

Oregon Department of Human Services 2023-25 Policy Package

Division:	Child Welfare
Program:	Foster Care Program
Policy package title:	Foster Care/Resource Parent Reimbursement Rates
Policy package number:	POP 123
Related legislation:	N/A

Summary statement:	<p>All children deserve to grow up in a family. If a child is not able to remain in their own home, we need resource families who are diverse and affirming and can provide the support a child needs within their communities. Resource families receive a monthly payment, but the rates for Foster Care have not been adjusted since 2018. In 2018, the rates were based on 56.5% of the cost of raising a child at the USDA rate. Cost of living and inflation rates have continued to climb. The rate is intended to cover costs of food, shelter, clothing, school supplies, extracurricular activities, etc. for children in ODHS foster care. Resource Families have voiced to ODHS that the current rate does not cover the actual cost of caring for a child. The policy option package would bring the basic family foster care rate up to 80%-100% of the cost of care to raise a child. The rate would change at each biennium to include regular inflation and additionally, medical, and professional inflation. This would allow for increases every biennium. Increasing the rates could help attract and retain more resource families and help current resource families cover the cost of care.</p>
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	General Fund	Other Funds	Federal Funds	Total Funds	Pos.	FTE
Policy package pricing:	\$70,328,175	\$-	\$42,206,045	\$112,534,220	0	0.00

Purpose

1. Why does ODHS propose this policy package and what problem is ODHS trying to fix or solve?

Rates for Foster Care have not been adjusted since 2018. In 2018 the rates were based on 56.5 percent of the cost of raising a child at the USDA rate. Cost of living and inflation rates have continued to climb. The reimbursement rate is intended to cover costs of food, shelter, clothing, school supplies, extracurricular activities, etc. Resources Families have voiced to ODHS that the current rate does not cover the cost of caring for a child. We continue to have families request additional support for food, clothing, and shelter. The monthly base rate for caring for a child is currently \$693 for ages 0-5, \$733 for ages 6-12 and \$795 for ages 13-20. This rate creates challenges in ODHS' efforts to recruit new prospective resource families and retain current resource families. Bordering states, Washington, and California, have higher reimbursement rates.

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Washington recently increased their rates. The following includes their pricing and methodology.

The chart below outlines the monthly rates based on the child's age and their level.

Child's Age	Level I or Basic Rate	Level II (Includes Basic)	Level III (Includes Basic)	Level IV (Includes Basic)
0-5 Years	\$672.00	\$849.92	\$1195.51	\$1474.30
6-11 Years	\$796.00	\$973.92	\$1319.51	\$1598.30
12+ Years	\$810.00	\$987.92	\$1333.51	\$1612.30

The chart below breaks down the monthly basic rate by the child's age and basic needs.

Child's Age	Shelter ¹	Food ²	Clothing ³	Personal Incidentals	Total Level I or Basic Rate
0-5 Years	\$385.00	\$183.00	\$52.00	\$52.00	\$672.00
6-11 Years	\$385.00	\$291.00	\$44.00	\$76.00	\$796.00
12+ Years	\$385.00	\$318.00	\$43.00	\$64.00	\$810.00

¹ Shelter costs are based on 2019 Washington foster care non-relative placements, by county; and The FY 2019 Washington FMR Summary, average cost of adding a bedroom (from one to 4 bedrooms). (https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2019_code/2019state_summary.odn).

² USDA Moderate-Cost Food Plans July 2019, adjusted to Washington State Cost of Living (source: <https://fns-prod.azureedge.net/sites/default/files/media/file/CostofFoodJul2019.pdf>; 2010 Census Bureau Cost of Living for Urban Areas).

³ Clothing and a marginal portion of shelter costs are based on 2015-2017 Consumer Expenditure Survey (CES) updated to July 2019 dollars by using the Consumer Price Index, using the respective CES Expenditure Codes outlined in Tables 2-4.

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Below provides an overview for California rates:

3.2 Current Santa Clara County Foster Care Rates

Effective July 1, 2021, All County Letters (ACLs) 21-54 and 21-76 authorized the California Necessities Index (CNI) increase of 2.11% for Foster Care, Kinship-Guardianship Program (Kin-GAP) and Adoption Assistance Program (AAP) placements.

