

HF987 - 1E - "Social Svcs For Reentering Foster Care"

Chief Author: **Peggy Bennett**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/10/2017**
 Lead Agency: **Human Services Dept**
 Other Agencies:
 Supreme Court

| State Fiscal Impact | Yes | No |
|---------------------------|-----|----|
| Expenditures | X | |
| Fee/Departmental Earnings | | X |
| Tax Revenue | | X |
| Information Technology | | X |
| Local Fiscal Impact | X | |

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

| State Cost (Savings) | Biennium | | | Biennium | | |
|----------------------------|----------------------|-----------|-----------|-----------|-----------|-----------|
| | Dollars in Thousands | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| Human Services Dept | | | | | | |
| General Fund | - | 40 | 41 | 42 | 43 | |
| State Total | | | | | | |
| General Fund | - | 40 | 41 | 42 | 43 | |
| Total | - | 40 | 41 | 42 | 43 | |
| Biennial Total | | | 81 | | | 85 |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|----------|----------|----------|----------|
| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| Human Services Dept | | | | | |
| General Fund | - | - | - | - | - |
| Total | - | - | - | - | - |

Lead Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Travis Bunch Date: 03/10/2017
 Phone: 651 201-8038 Email: travis.bunch@state.mn.us

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

| State Cost (Savings) = 1-2 | | Biennium | | | Biennium | |
|--|-----------------------|-----------------|---------------|---------------|-----------------|---------------|
| Dollars in Thousands | | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
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| | Biennial Total | | 81 | | 85 | |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| Human Services Dept | | | | | | |
| General Fund | - | 40 | 41 | 42 | 43 | |
| Total | - | 40 | 41 | 42 | 43 | |
| | Biennial Total | | 81 | | 85 | |
| 2 - Revenues, Transfers In* | | | | | | |
| Human Services Dept | | | | | | |
| General Fund | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |
| | Biennial Total | | - | | - | - |

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|--------------------------------------|----------|----------|----------|----------|----------|
| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| General Fund | - | - | - | - | - |
| Total | - | - | - | - | - |

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Travis Bunch Date: 3/10/2017 11:38:21 AM
 Phone: 651 201-8038 Email: travis.bunch@state.mn.us

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| Biennial Total | | | | 81 | | 85 |
| 2 - Revenues, Transfers In* | | | | | | |
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| Total | | - | - | - | - | - |
| Biennial Total | | | | - | | - |

Bill Description

The bill as amended requires responsible social services agencies to provide foster care or other services to certain individuals reentering foster care after 18 years of age up to age 21.

Assumptions

This bill would allow all eligible Northstar Foster Care (NFC) youth to re-enter extended foster care after the age of 18 regardless of county funding being available. Currently NFC youth ages 18, 19 & 20 can be eligible for extended foster care if they transition from foster care at age 18 and are eligible based on one or more conditions listed in state and federal statute. However, if a child leaves foster care at age 18 and wants to return to foster care at a later date, they are currently only eligible to return to foster care if county has funds available. Under this bill, a county would no longer be able to refuse to allow an eligible youth to return to extended foster care.

The primary fiscal impact of this bill is expected to result in higher payments due to increased number of eligible youth re-entering foster care where previously they might be denied by county due to lack of county funds.

Based on 2016 SSIS data, it is estimated that there are 419 young people age 18-21 who left foster care and were not receiving extended foster care. A 5% random sample taken from the 419 young people show that none of them were denied re-entry to foster care due to lack of county funds. A third of them were receiving adult services instead and the rest were offered but declined extended foster care. The data indicate that very few if any young people were kept out of extended foster care because they were denied re-entry due to lack of county funds. It is assumed that no more than 35 youth would re-enter extended foster care per year as a result of this bill. The NFC basic rate for this group of young people is expected to be \$909 per month and their supplemental benefit is estimated at \$204 per month effective July 1, 2017. Base on this information, the FY18 monthly average foster care payment for this group is estimated at \$1113 per person per month and year to year average payment change would be tied to the CPI.

Northstar Foster Care is funded by a mix of federal, local, and state dollars. The federal share for this group of young people is 50% and the local/state split is based on the actual FY16 NFC local and state share. It is estimated that the FY16

local share is 83% of the non-federal portion and state is 17% of the non-federal portion. This bill would be effective on July 1, 2017. The estimated county share in total would be approximately \$200,000 per year.

Changes are effective July 1, 2017.

No MN.IT@DHS systems changes are required to implement this language.

