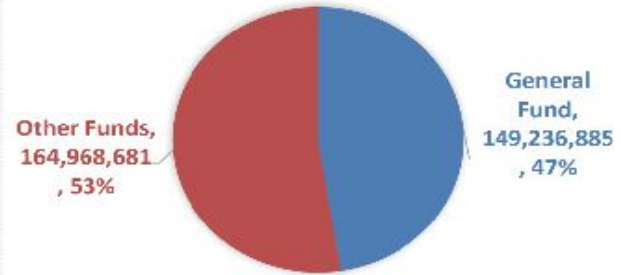
Decrease from  
FY 2025 Adopted

### (\$30.6) million



Operating Budget  
Decrease from  
FY 2025 Adopted

**-9% decrease**



General Fund

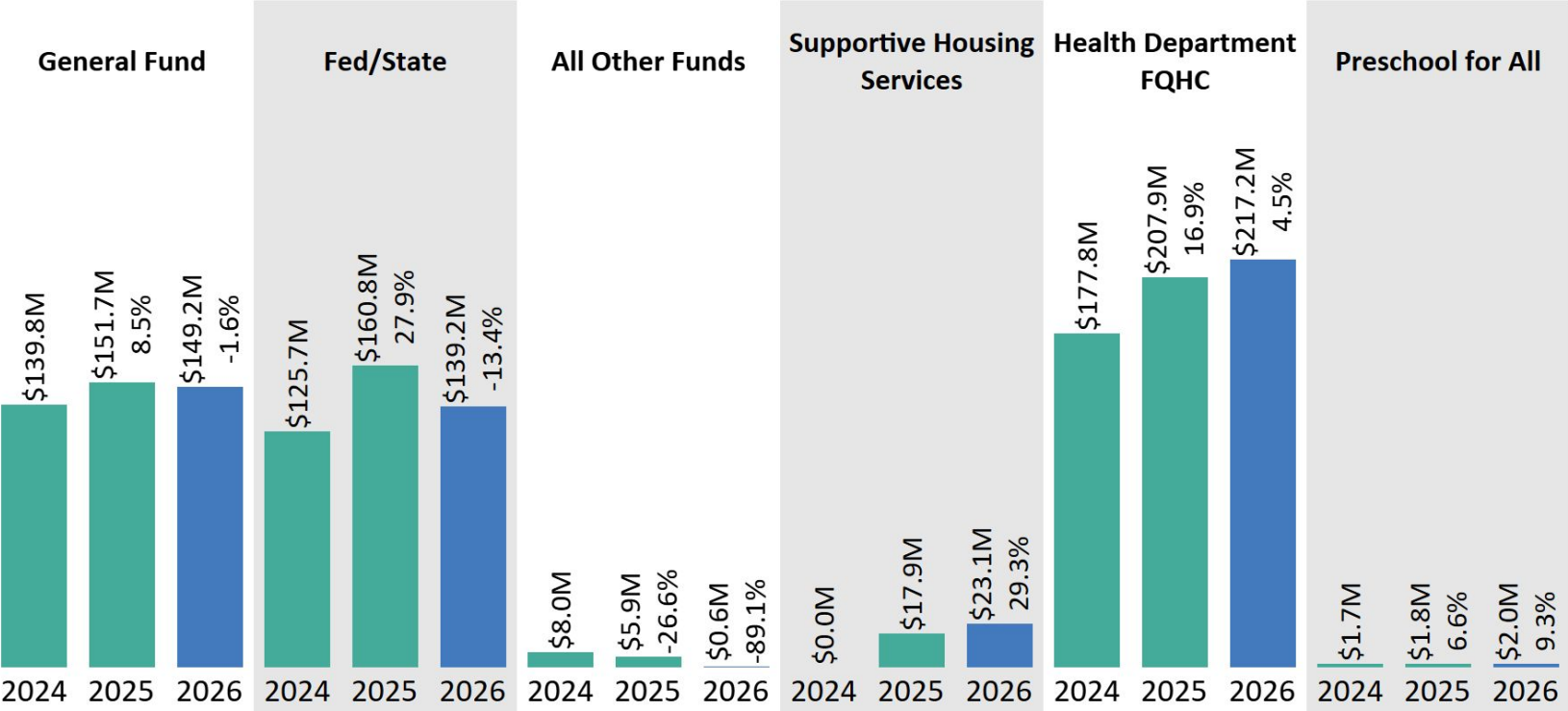
**\$2.7 million**

New **One-Time-Only** Investments

**\$0.4 million**

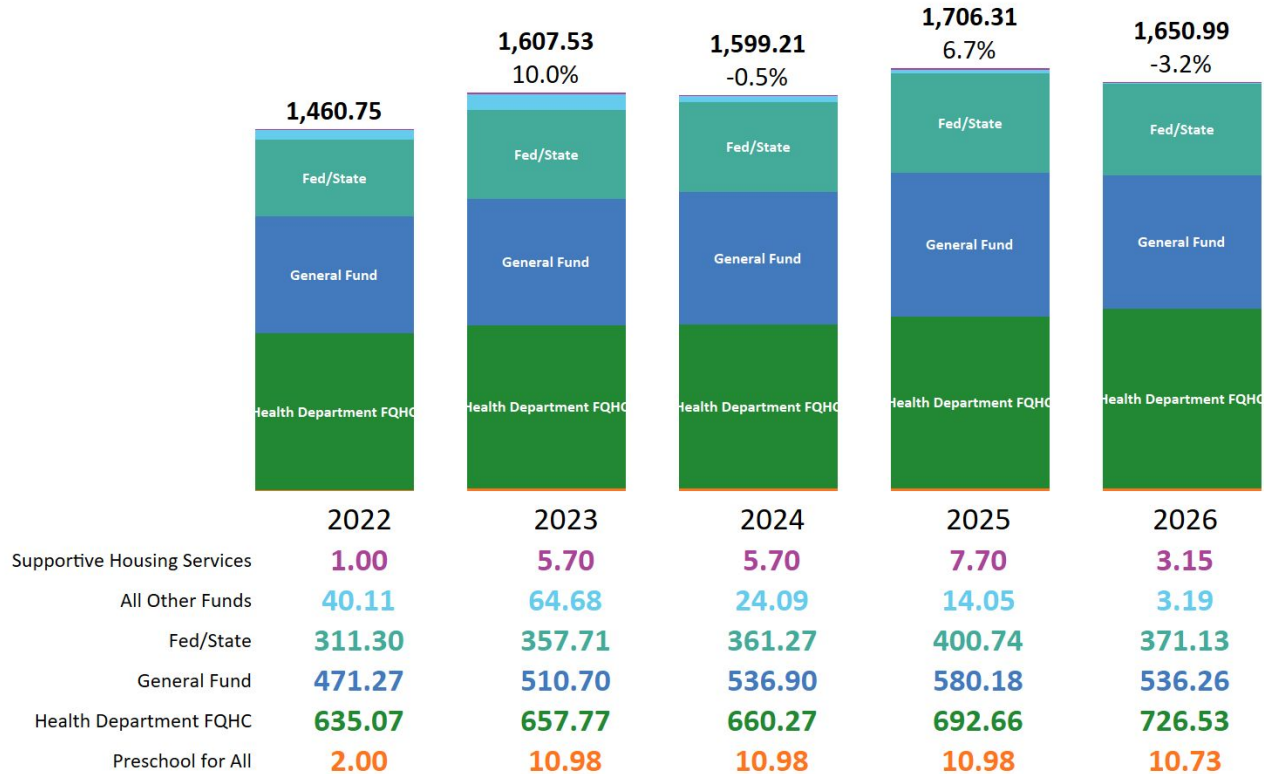
New/Backfill **Ongoing** Investments

# HD: Operating Budget by Major Fund

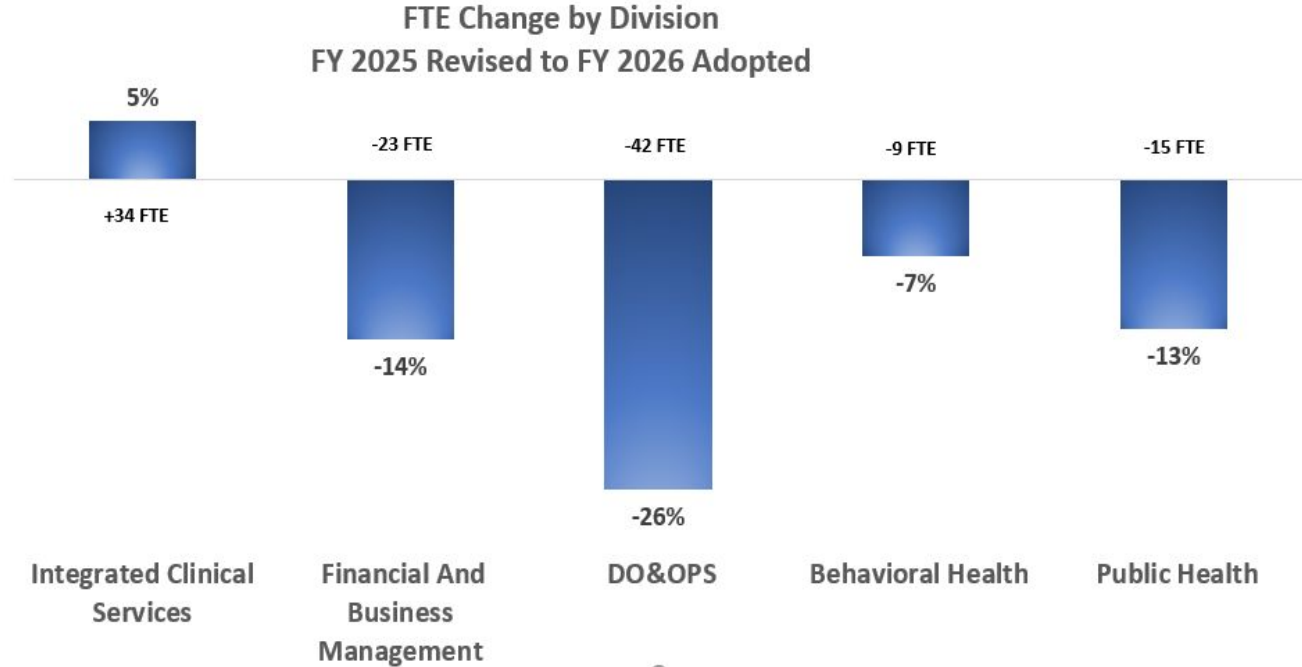




# FTE Trend FY 2022-2026



# FY 2026 Divisional Budget Changes - Different Functions, Differing Impacts



# FY 2026 Adopted Budget Recap - Impactful Losses

**These losses hamper our ability to respond to a rapidly changing environment just when it is needed most, including:**

- Public Health prevention services
- Capacity to support our Departmental workforce
- Infrastructure for financial and risk management services
- Access to data and our capacity for data tracking and analysis
- Administrative and infrastructure support in the Behavioral Health and Public Health Divisions

