

LC 238
2026 Regular Session
12/19/25 (LAS/ps)

D R A F T

SUMMARY

Digest: The Act makes changes to the regulation of CCAs and creates exceptions to some child placements limits. (Flesch Readability Score: 60.1).

Expands the types of adverse licensing actions the Department of Human Services may take against child-caring agencies following certain findings.

Modifies certain provisions regarding the use of restraints on children in care.

Creates exceptions to certain placement limitations.

1 A BILL FOR AN ACT

2 Relating to the welfare of young people; creating new provisions; and
3 amending ORS 418.240, 418.322, 418.519 and 418.529.

4 **Be It Enacted by the People of the State of Oregon:**

5

6 CHILD-CARING AGENCIES

7

8 **SECTION 1.** ORS 418.240 is amended to read:

9 418.240. (1) All child-caring agencies shall obtain from the Department of
10 Human Services a license, certificate or other authorization to provide care
11 or services to children under ORS 418.205 to 418.327, 418.470, 418.475 or
12 418.950 to 418.970. The criteria for issuance, renewal, suspension or revoca-
13 tion of, or for placing conditions on, a license, certificate or authorization
14 under this section must:

15 (a) Be set forth in rules adopted by the department;
16 (b) Include the full compliance requirements set forth in subsection (2)
17 of this section; and

18 (c) Include, but are not limited to, the following:

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

- 1 (A) The fitness of the child-caring agency.
- 2 (B) The employment of capable, trained or experienced staff that meet
- 3 minimum staffing requirements.
- 4 (C) Sufficient financial backing to ensure effective operations.
- 5 (D) The probability of permanence in the child-caring agency.
- 6 (E) The care and services provided to the children served will be in their
- 7 best interests and that of society.
- 8 (F) That the child-caring agency is or will be in compliance with the
- 9 standards of care and treatment established in rules adopted by the depart-
- 10 ment.

11 (2)(a) The department may not issue or renew a license, certificate or

12 other authorization to a child-caring agency unless the department finds the

13 agency is or will be in full compliance with all of the following:

- 14 (A) The agency ensures child and family rights.
- 15 (B) The agency complies with abuse reporting and investigation require-
- 16 ments.
- 17 (C) The agency engages in and applies appropriate behavior management
- 18 techniques.
- 19 (D) The agency provides adequate furnishings and personal items for
- 20 children.
- 21 (E) The agency provides appropriate food services.
- 22 (F) The agency ensures the safety of children.
- 23 (G) The agency utilizes approved procedures and protocols for use of
- 24 medications for children receiving care or services from the agency.
- 25 (H) The agency or the agency's employees or agents have not engaged in
- 26 financial mismanagement.
- 27 (I) The agency fully and timely corrects violations and maintains stan-
- 28 dards in accordance with any plan of correction imposed by the department.
- 29 (J) The agency provides access as required under ORS 418.305 to a child
- 30 or the agency's premises to the department or the department's employees,
- 31 investigators, court appointed special advocates, attorneys for a child or

1 other authorized persons or entities.

2 (K) The agency provides the department with true copies of records re-
3 lating to incidents involving the restraint or involuntary seclusion of chil-
4 dren in care as required under ORS 418.526 (2).

5 (b) The department may suspend, revoke or place conditions on a license,
6 certificate or authorization of a child-caring agency if the department finds
7 the agency is not in full compliance with any one or more of the full com-
8 pliance requirements listed in paragraph (a) of this subsection.

9 (c) The department must take immediate steps to suspend, *[or]* revoke **or**
10 **place conditions on** the license, certificate or other authorization of a
11 child-caring agency, if any of the following are found to exist:

12 (A) There has been the death of a child as a result of abuse or neglect
13 on the part of the agency or any of the agency's employees or agents.

14 (B) There has been sexual or physical abuse or neglect of a child in the
15 agency's care or custody that was known to the agency and the agency did
16 not take immediate steps to report the abuse or neglect and to ensure the
17 child's safety.

18 (C) The agency failed to cooperate fully with any local, state or federal
19 regulatory entity's investigation of the agency or the agency's operations or
20 employees.

21 (D) The agency failed to provide financial statements as required under
22 ORS 418.255.

