



OFFICE OF THE RAMSEY COUNTY ATTORNEY
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Overview of SF3647 (Hoffman)
Senate Human Services Reform Committee
Tuesday, March 29, 2022

Testifiers:

- Trish Skophammer, Ramsey County Child Support Services Director (in-person)
- Michelle Koepl, testifying on behalf of her impacted family located in Washington County (in-person)

Background:

SF3647 (Hoffman) gives counties the discretion regarding collection of payment for out-of-home placements. Minnesota law currently requires that counties and the state collect payment for children in out-of-home placement. Children may be placed outside the home in cases of foster care, group home, treatment center, or because of juvenile detention.

In 2019, the Minnesota Department of Human Services (DHS) internally studied the cost effectiveness of out-of-home placement policies and analyzed how much counties and the state spent to collect payment from parents for out-of-home placement costs. The study found that in 2019 about 4,500 families owed \$10.8 million for out-of-home placements. The average bill was \$1,174.

The study also found that Minnesota counties spent \$10.5 million in administrative costs attempting to recover that money from parents, but only actually collected \$2,987,594 from parents, just 30 cents on the dollar. Also, 80% of families in Minnesota billed for cost of care through the child support system had incomes of less than \$10,000 per year.

Furthermore, NPR published a news story in December 2021 on the out-of-home cost of care reimbursement issue. NPR requested data from all 50 states. Based on the states that responded, their analysis found:

- The fees charged are almost exclusively to the poorest families.
- When parents get billed, children spend added time in foster care and this debt follows the families for years, making it harder to climb out of poverty.
- Government recovers little money, or even loses money, when it tries to collect payment.

Lastly, a study from the Institute for Research on Poverty at the University of Wisconsin-Madison studied out-of-home placement in Wisconsin. The study looked at various counties in Wisconsin, some counties that charged for the out-of-home placement and other counties that did not. The study measured, among other issues, parental reunification when an out-of-home placement bill remains unpaid. The study found that charging \$100 a month in child support increased the time that a child was out of the home by 6.6 months, thus working against the goal of family reunification (2016).

Recent News Stories:

- NPR: [States send kids to foster care and their parents pay the bill – often one too big to pay](#), published December 27, 2021
- FOX9: [Parents struggle to pay out of home placement, state spends \\$10 million to collect \\$3 million](#), published November 13, 2019