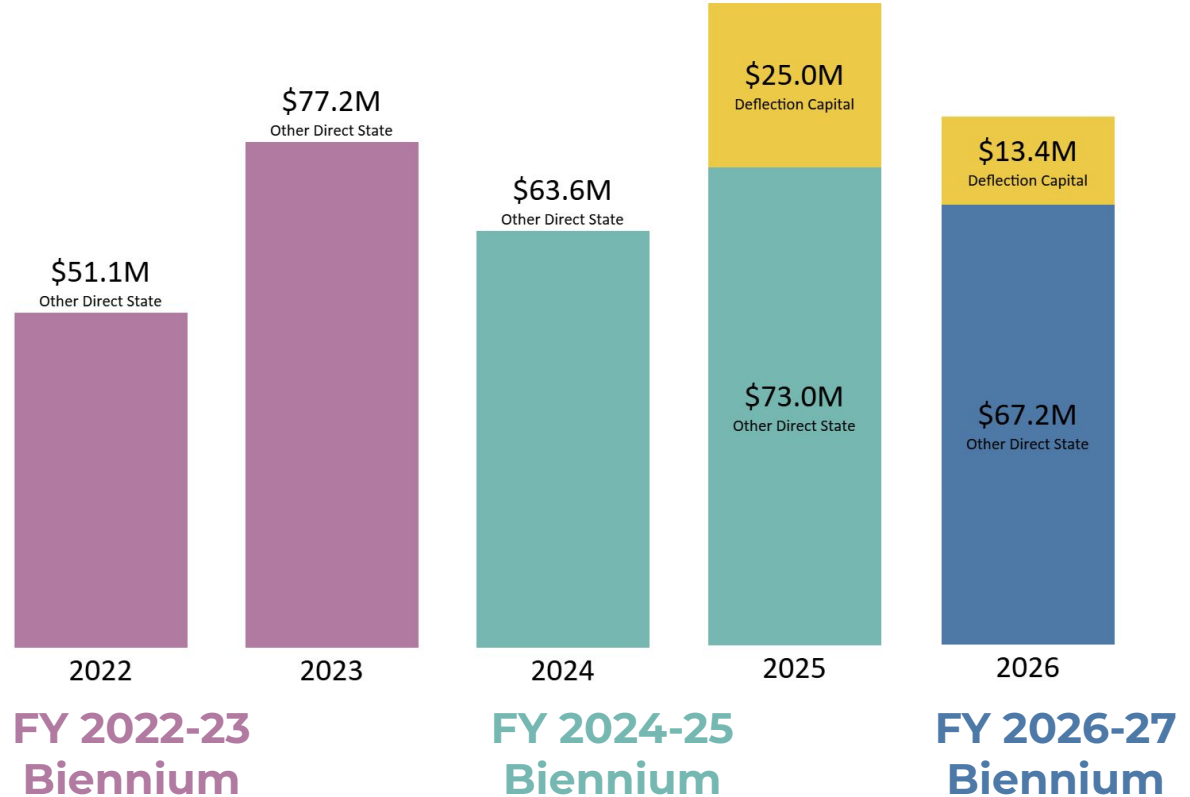


## **State and Federal Context**

# HD Operating Budget: Direct State Funding

**15%** of the Health Department's FY 2026 Adopted budget is **Direct State Funding**

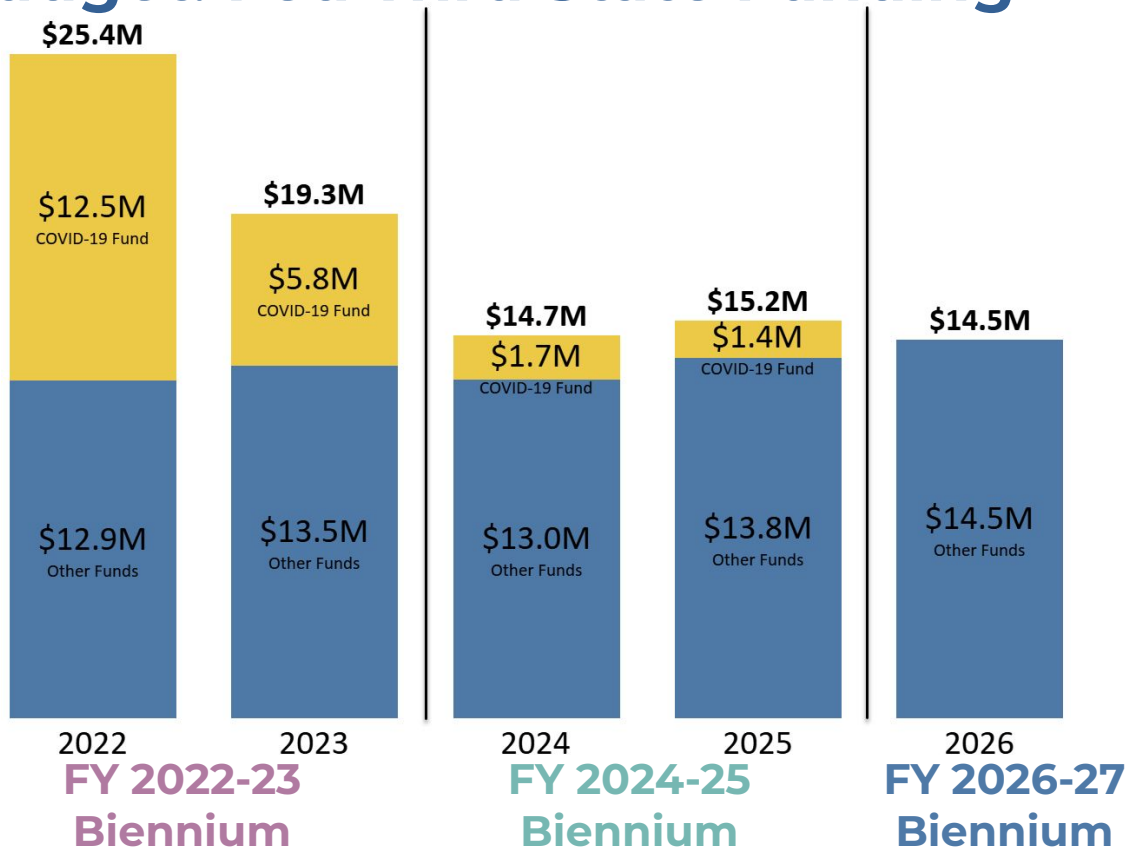
(Includes Integrated Clinical Services)