23 (d) If any of the circumstances described in paragraph (c) of this sub-
24 section exists, the department may immediately place conditions on the li-
25 cense, certificate or authorization of the child-caring agency prior to a
26 hearing if, consistent with ORS 183.430, the department finds there is a se-
27 rious danger to the public health or safety and sets forth specific reasons for
28 such findings.

29 (e) It is grounds to deny issuance or renewal, suspend, revoke or place
30 conditions on a license, certificate or other authorization if the department
31 becomes aware that a child-caring agency, or the owner or operator of the

1 agency, has been found by other state or federal entities to have engaged in
2 financial, civil or criminal misconduct.

3 (3)(a) If the Director of Human Services has taken action under sub-
4 section (2)(c) of this section to suspend or revoke a license, certificate or
5 other authorization, the notice of intent to suspend or revoke may be
6 rescinded if the director determines that the concerns regarding the health
7 and safety of the children in the child-caring agency's care or custody have
8 been ameliorated and any conditions placed on the license, certificate or
9 other authorization of the child-caring agency have been resolved.

10 (b) Fourteen days before rescinding a notice of intent to suspend or re-
11 voke, the Director of Human Services must provide written notice regarding
12 the intent to rescind to the Governor. The notice of intent to rescind is a
13 public record and open for inspection by any person without order of a court.
14 The notice of intent to rescind must include the following information:

15 (A) The circumstances that led to the notice of intent to suspend or re-
16 voke;

17 (B) The actions taken by the child-caring agency, the Department of Hu-
18 man Services, the Attorney General, the Oregon Youth Authority and the
19 Oregon Health Authority in response to the circumstances leading to the
20 notice of intent to suspend or revoke;

21 (C) Any penalties, fees or charges made or levied against the child-caring
22 agency; and

23 (D) A complete description of changes that were made at the child-caring
24 agency and the reasons for the determination that the concerns regarding the
25 health and safety of children in the child-caring agency's care or custody
26 have been ameliorated or that any conditions placed on the license, certif-
27 icate or other authorization of the child-caring agency have been resolved.

28 (c) In making a decision to rescind a notice of intent to suspend or revoke
29 under this subsection, the decision must be based solely on the health and
30 safety of the children served by the child-caring agency. Systemwide capacity
31 of the child welfare system may not be considered as an element of the de-

1 cision.

2 (d) For three years after a notice of intent to suspend or revoke is
3 rescinded under this subsection, the child-caring agency must apply for a
4 renewal of the child-caring agency's license, certificate or other authori-
5 zation on an annual basis.

6 (e) The department must provide the following with copies of a notice of
7 intent to rescind within five business days of issuing the notice:

8 (A) The Governor; and

9 (B) The committees of the Legislative Assembly relating to child welfare.

10 (4) The department may immediately place conditions on any license,
11 certificate or authorization issued under this section, including but not lim-
12 ited to placing full or partial restrictions on admission of children, tempo-
13 rary suspension, limitation of operations subject to an intent to revoke and
14 limitation of operations subject to correction of violations as specified in a
15 plan of correction imposed by the department. The department shall imme-
16 diately notify any state or governmental agency or unit that has a contract
17 with the child-caring agency to provide care or services to a child, and the
18 governing board, trustees, owners, managers, operators or other appropriate
19 authorities responsible for the child-caring agency, of conditions placed by
20 the department on the child-caring agency's license, certificate or authori-
21 zation under this section.

22 (5) If applicable, an applicant shall submit written proof of compliance
23 with the notification requirements in ORS 336.575.

24 (6) The department may not charge a fee for inspections leading to deci-
25 sions regarding, and issuance of, licenses, certifications or authorizations
26 under this section, but may impose fees to cover costs of related inspections
27 done for the department by other governmental agencies.

28 (7) Except as provided in subsection (3) of this section, a license, certif-
29 icate or authorization issued by the department under this section shall be
30 valid for a period of two years, unless suspended or revoked sooner by the
31 department. However, the department at any time may require amendments

1 to an existing license, certificate or authorization to accommodate changes
2 in the factors upon which the issuance was based.

