

FY 2027 Health Department Budget

Core Principles

The Health Department's FY 2027 Proposed Budget is founded on core principles to:

- Maintain efforts to promote equity,
- Enhance our initiatives aimed at decreasing preventable deaths, and
- Sustain our statutory roles, fulfilling the responsibilities that are uniquely ours.

Community Safety Related Impacts

Corrections Health

Overview:

- Corrections Health is constitutionally required to provide
 - Medical, Dental, and Mental Health services
 - Connection to complex medical support (e.g., outside referrals/transport as medically indicated)
 - Specialty care and hospital treatment (to include urgent and emergent care)
- Over the past three fiscal years, costs have outpaced our budget allocation, with the following cost-drivers continuing to rise:
 - Outside Medical (e.g., Emergency Department visits doubling in cost over recent years)
 - Pharmaceuticals

Budget Impacts Related to Community Safety:

- The Transition Services Program (TSP) is the only non-statorily required service in Corrections Health's FY 2027 budget. All other services provided by Corrections Health are constitutionally-required and therefore must be prioritized. TSP was the only area in which Corrections Health could consider reductions.
- The FY 2027 Proposed Budget has restored a significant amount of TSP funding. These TSP funds will allow for basic support of individuals who are exiting custody and returning to life in the greater community. These supports include, but are not limited to: Medicaid reinstatement; care coordination; and providing naloxone and other basic health and sanitary supplies at release. As of 4/30/26, TSP is preserved *without* Clinical Support Specialists (TSP Planners) who have the ability to do case assessments. This means TSP will no longer be able to provide full transition plans to the Community Health Workers who assist people exiting custody.
- Medication Supported Recovery (MSR) is retained in the Corrections Health budget and this treatment will continue to be provided as needed.

Behavioral Health

Overview:

- The FY 2027 Proposed Budget for the Behavioral Health Division includes a reduction in FTE, from 332.42 FTE in FY 2026 to 291.33 in FY 2027, for a net loss of 41 positions. The Behavioral Health Division's Operations budget was reduced from \$155 million to \$129 million.
- These reductions stem from several co-occurring funding events:
 - First, the Behavioral Health Division lost approximately \$8 million in funding expected over an 18-month period beginning January 2026 from CareOregon, covering most costs associated with Care Coordination. CareOregon determined to bring that function in house due to the organization's own budget challenges;
 - Second, Behavioral Health experienced changes in the County Financial Assistance Agreement (CFAA) from OHA that explicitly required these funds to be directed first toward prescribed populations, thereby reducing available CFAA funding for services that had previously been funded with that source. Fully funding services such as Civil Commitment, Coordinated Diversion and Adult Protective Services came with increased reporting expectations that require higher administrative costs. Though Behavioral Health has experienced a modest increase in CFAA funds overall, these priority changes have meant that less CFAA funding is available for services such as prevention, youth and family services, and some crisis services. While some of those costs have been shifted to other sources, such as County General Fund, some Behavioral Health programs have been reduced. This is because the amount of total funding available has been reduced, necessitating reductions throughout the Behavioral Health Division.
 - Third, the County General Fund budget constraint, which impacts funds and FTE, compounded the Behavioral Health Division's need to reduce, aligning expenses with funding available.
- The current funding landscape for local behavioral health services is complicated by increasing community needs and the anticipation of federal policy impacts being realized over the next year and beyond.
- During the FY 2027 Budget development process, Behavioral Health worked hard to maximize efficiencies by combining administrative responsibilities across programs where possible and by reviewing contracts to identify under-utilization of services and then align contracts with use. Any funds saved are being leveraged to reduce direct service impacts.

Budget Impacts Related to Community Safety:

- Reductions to Behavioral Health programs can result in increased criminal justice involvement for individuals who are unable to access the appropriate and needed behavioral health services.
- The Oregon Health Authority (OHA) restructured its funding for behavioral health services in the most recent County Financial Assistance Agreement (CFAA).
 - The updated CFAA guidance mandates funding be prioritized on Aid & Assist, Civil Commitment, and Psychiatric Security Review Board (PSRB) mandated activities.

- In the FY 2027 Proposed Budget, CFAA funding for Coordinated Diversion increased to meet the new CFAA priorities and reporting metrics, replacing the County General fund that has historically subsidized these state-mandated programs.
- The Behavioral Health Division will continue to allocate 2.00 FTE in the Mental Health Court. Remaining FTE are allocated to pre-adjudication activities required by the CFAA.
- The Behavioral Health Division received a re-award of \$377,312 by the Criminal Justice Commission Improving People's Access to Community Based Treatment, Supports, and Services (IMPACT) Grant program. Grant funding will allow the Behavioral Health Division to continue providing 3.00 FTE of contracted peer staff to work with the Aid & Assist and Mental Health Court. These peer mentors specialize in serving individuals with behavioral health needs who are involved in the criminal justice system.
- In the FY 2027 Proposed Budget, a 14 bed culturally specific transitional housing program is eliminated. The program serves African American men who have criminal justice system involvement. These individuals are eligible for other programs, but will not have access to the specific culturally specific supports provided by this program.
- The FY 2027 Proposed Budget, the Gun Violence Behavioral Health Response Team (GVBHRT) is partially restored, which will retain services for at least 75 families annually, this is about half of the program's capacity in FY 2026.