# HD Operating Budget: Fed Thru State Funding

**3%** of the Health Department's FY 2026 Adopted budget is **Federal thru State Funding**

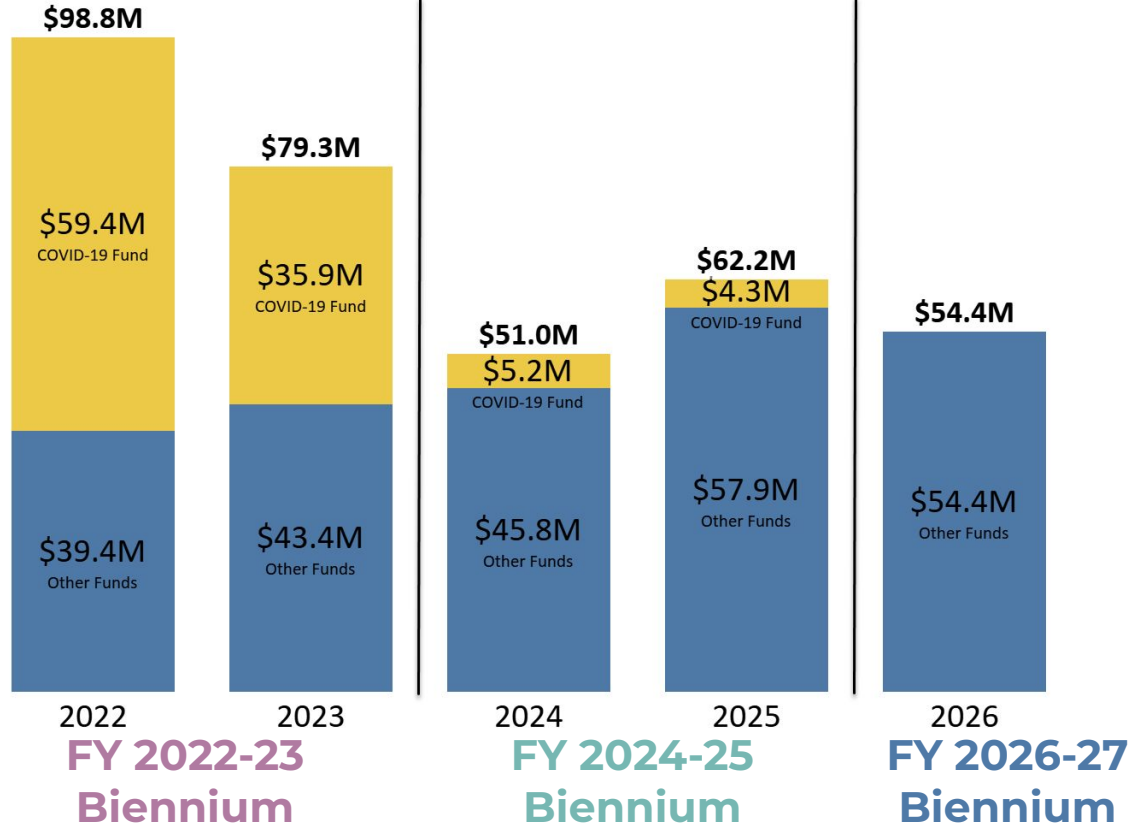
(Includes Integrated Clinical Services)



# HD Operating Budget: Federal Funding

**10%** of Health Department's FY 2026 Adopted budget is **Federal Funding**

(Includes Integrated Clinical Services' Direct Federal Funding, but excludes Medicaid funding that is coded differently)



# FY 2026 Rebalance - Policy & Funding Context

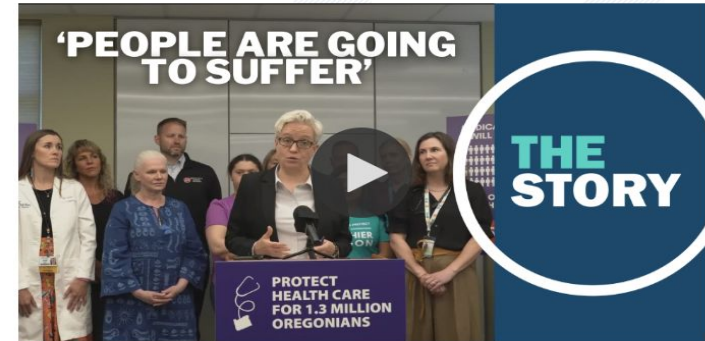
- Loss of \$12.25 million in County funding in the face of many threats
- Federal government is dismantling the Public Health and safety net systems
- The difficult work of keeping the public safe will fall to state and local governments
  - Understanding disease patterns
  - Providing credible communications
  - Building trust
- Behavioral Health System continues to be underfunded and is not poised to manage the impact of ongoing economic uncertainty and the resulting social stressors
- Upcoming changes to Medicaid eligibility will impact all divisions, with the largest financial impacts to ICS

# Public Health - Federal Systems Eroding

- Vaccine Policy running counter to all best practices
- Disinvestment in research
- Disinvestment in prevention
- Disintegration of safety net systems

