

Change Item Title: Northstar Care for Children

Fiscal Impact (\$000s)	FY 2014	FY 2015	FY 2016	FY 2017
General Fund				
Expenditures	378	2,014	4,989	8,242
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	378	2,014	4,989	8,242

Recommendation:

The Governor recommends consolidating three existing programs, Adoption Assistance, Relative Custody Assistance and family foster care, into a single program to support permanency for children for new placements, effective January 1, 2015, with an investment of \$2.4 million to the General Fund in in the 2014-15 biennium.

Rationale/Background:

Currently, the financial benefit across the programs are inconsistent with family foster care typically providing higher levels of financial benefits than Adoption Assistance or Relative Custody Assistance for caregivers who offer permanent homes for children. Findings from the evaluation of a demonstration project implemented in select Minnesota counties between 2005 and 2010 reflected higher rates of adoption and transfer of physical and legal custody to relatives, particularly for American Indian and African American children. This new program would provide a basic monthly payment based on children’s age and a supplemental rate based on an assessment.

Proposal:

All children would go through a uniform assessment to determine their needs beyond the basic level. Children under the age of 6 would receive a lower benefit, reflecting the fact that they tend to be adopted or obtain a permanent relative custodian more easily and quickly than those over age 6, and the disparity in payments is not a barrier. Children in all three existing programs would be grandfathered under current programs unless specifically transitioned into Northstar Care. This proposal would take advantage of recent federal Fostering Connections to Success and Increasing Adoptions Act to access Title IV-E funds for the guardianship assistance component. This change requires investment of state funds to support the equalized benefits and to make computer systems changes. There would be some increased costs in the second biennium to continue the phase-in process. The proposal would introduce a state/local non-federal share under the single benefit, replacing differing state and local share responsibilities under the three existing programs.

Performance Measures:

Implementation of Northstar Care would reduce the number of children in out-of-home care; reduce the length of stay in out-of-home care; and, increase the percent of children adopted within 24 months of entry in foster care.

Statutory Change: New section and Minnesota Statutes 2012 § 257, 259A, 260C, 256J

2014-15 Biennial Budget

Human Services

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (000's)			FY 2014	FY 2015	FY 14-15	FY 2016	FY 2017	FY 16-17
General Fund			378	2,014	2,392	4,989	8,242	13,231
HCAF								
Total All Funds			378	2,014	2,392	4,989	8,242	13,231
Budget Detail	BACT#	Description	FY 2014	FY 2015	FY 14-15	FY 2016	FY 2017	FY 16-17
GF	11	Operations SSIS	378	110	488	110	110	220
GF	21	MFIP/DWP Grants	0	(382)	(382)	(2,546)	(3,309)	(5,855)
GF	45	Children's Services	0	2,286	2,286	7,425	11,441	18,866
Requested FTE's								
GF								
Other								