3 (8) When a condition exists that seriously endangers or places at risk the
4 health, safety or welfare of a child who is receiving care or services at a
5 child-caring agency:

6 (a) The director shall issue an interim emergency order without notice,
7 or with reasonable notice under the circumstances, requiring the agency to
8 correct the conditions and ensure the safety of children in the care of the
9 agency. The interim emergency order shall remain in force until a final or-
10 der, after a hearing, has been entered in accordance with ORS chapter 183.

11 (b) The director may commence an action to enjoin operation of a child-
12 caring agency:

13 (A) If the agency is being operated without a valid license, certificate or
14 other authorization issued under this section; or

15 (B) If the agency fails to comply with a plan of correction imposed by the
16 department or to correct conditions not in conformity with standards as set
17 out in an order issued under paragraph (a) of this subsection, within the time
18 specified in the order.

19 (9) If the director, the director's designee or the department becomes
20 aware through any means that a child-caring agency, or an owner, operator
21 or employee of a child-caring agency, is the subject of an investigation by
22 another state agency, law enforcement agency or federal agency, the director
23 or director's designee shall take immediate steps to cause an investigation
24 to take place into the circumstances surrounding the investigation and
25 whether there is a threat to a child, or whether a child is at risk, at the
26 child-caring agency. Upon determination of the level of threat or risk to
27 children at the agency, the director shall take appropriate steps to protect
28 and ensure the health, safety and welfare of children as necessary under the
29 circumstances. Failure to comply with the requirements of this subsection
30 constitutes grounds for a charge of official misconduct in the second degree
31 under ORS 162.405.

1 (10) If the Department of Justice or Bureau of Labor and Industries
2 commences an investigation of a child-caring agency or an owner, operator
3 or employee of a child-caring agency, the Department of Justice or Bureau
4 of Labor and Industries shall notify, inform and regularly update the direc-
5 tor, the director's designee or such other personnel in the Department of
6 Human Services designated to receive such information regarding the inves-
7 tigation. The director and the department shall immediately undertake the
8 responsive action required by subsection (9) of this section upon receiving
9 such notification. Interference with, discouragement of or impediment to the
10 receipt of the notification, information and updates required under this sub-
11 section constitutes official misconduct in the second degree under ORS
12 162.405.

13 (11) The Department of Human Services shall adopt rules to implement
14 the provisions of this section.

15 **SECTION 2.** ORS 418.519 is amended to read:

16 418.519. As used in ORS 418.519 to 418.532:

17 (1) "Certified foster home" means a foster home subject to ORS 418.625
18 to 418.645.

19 (2) "Chemical restraint" means a drug or medication that is administered
20 to a child in care to control behavior or restrict freedom of movement.

21 (3) "Child-caring agency" has the meaning given that term in ORS 418.205.

22 (4) "Child in care" has the meaning given that term in ORS 418.257.

23 (5) "Children's emergency safety intervention specialist" means a qual-
24 fied mental health professional licensed to order, monitor and evaluate the
25 use of seclusion and restraint in accredited and certified facilities that pro-
26 vide intensive mental health treatment services to individuals under 21 years
27 of age.

28 (6) "Developmental disabilities residential facility" has the meaning given
29 that term in ORS 418.257.

30 (7)(a) "Involuntary seclusion" means the confinement of a child in care
31 alone in a room or an enclosed space from which the child in care is pre-

1 vented from leaving by any means.

2 (b) "Involuntary seclusion" does not include age-appropriate discipline,
3 including, but not limited to, time-out if the time-out is in a setting from
4 which the child in care is not prevented from leaving by any means.

5 (8)(a) "Mechanical restraint" means a device used to restrict the move-
6 ment of a child in care or the movement or normal function of a portion of
7 the body of a child in care.

8 **(b) "Mechanical restraint" does not include a vehicle safety re-
9 straint when used as intended during the transport of a child in care
10 in a moving vehicle.**

11 (9) "Proctor foster home" means a foster home certified by a child-caring
12 agency under ORS 418.248.

13 (10) "Program" means:

14 (a) A child-caring agency;

15 (b) A proctor foster home; or

16 (c) A developmental disabilities residential facility that is a residential
17 training home or facility licensed under ORS 443.415 to serve children under
18 18 years of age.