## Oregonians brace for impact on Medicaid from Trump's 'Big Beautiful Bill'

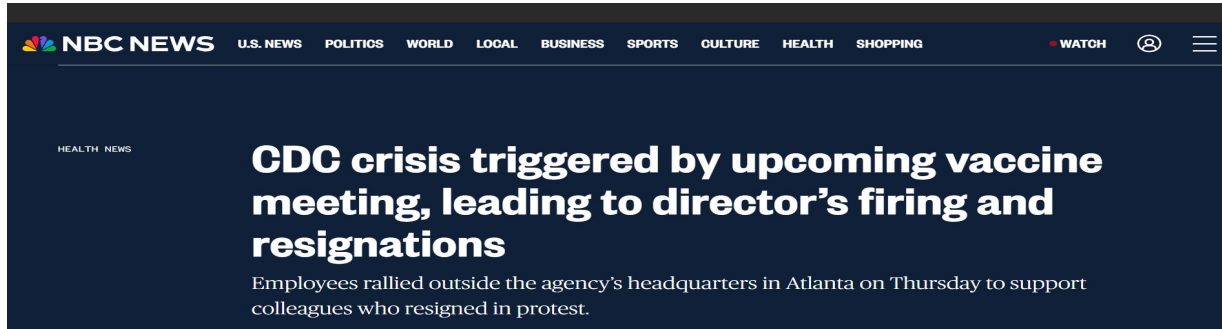
More than a third of Oregonians rely on Medicaid via the Oregon Health Plan; in rural counties, it's often higher. Cuts are coming in Trump's flagship budget bill.





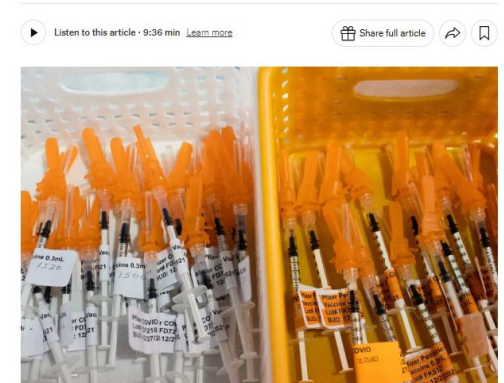
# Public Health - Federal Systems Eroding

Changes at the Centers for Disease Control and other agencies are pushing **responsibility for community health to the state and local level**



## *F.D.A. Official Overruled Scientists on Wide Access to Covid Shots*

The agency's staff scientists pointed out how Covid was still unpredictable and posed a threat to toddlers, but the official decided to restrict shots only to children with risk factors.



Dr. Vinay Prasad disagreed with staff at the F.D.A., wanting to narrow Covid vaccination approvals to people younger than 65 who have health conditions that put

# FY 2026 Rebalance - Challenges and Approach

## Our focus for the rebalance

- Reducing preventable deaths
- Using an equity lens
- Maintaining our unique local governmental role
- Preparing for more funding reductions and continued dismantling of Federal public health and safety net systems
- Creatively integrating work and teams to maximize capacity where possible.

***The following budget changes are an indication of much larger reductions and system-wide changes to come.***

# FY 2026 Rebalance - Summary

Division	Impacted Programs	State Incr./Decr.	State FTE Incr./Decr.
<b>Public Health</b>	Racial and Ethnic Approaches to Community Health Community & Adolescent Health Women, Infants, and Children (WIC) Parent, Child, and Family Health Management	(\$513,671)	1.00
<b>Behavioral Health</b>	Addiction Services Alcohol & Drug Prevention Community Based Mental Health Services for Children & Families Mental Health Residential Services	\$930,579	(1.00)
<b>ICS</b>	FQHC-HIV Clinical Services FQHC-Pharmacy FQHC-Mid County Health Clinic	(\$455,239)	(1.95)
	<b>Total</b>	<b>(\$38,331)</b>	<b>(1.95)</b>

# FY 2026 Rebalance - Public Health Federal Cuts

Program Offer #/Name	Brief Description	FY 2026 Award in Adopted Budget	Federal Incr./Decr.	Federal FTE Incr./Decr.
40053/Racial and Ethnic Approaches to Community Health	This was a supplemental grant that paid for <b>community trusted messengers and vaccine ambassadors</b> who <b>promote</b> Advisory Committee on Immunization Practices (ACIP) - recommended adult vaccinations to community members	\$2,374,955	(\$222,222)	0.00
40060/Community & Adolescent Health	Loss of <b>Bureau of Justice Assistance STOP Grant</b> - This grant served economically disadvantaged youth at higher risk to become victims of gun violence. Impacts Sun Schools (1,600 students). Will impact Youth Mental Health First Aid and restorative practices within' schools for up to 85,000 students in 7 different school districts	\$2,656,557	(\$348,463)	0.00
40018/ Women Infants and Children (WIC)	A training grant no longer available in FY 2026, this grant increased capacity through training	\$8,839,755	(127,986)	0.00
<b>Subtotal</b>		<b>\$13,871,267</b>	<b>(698,671)</b>	<b>0.00</b>

# FY 2026 Rebalance - Public Health New State Funding

Program Offer #/Name	Brief Description	FY 2026 Award in Adopted Budget	State Incr./Decr.	State FTE Incr./Decr.
40097/ Parent, Child, and Family Health Management	Roll out of new service through <b>Family Connects</b> program. (Clients reached estimated at 60.) Will hire a limited duration position.	\$1,802,760	\$185,000	1.00
<b>Total</b>		<b>\$1,802,760</b>	<b>\$185,000</b>	<b>1.00</b>

