

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 574 - A

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

*Only Impacts on Original or Engrossed Versions are Considered Official*

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### **Measure Description:**

Allows use of public funds for out-of-state residential placement of students.

### **Government Unit(s) Affected:**

School Districts, Department of Human Services, Oregon Department of Education

### **Summary of Fiscal Impact:**

Costs related to the measure are indeterminate but anticipated to be minimal at this time - See explanatory analysis.

### **Analysis:**

Senate Bill 574 A-engrossed allows school districts to use public funds to place a student of any age in an out-of-state child-caring agency if the agency satisfies Oregon's licensing criteria for child-caring agencies and the school district has a contract with the child-caring agency in question. School districts must review their contracts with out-of-state child-caring agencies prior to placing a student with an out-of-state child-caring agency. The Department of Human Services (DHS) may charge a school district for DHS's costs associated with the licensing, investigation, and oversight of an out-of-state child-caring agency in which the school district places a student. The measure takes effect on passage and applies to any placement of a student in an out-of-state child-caring agency on or after its effective date.

### **School Districts**

Although the costs to school districts are presently indeterminate, the measure is anticipated to have a minimal fiscal impact on school districts. While it is unclear how many students would be considered for out-of-state placement in a child-caring agency, there is currently only one school district (Lincoln County School District) that has a student placed in an out-of-state child-caring agency, according to the Oregon School Boards Association. Assuming current trends continue, it is therefore very likely that few, if any, other school districts would enter a contract with a child-caring agency to place a student out-of-state. Assuming school districts were to enter such contracts, school districts may incur an increase in staff workload from preparing, reviewing, and entering these contracts and communicating with DHS. The measure also may increase school districts' services and supplies costs if DHS were to charge them costs for licensing, investigation, and oversight of out-of-state child-caring agencies. It should be noted, though, that because there is currently limited, if any, demand for placement of students out-of-state, DHS anticipates that it would not charge school districts anything.

### **Department of Human Services**

The measure is anticipated to have no fiscal impact on DHS.

### **Oregon Department of Education**

The measure is anticipated to have no fiscal impact on the Oregon Department of Education.