



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to foster parent compensation; prescribing an effective date.

Government Unit(s) Affected: Department of Human Services

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Human Services	\$ 50,146,119	\$ -	\$ -	\$ 18,307,995	\$ 68,454,114	-	-
Total Fiscal Impact	\$ 50,146,119	\$ -	\$ -	\$ 18,307,995	\$ 68,454,114	-	-
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Human Services	\$ 68,059,531	\$ -	\$ -	\$ 25,561,716	\$ 93,621,247	-	-
Total Fiscal Impact	\$ 68,059,531	\$ -	\$ -	\$ 25,561,716	\$ 93,621,247	-	-

Measure Description

The measure requires the Department of Human Services (DHS) to modify the compensation structure for children's foster home providers to include 90% of the United States Department of Agriculture's (USDA) most recent estimated cost to raise a child, rate enhancements for infants or children with extraordinary needs and reimbursement for mileage, childcare, and respite care.

In 2017, the USDA published a report titled *Expenditures on Children by Families, 2015*. Report estimates were based on data from the 2011-15 Consumer Expenditure Survey. Based on inflation-adjusted figures from the 2017 report, DHS estimates the current maintenance payment represents 64% of the current cost to raise a child.

Fiscal Analysis

Oregon's current base foster care maintenance payment ranges from \$958 to \$1,022 per child per month. Effective January 1, 2026, SB 741 would increase the payment by an average of \$425 per month. Shelter care payments available to a resource family during the first 20 days of placement are assumed to increase an average of \$648.

The estimated fiscal impact of the measure is \$68.5 million total funds in 2025-27, increasing to \$93.6 million total funds in 2027-29 to cover a full biennium of increased payments. Each biennium thereafter foster care maintenance rates would be increased to maintain provider payments at 90% of the USDA's estimate for the cost to raise a child. The estimated fiscal impact is comprised of the following:

- \$37 million total funds to increase monthly maintenance payments, including for the base and enhanced shelter rates, for a caseload of 4,775 children.

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 741**

- \$12.6 million total funds to reimburse childcare, assumes a 26.4% utilization rate for children 0-12 and children with special needs for a total of 658 children.
- \$9.8 million total funds for travel reimbursement for court and other appointments, assumes 5 trips per month with an average of 40 miles per trip.
- \$9 million total funds for the enhanced infant rate for 363 infants.
- DHS currently administers a respite program and estimates no additional funds will be needed to meet the respite requirements of the measure.

Relevant Dates

The measure takes effect on the 91st day following sine die and is operative on January 1, 2026.