The Home-Based Family Care (HBFC) rates below are effective July 1, 2021 for FY 2021-2022.

TYPE OF PAYMENT / PLACEMENT	LOC Basic	LOC 2	LOC 3	LOC 4
MONTHLY RATES for Resource Families, Foster Family Homes, ARC, NREFMs	\$1,059	\$1,177	\$1,298	\$1,416

For additional information regarding California's rates, please visit:

http://policy.dcfs.lacounty.gov/content/AFDC_FC_GRI_FC_Rates.htm#BASICRATESCHDLEB.

Idaho and Nevada are currently proposing rate increases. The rate increase is needed to adequately support resource families. Nevada is currently under a rate review. They have hired a consulting firm to review nearing states and their pricing.

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Idaho is conducting a rate review and looking to increase its rates. They are also seeking other methodologies used by other jurisdictions. They currently are using the USDA report from 2105 and the US Bureau of Labor Consumer Price Index Calculator. These rates do not include the enhanced rates.

Below are pricing estimates that provide an idea of rates the State of Oregon may consider.

	Age 0-5	Age 6-12	Age 13-17	Age 18-20
FY 22 Foster Care Rate	\$395.00	\$439.00	\$585.00	\$674.00
Proposed Foster Care Rate	\$632.00	\$702.00	\$759.00	\$876.00

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Proposed rate at 100% cost reimbursed:

23-25 Impact of Costs Reimbursed					
Percent of Costs Reimbursed					
100%		Proposed Rate			
Description	Current Rate (March 2022)	100%	Change in Rate	% Change in rate	23-25 ADP (Spring22)
Foster care 0-5	\$ 693.00	\$1,497.60	\$804.60	116%	1,525
Foster Care 6-12	\$ 733.00	\$1,504.82	\$ 771.82	105%	1,227
Foster Care 13+	\$ 795.00	\$1,597.45	\$ 802.45	101%	1,109
Foster care Shelter rate 0-5	\$ 932.68	\$ 1,797.80	\$ 865.12	93%	118
Foster care Shelter rate 6-12	\$ 972.53	\$ 1,805.02	\$ 832.49	86%	62
Foster care Shelter rate 13+	\$ 1,035.19	\$ 1,897.66	\$ 862.47	83%	27
Foster Care Enhanced Shelter rate 0-5	\$ 1,652.72	\$ 2,697.90	\$ 1,045.18	63%	-
Foster Care Enhanced Shelter rate 6-12	\$ 1,692.57	\$ 2,705.12	\$ 1,012.55	60%	1
Foster Care Enhanced Shelter rate 13+	\$ 1,754.08	\$ 2,797.76	\$ 1,043.68	59%	2
Enhanced Supervision 1**	\$ 240.00	\$ 300.00	\$ 60.00	25%	619
Enhanced Supervision 2**	\$ 468.00	\$ 585.00	\$ 117.00	25%	263
Enhanced Supervision 3**	\$ 960.00	\$ 1,200.00	\$ 240.00	25%	613

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2. What would this policy package buy and how and when would it be implemented?

The policy option package would bring the basic family foster care rate up to 80percent to 100 percent of the cost of care to raise a child. The pricing shown is for 100 percent cost of care reimbursement. The rate would change at each biennium Current Service Level using the Resource Parent Rate Model, using updated USDA costs or, alternatively, using regular and medical/professional inflation rates as provided by DAS to update the model. This would allow for increases every biennium.

The table below displays the total 21-month costs for 100 percent, 90 percent, or 80 percent cost reimbursement be chosen. If something less than 100 percent of cost reimbursement is chosen for the 23-25 biennium, ODHS Child Welfare is requesting approval to phase in costs in the 25-27 biennium to reach the updated 100 percent cost reimbursement rate level.