# FY 2026 Rebalance - Behavioral Health Other Funds

Div	Program Offer #/Name	Funding Agency	Brief Description	FY 2026 Award in Adopted Budget	State Incr./Decr.	State FTE Incr./Decr.
BH	40080/Community Based Mental Health Services for Children & Families	City of Gresham	Reduction of 1.00 FTE Mental Health Consultant dedicated to <b>East County Gun Violence Response</b> work is eliminated. Position was vacant.	\$2,229,198	(\$202,671)	(1.00)
Subtotal				\$2,229,198	(\$202,671)	(1.00)



# FY 2026 Rebalance - Behavioral Health New State Funding

Div.	Program Offer #/Name	Brief Description	FY 2026 Award in Adopted Budget	State Incr./Decr.	State FTE Incr./Decr.
BH	40074A/ Mental Health Residential Services	Residential Housing - Adds to <b>existing pass through to cover increased rates</b> set by the state. <b>No additional services and no capacity expansion.</b>	\$9,909,622	\$1,133,250	0.00
Subtotal			<b>\$9,909,622</b>	<b>\$1,133,250</b>	<b>0.00</b>

# FY 2026 Rebalance - Medicaid and Federal Through State

Div.	Program Offer #/Name	Brief Description	FY 2026 Award in Adopted Budget	State Incr./Decr.	State FTE Incr./Decr.
ICS	40031/FQHC - Pharmacy	OHA shifted funding, <b>reducing ICS- pharmacy revenue</b> , but offered \$350k to cover staffing impacts due to changes	\$43,086,956	(\$456,870)	0.00*
ICS	40012/FQHC-HIV Clinical Services	<b>Backfill of pharmacy revenue</b> listed above covers HIV clinic staffing impacts of the reduction in ICS as listed above	\$9,994,568	350,000	0.00*
Subtotal			\$53,081,524	(\$106,870)	0.00

\*(2.00) under program 40031 was reallocated to program 40012

# FY 2026 Rebalance - Integrated Clinical Services Fed Thru State

Div.	Program Offer #/Name	Brief Description	FY 2026 Award in Adopted Budget	State Incr./Decr.	State FTE Incr./Decr.
ICS	40022/FQHC - Mid County Health Clinic	Oregon Department of Human Services (ODHS) grant that covered <b>culturally specific education, case management, and mentoring</b> for organizations across the State that support <b>Afghan refugee</b> screening and coordination	\$17,275,206	(\$348,369)	(1.95)
Subtotal			\$17,275,206	(348,369)	(1.95)

# Department Wide Impact - A Collapse of the Safety Net

- Oregon's focus on health coverage is **built on the Medicaid expansion**.
  - **Work requirements**, including the community engagement requirement will require most to work or volunteer
  - Regular **eligibility verification** requirements will lead to loss of coverage at high rates
  - Will impact most **Health Department Divisions**
  - FQHC **enrollment will decline**, per member/per month and fee for service **revenue will decline**
  - Less Behavioral Health coverage will **increase acuity and decrease access**
  - Increased acuity will **increase burdens on all divisions** including Corrections Health

# Department Wide Impact - Medicaid Eligibility Changes

- Given the number of changes to insurance and potential loss of coverage, **case manager workload will increase.** They will work to assist clients with transferring care and re-applying for insurance requiring more staff capacity.
- **Will result in revenue impacts to:**
  - **ICS**
  - **Behavioral Health**
  - **Public Health**
  - **Potential loss of Medicaid 1115 Waiver for clients in custody**

# Coordinated Care Organization (CCOs) Reductions

- **Rates paid to CCOs** for the upcoming year are **insufficient** for them to cover all costs.
- Potential reductions in:
  - **Behavioral Health**
  - **Public Health**





# Appendix

The following slides  
are provided for reference.

# Summary of Proposed State Changes

Div.	Program Offer #/Name	Brief Description	FY 2026 Total Adopted Budget	State Incr./Decr.	State FTE Incr./Decr.
PH	40097/ Parent, Child, and Family Health Management	Roll out of new service through Family Connects program. This is a capacity building grant. (Estimate of 60 clients reached.)	\$1,802,760	\$185,000	1.00
ICS	40012/FQHC - HIV Clinical Services	<b>Backfill of pharmacy revenue</b> listed above covers HIV clinic staffing impacts of a pharmacy funding reduction in ICS	\$9,994,568	\$350,000	*
BH	40074A/ Mental Health Residential Services	Residential Housing - Adds to existing pass through to cover increased rates set by the state.	\$9,909,622	\$1,133,250	
Subtotal			\$21,706,950	\$1,668,250	1.00

2.00 is from reallocating the cut FTE under PO#40031

# Summary of Proposed Federal Through State

Div.	Program Offer #/Name	Brief Description	FY 2026 Total Adopted Budget	State Incr./Decr.	State FTE Incr./Decr.
ICS	40022/FQHC - Mid County Health Clinic	ODHS grant that covered culturally specific education, case management, and mentoring for organizations across the State that support refugee screening and coordination.	\$17,275,206	(\$348,369)	(1.95)
PH	40018/ Women Infants and Children (WIC)	No anticipated impact to the community. (Not a real loss, a training grant to train/certify staff, should not be in budget.)	\$8,839,755	(\$127,986)	
Subtotal			\$26,114,961	(\$476,355)	(1.95)

# Summary of Proposed Federal Changes

Div	Program Offer #/Name	Brief Description	FY 2026 Total Adopted Budget	Federal Incr./Decr.	Federal FTE Incr./Decr.
PH	40053/Racial and Ethnic Approaches to Community Health	Community trusted messengers and vaccine ambassadors who promote ACIP-recommended adult vaccinations to community members.	\$2,374,955	(\$222,222)	*
PH	40060/Community & Adolescent Health	Economically disadvantaged youth who are at higher risk to become victims of gun violence will lose services - 86,500.	\$2,656,557	(\$348,463)	**
Subtotal			\$5,031,512	(\$570,685)	

\*(0.40)under program 40053 was reallocated to another cost object in the same program.

