



Legislative Fiscal Office  
 83<sup>rd</sup> Oregon Legislative Assembly  
 2025 Regular Session

Prepared by: MaryMichelle Sosne  
 Reviewed by: Gregory Jolivet  
 Date: March 29, 2025

**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	-	-
<b>Total Fiscal Impact</b>	<b>\$ 50,146,119</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,307,995</b>	<b>\$ 68,454,114</b>	<b>-</b>	<b>-</b>

  

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	-	-
<b>Total Fiscal Impact</b>	<b>\$ 68,059,531</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,561,716</b>	<b>\$ 93,621,247</b>	<b>-</b>	<b>-</b>

**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.