19 (11) "Prone restraint" means a restraint in which a child in care is held
20 face down on the floor.

21 (12) "Reportable injury" means any type of injury to a child in care, in-
22 cluding but not limited to rug burns, fractures, sprains, bruising, pain, soft
23 tissue injury, punctures, scratches, concussions, abrasions, dizziness, loss of
24 consciousness, loss of vision, visual disturbance or death.

25 (13) "Restraint" means the physical restriction of a child in care's actions
26 or movements by holding the child in care or using pressure or other means.

27 (14) "Secure adolescent inpatient treatment program" means a child-
28 caring agency that is an intensive treatment services program, as described
29 by the Oregon Health Authority by rule, that provides inpatient psychiatric
30 stabilization and treatment services to individuals under 21 years of age who
31 require a secure intensive treatment setting.

1 (15) "Secure children's inpatient treatment program" means a child-caring
2 agency that is an intensive treatment services program, as described by the
3 authority by rule, that provides inpatient psychiatric stabilization and
4 treatment services to children under 14 years of age who require a secure
5 intensive treatment setting.

6 (16) "Serious bodily injury" means any significant impairment of the
7 physical condition of an individual, as determined by qualified medical per-
8 sonnel, whether self-inflicted or inflicted by someone else.

9 (17) "Supine restraint" means a restraint in which a child in care is held
10 face up on the floor.

11 **SECTION 3.** ORS 418.529 is amended to read:

12 418.529. (1)(a) The Department of Human Services shall adopt by rule
13 training standards and certification requirements regarding the placement
14 of a child in care in a restraint or involuntary seclusion, consistent with this
15 section.

16 (b) The department shall designate [*two or three*] nationally recognized
17 providers of crisis intervention training that meet the department's training
18 standards and whose certifications issued upon completion of the training
19 programs the department will recognize as satisfying the department's certi-
20 fication requirements.

21 (2) The department's rules under this section must:

22 (a) Ensure consistency of training and professional development across
23 all programs;

24 (b) Require the teaching of techniques for nonviolent crisis intervention
25 that do not require restraint;

26 (c) Focus on de-escalation and trauma-informed behavioral support as the
27 core of a training program;

28 (d) Offer options for certification in skills that do not include the use of
29 restraint to improve agency-wide safety, culture and trauma-informed prac-
30 tices;

31 (e) Prioritize the reduction or elimination of the use of restraint and in-

1 voluntary seclusion;

2 (f) Ensure that any physical intervention skills taught are trauma-
3 informed, age-appropriate and developmentally appropriate for children in
4 care, reduce the risk of physical or emotional harm and are consistent with
5 all state and federal laws;

6 (g) Include training to identify the physical, psychological and emotional
7 risks for children and program staff related to the use of restraint and in-
8 voluntary seclusion;

9 (h) Ensure fidelity of training through the publication of consistent
10 training materials and resources for certified instructors and certified pro-
11 gram staff;

12 (i) Include requirements for instructor training and certification; and

13 (j) Require regular, ongoing support to certified instructors, including
14 quality control, monitoring of outcomes and provision of information re-
15 garding networks for professional collaboration and support.

16 (3) The department's rules must require that training instructors:

17 (a) Be certified to conduct the type of training the instructor is providing;

18 (b) Complete a minimum of 26 hours of initial education with a focus on
19 de-escalation, nonviolent intervention and methods consistent with the
20 department's rules for the use of *[physical intervention]* **restraint**;

21 (c) Complete a minimum of 12 hours of continuing education every two
22 years;

23 (d) Be recertified at least once every two years; and

24 (e) Demonstrate written and physical competency before receiving certi-
25 fication or recertification.

26 (4) The department's rules must provide that an individual who places a
27 child in care in a program in a restraint must be certified in the use of the
28 specific type of restraint used. The department's rules must describe the
29 minimum certification requirements, including:

30 (a) Completion of a minimum of 12 hours of initial training in person from
31 an instructor certified as provided in subsection (3) of this section, including

1 at least six hours of training in positive behavior support, nonviolent crisis
2 intervention and other methods of nonphysical intervention to support chil-
3 dren in care in crisis;

4 (b) Annual continuing education with a certified instructor; and
5 (c) Demonstration of a mastery of the training program material both in
6 writing and by physical competency before receiving certification.