\*\* (0.89)under program 40060 was reallocated to another cost object in the same program and/or another program.

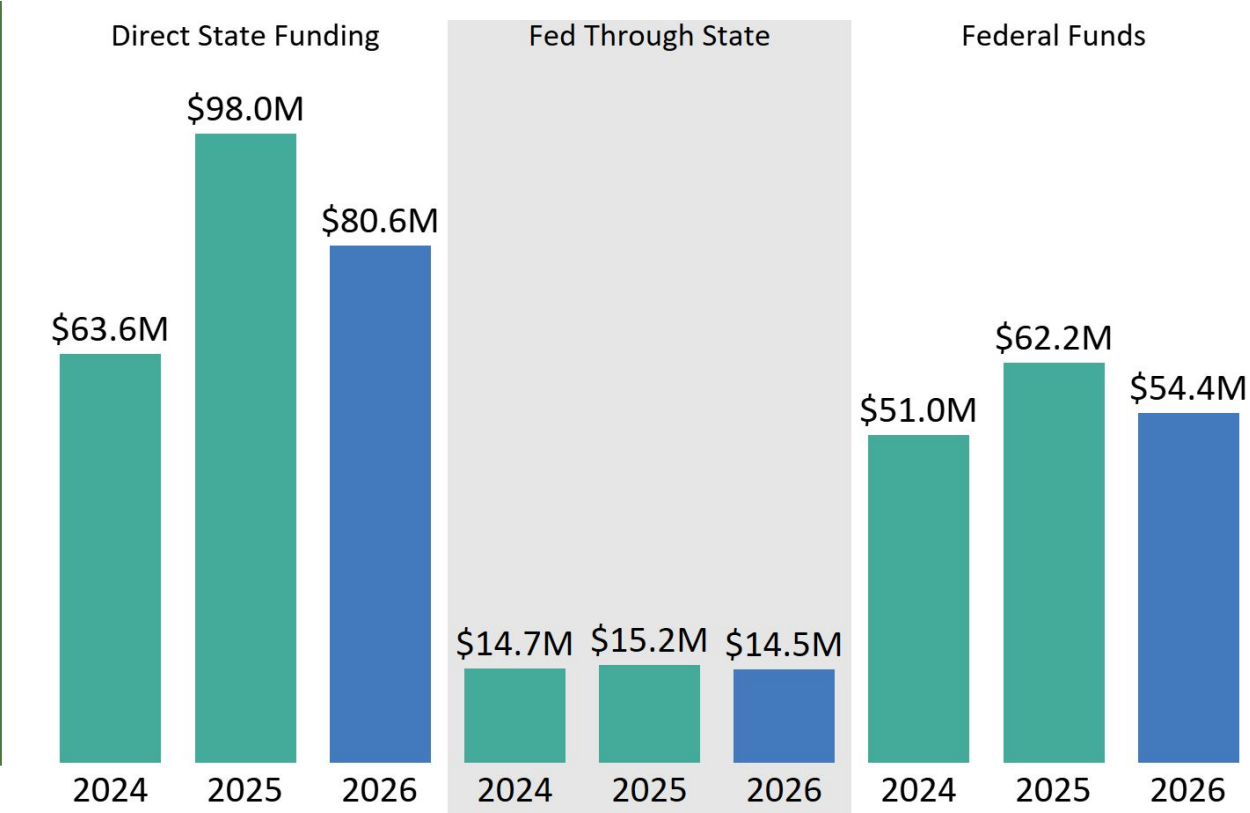
# Summary of Proposed “Other” Changes

Div	Program Offer #/Name	Funding Agency	Brief Description	FY 2026 Total Adopted Budget	State Incr./Decr.	State FTE Incr./Decr.
ICS	40031/FQHC Pharmacy	Fee for Services (FFS) - Medicaid - Care Oregon	OHA shifted funding, <b>reducing ICS- pharmacy revenue</b> , but offered \$350k to cover staffing impacts due to changes	\$43,086,956	(\$456,870)	*
BH	40080/Community Based Mental Health Services for Children & Families	City of Gresham	New FY 2026 BH-DCS-01 (Mental Health Consultant) will be reduced.	\$2,229,198	(\$202,671)	(1.00)
Subtotal				\$45,316,154	(\$659,541)	(1.00)

\*(2.00) was reallocated to PO#40012

# Department Operating Budget: State/Fed Revenue

28% of the Health Department's FY 2026 Adopted budget is Fed/State Revenue





# FY 2026 Adopted Budget Recap

Prog. #	Program Offer Name	General Fund Reductions	Other Fund Reductions (not SHS)	SHS Reductions	Total Reductions	FTE
<b>Behavioral Health</b>						
40065	Behavioral Health Division Administration	(341,134)			<b>(341,134)</b>	(2.50)
40068	Behavioral Health Quality Management	(471,062)			<b>(471,062)</b>	(3.00)
40069	Behavioral Health Crisis Services	0		(1,930,360)	<b>(1,930,360)</b>	0.00
40070	Mental Health Crisis Assessment & Treatment Center (CATC)	(317,048)			<b>(317,048)</b>	0.00
40073	Peer-Run Supported Employment Center	(128,215)			<b>(128,215)</b>	0.00
40074A	Mental Health Residential Services	0	(148,069)		<b>(148,069)</b>	(0.80)
40077	Mental Health Treatment & Medication for the Uninsured	(454,803)			<b>(454,803)</b>	0.00
40081	Multnomah County Care Coordination	0	(692,841)		<b>(692,841)</b>	(4.00)
40082	School Based Mental Health Services	(1,036,413)	(1,000,000)		<b>(2,036,413)</b>	(11.70)