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All Pricings are for 21 months					
Foster Care Rates as a Percent of Cost of Raising a Child					
Percent of Costs Reimbursed	100%	GF	OF	FF	TF
	Total Foster Care	49,385,469	-	23,240,259	72,625,728
	Total AA/GA	20,942,706	-	18,965,786	39,908,492
	Grand Total	70,328,175	-	42,206,045	112,534,220
Foster Care Rates as a Percent of Cost of Raising a Child					
Percent of Costs Reimbursed	90%	GF	OF	FF	TF
	Total Foster Care	38,385,522	-	18,063,822	56,449,344
	Total AA/GA	16,893,147	-	15,298,493	32,191,640
	Grand Total	55,278,669	-	33,362,315	88,640,984
Foster Care Rates as a Percent of Cost of Raising a Child					
Percent of Costs Reimbursed	80%	GF	OF	FF	TF
	Total Foster Care	27,494,670	-	12,938,646	40,433,316
	Total AA/GA	12,843,590	-	11,631,199	24,474,789
	Grand Total	40,338,260	-	24,569,845	64,908,105
*This changes costs in Regular Foster Care only. Enhanced Supervision rates are at 80% of the calculated full reimbursement cost.					

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3. How does this policy package help, or potentially hinder, populations that disproportionately or underserved? How does this policy package further ODHS's 3 strategic goals, and both the program and ODHS missions?

Payments directly to a certified resource family have not changed since the last rate increase in 2018. Increased support can provide further opportunity for targeted recruitment of resource families to maintain children with family, kin, or homes with expertise either lived or learned that can meet the well-being support of children with complex needs because more resource families will be able to afford to care for a child. The ODHS Vision for Transformation Guiding Principle 1: Supporting Families and Promoting Prevention means that our Child Welfare transformation is built on trauma-informed, family and community-centered and culturally responsive programs and services focused on engagement, equity, safety, well-being, and prevention. Keeping children connected to their community, family and identity is paramount to decreased experiences of trauma.

Quantifying results

4. What are the long-term desired outcomes?

One desired outcome is to continue supporting our goal of keeping children with their families and within their communities. If a child is not able to remain at home, Child Welfare wants to have resource families that are diverse, affirming and located in or near the community a child comes from to support maintaining connections.

Other desired outcomes are to increase community awareness about becoming a resource parent, to increase relative placements, and to support specific homes to meet individual needs of child or sibling group.

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5. How will ODHS measure the impact on system and access inequities and/or impact disproportionality in accessibility and services in ODHS programs through this policy package?

Families, relatives, kith/kin will have support in caring for a child in foster care and able to meet their needs without extraordinary out-of-pocket costs associated with raising a child. Often, accepting families, communities of color and tribal families have had an interest to care for a child but hesitate due to the financial hardship it can create. Increasing the reimbursement rate will provide the ability and opportunity to become a resource family, knowing the cost of care is covered while keeping that child connected to who they are and their community.

POPULATION/COMMUNITY	POTENTIAL POSITIVE IMPACTS	POTENTIAL NEGATIVE IMPACTS
Federally recognized Oregon Tribes	Increase in homes certified by Tribes or CW	
Black, Indigenous, Latino/a/x, Asian, and/or Pacific Islander communities	Increase in certified families	
LGBTQIA2S+ communities	Increase in homes for our children	

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People with disabilities

People who are aging

Rural communities

People experiencing low or no income

Ability to care for a child and meet their needs, especially relatives.

Other populations (specify)

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How achieved

6. What actions have occurred to resolve the issue prior to requesting a policy package?

Payments directly to a certified resource family have not changed since the last policy option package rate increase in 2018. OAR 413-090-0051 requires review of rate every two years and was listed in recommendations of both the SOS 2018 audit report and the 2019 follow up report. A POP is required to increase the rate. Additional supports are provided to families with childcare at a very low reimbursement rate of \$375 per month per child. Respite services are offered to provide breaks in care and are reimbursable at a current rate of \$55 per day. With funding from last session, ODHS CW is constructing types of respite available and looking to expand this support to resource parents. Increased Respite availability is expected to support retention of certified resource homes.

7. What alternatives were considered and what were the reasons for rejecting them?

Payments directly to a certified resource family have not changed since the last rate increase in 2018. Additional supports are provided to families with childcare at a low reimbursement rate of \$375 per month per child. Respite services are offered to provide breaks in care.

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8. What other agencies, programs, community partners or stakeholders are collaborating on this policy package?

Oregon Resource Family Alliance was made aware of the POP and is in support, Oregon Tribes, Resource Parents, Youth, or those with lived experience in the foster care system. No direct connection currently with listed partners.

9. Does this policy package require any changes to existing statute(s) or require a new statute? If yes, identify the statute and the legislative concept.