7 (5) A certification issued under this section:
8 (a) Must be personal to the individual certified by the training provider;
9 (b) May be valid for no more than two years without recertification;
10 (c) Must require annual continuing education to maintain;
11 (d) Must require additional training to renew the certification;
12 (e) Must be portable between employers; and
13 (f) Must include:
14 (A) The dates during which the certification is current;
15 (B) The types of restraint in which the individual is certified, if any;
16 (C) The types of training the individual is certified to conduct, if any;
17 (D) Any special endorsements earned by the individual;
18 (E) The level of training; and
19 (F) The name of the certified instructor who conducted the training and
20 administered the assessment of proficiency.

21 (6) An individual whose certification is consistent with the department's
22 rules under this section shall maintain the documentation of the certification
23 and make that documentation available to the department upon request.

24

25 PLACEMENT DECISIONS

26

27 **SECTION 4. Out-of-state placement of Indian children.** (1) Not-
28 withstanding ORS 418.321 or 418.322, if there is reason to know, as de-
29 scribed in ORS 419B.636, that a child is an Indian child, the
30 Department of Human Services may place the child in an out-of-state
31 placement without requiring the placement to be licensed by or under

1 **contract with the department or to be a qualified residential treatment**
2 **program if:**

3 **(a) The placement complies with the placement preferences under**
4 **ORS 419B.654; and**

5 **(b)(A) The out-of-state placement is a youth regional treatment**
6 **center operated or funded by the Indian Health Service and serves the**
7 **needs of Indian children or youth; or**

8 **(B) The Indian child's tribe has affirmatively requested that the**
9 **child be placed in the out-of-state placement.**

10 **(2) As used in this section:**

11 **(a) "Indian child" has the meaning given that term in ORS 419B.603.**

12 **(b) "Qualified residential treatment program" means a program**
13 **described in ORS 418.323.**

14 **SECTION 5. ORS 418.322 is amended to read:**

15 418.322. (1) As used in this section:

16 (a) "Congregate care residential setting" means any setting that cares for
17 more than one child or ward and is not a setting described in ORS 418.205
18 (2)(c)(A), (C), (D), (E), [or] (F) **or (G)** or (10).

19 (b) "Sex trafficking" means the recruitment, harboring, transportation,
20 provision, obtaining, patronizing or soliciting of a person under 18 years of
21 age for the purpose of a commercial sex act, as defined in ORS 163.266, or
22 the recruitment, harboring, transportation, provision or obtaining of a person
23 over 18 years of age using force, fraud or coercion for the purpose of a
24 commercial sex act, as defined in ORS 163.266.

25 (2) The Department of Human Services may place a child or ward in a
26 congregate care residential setting only if the setting is:

27 (a) A child-caring agency, as defined in ORS 418.205, a hospital, as defined
28 in ORS 442.015, or a rural hospital, as defined in ORS 442.470; and

29 (b) A qualified residential treatment program described in ORS 418.323.

30 (3) Notwithstanding subsection (2) of this section, the department may
31 place a child or ward in a child-caring agency that is not a qualified resi-

1 dental treatment program if:

2 (a) The child-caring agency is providing prenatal, postpartum or parenting
3 supports to the child or ward.

4 (b) The child or ward is placed in an independent residence facility de-
5 scribed in ORS 418.475 that is licensed by the department as a child-caring
6 agency.

7 (c) The child or ward is, or is at risk of becoming, a victim of sex traf-
8 ficking and the child-caring agency is providing high-quality residential care
9 and supportive services to the child or ward.

10 (d) The Oregon Health Authority has approved the *[placement as med-
11 ically necessary]* **services or treatment** and the child-caring agency:

12 (A) Is a residential care facility;

13 (B) Is licensed by the authority and maintains site-specific accreditation
14 from a nationally recognized organization to provide psychiatric treatment
15 to children; and

16 (C) Has an active provider agreement with the Oregon Medicaid program.