Expenditure and/or Revenue Formula

| | <u>FY2018</u> | <u>FY2019</u> | <u>FY2020</u> | <u>FY2021</u> |
|--|---------------|---------------|---------------|---------------|
| Increase in monthly average recipients | 35 | 35 | 35 | 35 |
| Monthly average payments | \$1,113 | \$1,140 | \$1,169 | \$1,199 |
| Months | 12 | 12 | 12 | 12 |
| NFC cost | \$467,618 | \$478,631 | \$491,171 | \$503,503 |
| | | | | |
| Funding (in thousands) | <u>FY2018</u> | <u>FY2019</u> | <u>FY2020</u> | <u>FY2021</u> |
| | | | | |
| NFC total cost | \$468 | \$479 | \$491 | \$504 |
| % non-federal share | 0.5 | 0.5 | 0.5 | 0.5 |
| NFC non-federal share | \$234 | \$239 | \$246 | \$252 |
| | | | | |
| Local share @ 83% | \$194 | \$199 | \$204 | \$209 |
| State cost | \$40 | \$41 | \$42 | \$43 |

| <u>Fiscal Tracking Summary (\$000's)</u> | | | | | | |
|--|-------------|--------------------------------|---------------|---------------|---------------|---------------|
| <u>Fund</u> | <u>BACT</u> | <u>Description</u> | <u>FY2018</u> | <u>FY2019</u> | <u>FY2020</u> | <u>FY2021</u> |
| GF | 26 | Northstar Grants | 40 | 41 | 42 | 43 |
| | | | | | | |
| | | | | | | |
| | | Total Net Fiscal Impact | 40 | 41 | 42 | 43 |
| | | Full Time Equivalents | 0 | 0 | 0 | 0 |

Long-Term Fiscal Considerations

As described

Local Fiscal Impact

None

References/Sources

Ralph McQuarter, Children and Family Services
DHS Feb, 2017 Forecast

Agency Contact: Ralph McQuarter (651-431-3858)

Agency Fiscal Note Coordinator Signature: Don Allen

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HF987 - 1E - "Social Srvcs For Reentering Foster Care"

Chief Author: **Peggy Bennett**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/10/2017**
 Agency: **Supreme Court**

| State Fiscal Impact | Yes | No |
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| Expenditures | | X |
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| Information Technology | | X |
| Local Fiscal Impact | | X |

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|-----------------------|----------------------|--------|--------|----------|--------|--------|
| | Dollars in Thousands | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|--------|--------|----------|--------|
| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| Total | - | - | - | - | - |

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Jim King Date: 3/1/2017 2:18:58 PM
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State Cost (Savings) Calculation Details

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| State Cost (Savings) = 1-2 | | Biennium | | | Biennium | |
|--|--------|----------|--------|--------|----------|---|
| Dollars in Thousands | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |
| 2 - Revenues, Transfers In* | | | | | | |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |

Bill Description

HF987-1E modifies Minn. Stat. § 260C.451, subdivision 6 by removing the option and making it mandatory that the social services agency responsible for individuals in foster care provide foster care or other services to individuals who had not been under guardianship of the commissioner of human services prior to 18 years of age and who, after the age of 18, ask to reenter foster care, and expanding the eligibility criteria to include individuals who left foster care within 6 months prior to the person's 18th birthday. This bill also removes the option and makes it mandatory that the responsible social services agency develop a specific plan related to the individual's vocational, educational, social, or maturational needs and provide foster care as required to implement the plan.

Assumptions

It is assumed the number of individuals who were not under the guardianship of the commissioner and had left foster care within six months prior to the individual's 18th birthday may choose to reenter foster care if the restriction of services is no longer tied to available appropriations. It is further assumed social service agencies who are responsible for individuals in foster care will no longer have discretion to decide whether or not to permit a youth to return to foster care or with implementing a plan for transitioning an individual from foster care to independent living after foster care based on resource availability, or lack thereof. Under Minn. Stat. § 260C.451, subd. 9, the court must hold a review hearing at least annually to determine if the social services agency is planning adequately for the youth's successful independent living after foster care. It is assumed the number of hearings that the court must schedule will increase if qualifying individuals choose to reenter foster care. Annual hearings are tracked in the Minnesota Judicial Branch's court information system (MNCIS) but the data does not provide detailed information on the children in foster care or distinguish between youths under 18 years of age and youths who are between 18 and 21 years of age. As of December 31, 2016, a new data element has been implemented in MNCIS that tracks the notices sent to youth before age 18 to 21 benefits are terminated. There is not yet sufficient data to perform an analysis of the possible number of youth between 18 and 21 that might return to foster care, which will result in additional annual hearings.

Expenditure and/or Revenue Formula

The additional judge time and additional hearing time needed for annual reviews of youth who, after the age of 18, reenter foster care is not known.

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

Agency Contact: Janet Marshall

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