# FY 2026 Adopted Budget Recap

Prog. #	Program Offer Name	General Fund Reductions	Other Fund Reductions (not SHS)	SHS Reductions	Total Reductions	FTE
40085	Adult Addictions Treatment Continuum	0		(500,000)	(500,000)	0.00
40101	Promoting Access To Hope (PATH) Care Coordination Continuum	0	(352,483)	(209,343)	(561,826)	(2.00)
	<b>Total Behavioral Health</b>	(2,748,675)	(2,193,393)	(2,639,703)	(7,581,771)	(24.00)
	<b>Corrections Health</b>					
40045	Corrections Health Operations	(41,103)			(41,103)	0.00
	<b>Director's Office</b>					
40000A	Health Department Director's Office	(1,280,771)			(1,280,771)	(6.00)
40039	Human Resources	(664,063)			(664,063)	(3.00)
40039B	Human Resources - ICS Recruitment	(178,928)			(178,928)	(1.00)
Various	Administrative Reductions	(46,183)			(46,183)	
	<b>Total Director's Office</b>	(2,169,945)	0	0	(2,169,945)	(10.00)

# FY 2026 Adopted Budget Recap

Prog. #	Program Offer Name	General Fund Reductions	Other Fund Reductions (not SHS)	SHS Reductions	Total Reductions	FTE
<b>Financial and Business Management</b>						
40003	Health Department Facilities, Safety, and Administrative Support	(270,746)			<b>(270,746)</b>	(2.00)
40040	Financial and Business Management Services	(986,901)			<b>(986,901)</b>	(4.00)
40042	Contracts & Procurement	(486,222)			<b>(486,222)</b>	(2.00)
	<b>Total FBM</b>	(1,743,869)	0	0	<b>(1,743,869)</b>	(8.00)
<b>Health Officer</b>						
40002	Tri-County Health Officer	(164,197)			<b>(164,197)</b>	0.00
40005	Public Health & Regional Health Systems Emergency Preparedness	(38,357)			<b>(38,357)</b>	0.00
	<b>Total Health Officer</b>	(202,554)	0	0	<b>(202,554)</b>	0.00

# FY 2026 Adopted Budget Recap

Prog. #	Program Offer Name	General Fund Reductions	Other Fund Reductions (not SHS)	SHS Reductions	Total Reductions	FTE
<b>Operations</b>						
40044A	Health Data and Analytic Team	(798,974)		(182,050)	<b>(981,024)</b>	(5.00)
40046	Health Operations Administration	(217,866)			<b>(217,866)</b>	(1.00)
	<b>Total Operations</b>	(1,016,840)	0	(182,050)	(1,198,890)	(6.00)
<b>Public Health</b>						
40001	Public Health Administration and Quality Management	(320,648)	(65,411)		<b>(386,059)</b>	(3.30)
40006/ 40060	Tobacco Prevention and Control/ Community & Adolescent Health	(420,750)			<b>(420,750)</b>	(3.00)
40008	Vector-Borne Disease Prevention and Code Enforcement	(116,078)			<b>(116,078)</b>	0.00
40010A	Communicable Disease Prevention and Control	0	(378,490)		<b>(378,490)</b>	(2.81)
40010B	STI Clinical and Community Services	(31,876)	(854,631)		<b>(886,507)</b>	(4.16)
40010C	Communicable Disease Community Immunization Program	0	(1,449,966)		<b>(1,449,966)</b>	(7.62)

# FY 2026 Adopted Budget Recap

Prog. #	Program Offer Name	General Fund Reductions	Other Fund Reductions (not SHS)	SHS Reductions	Total Reductions	FTE
40010D	Supportive Housing Services for Communicable Disease Clients - Supportive Housing Services	0		(308,100)	<b>(308,100)</b>	0.00
40037	Environmental Health Community Programs	0	(778,551)		<b>(778,551)</b>	(2.54)
40037B	Gas Powered Leaf Blower Project	(219,628)			<b>(219,628)</b>	(0.80)
40048	Community Epidemiology	(15,591)	(1,743,468)		<b>(1,759,059)</b>	(6.20)
40053	Racial and Ethnic Approaches to Community Health	0	(479,976)		<b>(479,976)</b>	0.00
40054	Nurse Family Partnership	(1,986,828)			<b>(1,986,828)</b>	(6.00)
40055	Home and Community Based Consulting	0	(595,023)		<b>(595,023)</b>	(1.00)
40056	Healthy Families	0	(338,000)		<b>(338,000)</b>	0.00
40058	Healthy Birth Initiative	0	(112,500)		<b>(112,500)</b>	(0.50)
40060	Community & Adolescent Health	0	(381,999)		<b>(381,999)</b>	(3.40)

# FY 2026 Adopted Budget Recap

Prog. #	Program Offer Name	General Fund Reductions	Other Fund Reductions (not SHS)	SHS Reductions	Total Reductions	FTE
40061	Harm Reduction	(304,685)			(304,685)	(1.00)
40096	Public Health Office of the Director	(909,888)	(800,617)		(1,710,505)	(3.70)
	<b>Total Public Health</b>	(4,325,972)	(7,978,632)	(308,100)	(12,612,704)	(46.03)
	<b>Total Health Department</b>	(12,248,958)	(10,172,025)	(3,129,853)	(25,550,836)	(94.03)