17 (e) The child-caring agency is an adolescent residential drug and alcohol
18 treatment program licensed or certified by the State of Oregon to provide
19 residential care, and the court has approved, or approval is pending for, the
20 placement in the child-caring agency of each child or ward over whom the
21 department retains jurisdiction.

22 (f) The placement with the child-caring agency is for the purpose of
23 placing the child or ward in a proctor foster home.

24 (g) The child-caring agency is a residential care facility licensed by the
25 department that provides short-term assessment and stabilization services.

26 (h) The child-caring agency is a shelter-care home, as defined in ORS
27 418.470, that provides short-term assessment and stabilization services.

28 (i) The child-caring agency is a homeless, runaway or transitional living
29 shelter licensed by the department that provides short-term assessment and
30 stabilization services.

31 (j) The ward is 18 years of age or older and the child-caring agency is a

1 residential treatment facility or a residential home licensed or certified by
2 the department or the Oregon Health Authority.

3 **(k) The responsible Medicaid entity has approved the services or**
4 **treatment.**

5 **(4) Notwithstanding subsection (2) or (3) of this section, the de-**
6 **partment may place a child or ward in a congregate care residential**
7 **setting that is not a child-caring agency or a qualified residential**
8 **treatment program if the congregate care residential setting is an**
9 **adult setting licensed by the department or authority and provides**
10 **services or treatment that are medically necessary and medically ap-**
11 **propriate for the child or ward.**

12 **[(4)] (5)(a)** The department may not place a child or ward in a residential
13 care facility or shelter-care home described in subsection (3)(g) or (h) of this
14 section:

15 **[(a)] (A)** For more than 60 consecutive days or 90 cumulative days in a
16 12-month period, **unless the limits for the duration of the placement are**
17 **extended as provided in paragraph (b) of this subsection;** or

18 **[(b)] (B)** If the residential care facility or shelter-care home also serves
19 youths or adjudicated youths served by the county juvenile department or
20 adjudicated youths committed to the custody of the Oregon Youth Authority
21 by the court.

22 **(b) The department, by rule, may extend the limits for the duration**
23 **of placement of a child or ward under paragraph (a) of this subsection:**

24 **(A) As requested by the child or ward; or**

25 **(B) By up to 30 consecutive or 30 cumulative days in a 12-month**
26 **period if the department determines that the extension is in the best**
27 **interest of the child or ward.**

28 **[(5)] (6)** The department may not place a child or ward in a homeless,
29 runaway or transitional living shelter described in subsection (3)(i) of this
30 section for more than 60 consecutive or 90 cumulative days in any 12-month
31 period.

[(6)] **(7)** Calculations of the number of days a child or ward is placed in a shelter-care home under subsection (3)(h) of this section or a homeless, runaway or transitional living shelter under subsection (3)(i) of this section exclude the days the child or ward is in the shelter-care home or shelter if the child or ward:

6 (a) Accessed the shelter-care home or shelter without the support or di-
7 rection of the department; and

8 (b) Is homeless or a runaway, as defined by the department by rule.

9 [(7)(a)] **(8)(a)** Nothing in this section prohibits the Oregon Youth Au-
10 thority from placing an adjudicated youth committed to its custody in a
11 placement that is not a qualified residential treatment program.

12 (b) Nothing in this section prohibits the Oregon Youth Authority or a
13 county juvenile department from placing an adjudicated youth or a youth
14 served by the Oregon Youth Authority or the county juvenile department in
15 shelter care or detention under ORS chapter 419C.

16 (9)(a) All approvals of the exceptions described in subsections (3)(k)
17 and (5)(b) of this section must be made by the director of the division
18 of the department that administers the state child welfare program
19 or the director's designee. In addition, the exceptions under subsection
20 (3)(k) of this section must also be approved by the director of the di-
21 vision of the authority that administers the state medical assistance
22 program or the director's designee.

23 **(b) The department and the authority shall collaborate to establish**
24 **rules for the approval process under this subsection.**

MISCELLANEOUS

28 **SECTION 6.** The unit and section captions used in this 2026 Act are
29 provided only for the convenience of the reader and do not become
30 part of the statutory law of this state or express any legislative intent
31 in the enactment of this 2026 Act.