N/A

10. What other state, tribal, and/or local government agencies would be affected by this policy package? How would they be affected?

Oregon Resource Family Alliance, Oregon Tribes, Resource Parents, Youth, or those with lived experience in the foster care system. Increase in rate would allow for Oregon Resource Family Alliance to continue their support in recruitment of certified homes. The rate increase would help retain certified foster homes, boost recruitment efforts, and minimize out-of-pocket expense for all certified ODHS homes.

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11. Is this policy package being requested because of an Oregon Secretary of State or internal audit? If so, provide further information.

OAR 413-090-0051 requires review of rate every two years. Internal review determines rate increase needed to meet basic care costs of raising a child.

Staffing and fiscal impact

Implementation date(s): 10/1/2023

End date (if applicable): _____

12. What assumptions affect the pricing of this policy package?

Rate increases will need to be kept competitive using update data and/or current inflation rates. If rates are not adequate recruitment and retention of resource homes will be challenging.

13. Will there be new responsibilities for another agency (OHA etc.) and/or ODHS/OHA Shared Services? Specify which programs and describe their new responsibilities.

No

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14. Will there be changes to client caseloads Cost per Case or services provided to population groups? Specify how many in each relevant program.

Cost per case will be impacted in the Regular Foster Care, Shelter Care, Adoption Assistance, and Guardianship Assistance budgets. The change in cost per case is funded by this Policy Option Package.

15. Describe the staff and positions needed to implement this policy package, including whether existing positions would be modified and/or new staff would be needed.

No positions are needed to implement this policy package.

16. What are the start-up and one-time costs?

N/A

17. What are the ongoing costs?

This policy option package, funded for 21 months in the 23-25 biennium, will cost \$112,534,220 total fund for the 100% cost reimbursement level of investment. IV-E federal funding is available for IV-E eligible children, with federal funding making up 37.5% of the total fund expenditures.

GF	OF	FF	TF
70,328,175	-	42,206,045	112,534,220

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24 months in the 23-25 biennium would cost \$128,610,537 Total Fund, with the same fund split (37.5% federal funding)

In addition, for future biennia, we are proposing to update the Resource Parent Reimbursement Rate Model each biennium. If the underlying data from the USDA report “Cost of Raising a Child*” is updated, this data would be used to update the model. In lieu of that report being updated, we are proposing to update the model cost categories by the regular and additional inflation amounts, as provided in the budget instructions by DAS. Other data sources would be updated as well. These changes, calculated as part of Current Service Level budget, will keep Resource Parent reimbursement rates in line with the costs of care.

*Source:Lino, M., Kuczynski, K., Rodriguez, N., and Schap, T. (2017). Expenditures on Children by Families, 2015. Miscellaneous Publication No. 1528-2015. U.S. Department of Agriculture, Center for Nutrition Policy and Promotion. <https://www.usda.gov/media/blog/2017/01/13/cost-raising-child>

18. What are the sources of funding and the funding split for each one?

General Fund and IV-E Federal Funds (based on child-level IV-E eligibility).

19. What are the potential savings?

Potential savings are difficult to determine at onset. Likely stabilization of certified homes and increase in tenure of resource parents. Families will be able to support a child in their home in ways that support belonging and natural and prudent parenting practices that allow children in foster care to participate in activities that children not in foster care get to naturally participate in on a more consistent basis. Resource families may be less likely to request the child move and close their home due to financial hardship.

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Total for this policy package

	General Fund	Other Funds	Federal Funds	Total Funds	Pos.	FTE
Personal Services	\$0	\$0	\$0	\$0	0	0.00
Services & Supplies						
Capital Outlay						
Special Payments	\$ 70,328,175	\$ -	\$ 42,206,045	\$ 112,534,220		
Other						
Total	\$ 70,328,175	\$ -	\$ 42,206,045	\$ 112,534,220	0	0.00

Fiscal impact by program

	Child Welfare Program	Program 2	Program 3	Program 4	Total
General Fund	\$70,328,175				\$70,328,175
Other Funds	\$-				\$-
Federal Funds	\$42,206,045				\$42,206,045
Total Funds	\$112,534,220				\$112,534,220
Positions	-				-
FTE	-				-