

SB 741 -1 STAFF MEASURE SUMMARY

Senate Committee On Human Services

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/25, 4/3, 4/8

WHAT THE MEASURE DOES:

The measure requires the Department of Human Services to adopt a compensation rate structure for individuals who operate foster homes for children in care that ensures that individuals are appropriately compensated for the needs of children in care. The measure prescribes the required components of the rate structure.

Detailed Summary:

- Requires the Department of Human Services to adopt a compensation rate structure for operators of child foster care homes that ensures the operator is appropriately compensated for the needs of a child in care.
- Specifies that the rate structure must include:
 - a base rate that is at least 90 percent of the cost to raise a child, as estimated by the United States Department of Agriculture;
 - mileage reimbursement for transporting a child in care;
 - reimbursement for child care costs, up to a limit prescribed by the Department of Justice;
 - reimbursement for up to 16 hours of respite care; and
 - rate enhancements for a child in care who is an infant or has exceptional needs.
- Becomes operative on January 1, 2026.
- Authorizes the department to take necessary actions ahead of operative date.
- Takes effect on 91st day following adjournment sine die.

REVENUE: No revenue impact

FISCAL: Fiscal impact issued

ISSUES DISCUSSED:

- Background of litigation and recommendations of court-appointed special master
- Compensation currently provided to foster families
- History of rate adjustments
- Mechanism for respite care reimbursements
- Potential long-term fiscal impact
- USDA's estimate of the cost of raising a child from 2015
- Legal risk of providing insufficient funds according to mandated rate model
- Comparison with other rate models
- Importance of efforts and funds spent on prevention
- Costs of previous and ongoing litigation
- Prevalence of respite care models in other states
- Efficacy of increased reimbursements on improving outcomes for children

EFFECT OF AMENDMENT:

-1 The amendment replaces the measure. The amendment requires the Department of Human Services (ODHS) to report annually to interim legislative committees about compensation provided to foster homes and proctor foster homes beginning on July 1, 2026.

Detailed Summary:

This summary has not been adopted or officially endorsed by action of the committee.

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- Requires ODHS to report annually to interim legislative committees about compensation to foster homes and proctor foster homes by July 1.
- Specifies the content of the report, including information about the number of homes, caseload, capacity, payment methodology, rate increases, comparisons to other states, and estimates of the sufficiency of payments relative to the cost of raising a child.
- Requires the first report to be submitted by July 1, 2026.

REVENUE: No revenue impact

FISCAL: Has minimal fiscal impact

BACKGROUND:

Individuals who maintain foster care homes for children in care are eligible to receive [reimbursement payments](#) from the Department of Human Services that are intended to provide the child in care with food, clothing, housing, transportation, and other necessities. These foster care maintenance payments are authorized under [Title IV-E of the federal Social Security Act](#), which provides funds to states to pay for the cost of providing foster care, adoption, guardianship, and prevention services. The current monthly base rate is between \$958 and \$1,022 depending on the age of a child in care, plus enhancements based on the Child and Adolescent Needs and Strengths and for personal care services ([OAR 413-090-0000 et seq](#)). Additional payments are also made for child care costs and mileage reimbursements.

According to the United States Department of Agriculture's most recent report from 2017 on [Expenditures on Children by Families](#), a two-parent, middle-income family with two children would spend \$233,610 (in 2015 dollars) on child-rearing expenses through the course of a child's life from birth through age 17. Annual costs varied depending on a child's age and a family's income level, ranging between \$12,350 and \$23,380.